

**Kazakhstan, Capitalism, and Conscience:
Metamorphosis of a Former Soviet Republic's Business Education**

By

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Abstract

This paper begins by discussing the foundation of enquiry from the literature in philosophy of science, which will range from the Epistemologist to the Phenomenologists. Most models of business education have been based on this range of viewpoints in the business research literature. Variations have occurred over time as these paradigms have shifted from one generation to another and as they have disseminated into various cultures throughout the world.

In many of the former Soviet republics, such as in Kazakhstan, the Soviet style of education based on centralized democracy and Marxist theory has prevailed for many years, and with the collapse of this system, many republics have found themselves now in the category of "developing countries." The models that are currently being used in national and government funded universities to teach business education are similar to those that were used in the 1950's in America and Europe, however, this is beginning to change, as a consumer culture with access to cable television begins to teach a new generation of Kazakhstanis about capitalism and materialism.

This paper explores the theories of what is being taught, how it is being taught, and whether this is having any impact on the economy. The author is a Vice President of Marketing at a Multinational corporation (Planet Electronics) with insights into how the theory is being disseminated into major corporations in Kazakhstan and the impact that it is having on the economy. Significant differences between the type of institutions and the ability to pay for foreign faculty, and the ability of students to pay the resultant high tuition is having a major impact on who is "winning" the race of applying capitalism in a former Soviet republic.

Kazakhstan is also looking at the significant changes in China and its education system, as well as its entry into the WTO, and the impact of its Special Economic Zones. This will be compared to the sudden application and influx of capitalist perspectives in Kazakhstan, as the two countries have many things in common and have the same ambitions and goals, although different approaches to these through business education. Finally, the issue of academic integrity will be explored in the context of the above issues.

The Paradigmatic Approach to Business Education

Neither of the co-authors were around when business first started being taught at Universities, but both of us have been taught by professors who were. One such professor is Dr. C.L. Abercrombie, now Professor Emeritus from the University of Memphis. He was one of the first business professors in North America and, like most in his cohort, came from a background in industry. When he first became a university professor, there were a wide variety of professors who believed a wide variety of models for how the discipline should be taught. Professor Abercrombie (no one ever used his first name, out of respect for the long history and amount of his experience) used to tell stories fondly recounting the history of business and business education and when universities first began to offer courses and programs in business administration. Most of the models being used at that time had their foundations in the paradigms of scientific enquiree. Some professors believed that business should be taught from an empirical perspective, in order to establish the discipline as more “serious” and “scientific” compared to others who wanted to take a more “applied” approach (Abercrombie, 1989).

Those professors who labeled themselves as empiricists, felt there was one Truth that we were on a journey to discover, thus their lectures were presented in a very authoritarian manner, with THE truth being told about how business should be done. However, those who labeled themselves phenomenologist, felt that there were many truths, and thus many ways of doing business, and their classes took a more exploratory approach to figure out what method was best used in business under which circumstance, and the way the class was taught was a more relaxed and exploratory environment, with many options to select from in completing assignments or other forms of assessment (Tidwell, 1999).

Thus, as the overall discipline of business followed in the paths of paradigms, so too did the presentation of material in the classroom. These trends were also reflected in the type of

research that was encouraged or discouraged at various Business Departments, some preferring a more empirical approach, while others preferred more phenomenological approach.

Each of these two ends of the paradigmatic spectrum (and all options in-between such as the critical theorists) had their main aspects upon which they differed in how business models developed over time, and how they were taught in the classroom:

1. Ontological,
2. Epistemological, and
3. Methodological.

Ontological deals with where the knowledge comes from, its origins. For example, in marketing, many believe that the discipline arose from economics and the study of supply and demand; however, others believe that a consumer orientation first started in the human factors domain when airplanes were re-designed in World War II to suit the pilots' needs. Regardless of supply and demand and economic theory, those "consumers" needs played an important role in the outcome of the war, which was the business at hand (Tidwell, 1996).

Epistemological refers to how you know something, or the nature of the knowledge. Typically this refers to what the Truth is, rather than where it came from. For example, most economists believe consumers are rational beings, and thus some marketers follow this belief. However, others from a psychology background believe consumers are irrational and seek to explain their irrational behavior (Tidwell, 1999).

Methodology, on the other hand is how test what you know, to determine if it is true or not. The empiricists tend to use experimental designs to prove casualty, controlling for all extraneous variables. Phenomenologists, on the other hand believe that these are many truths and they exist within the mind of the researcher and in the context of what is being studied. Anthropologists studying modern day consumer culture in the context of ancient rituals and rites, such as Dr. Russell Belk, tend to use the emic and etic perspectives to get an overall view of how the truth is perceived from all viewpoints. In his series of studies of studies on the Aboriginal peoples of

Australia and how they integrate past and present consumer products, he investigated this phenomenon from many views. And he teaches in much the same way as he conducts his research, changing roles with his students and engaging them in his research as colleagues, as teaching becomes a mutually rewarding experience for all concerned (Belk, 1995).

Many professors such as Russell Belk use a sophisticated technique called triangulation. Triangulation is when you take several methods, from several paradigms and test to see if they all produce the same conclusions, and most doctoral theses and dissertations in business over the last 10 years, throughout the world, have used this technique in order to satisfy all their supervisors and committee members, which have a tendency to be from different paradigmatic backgrounds. Most committee members have one paradigm they prefer a student to use, and have strong biases against the others, so it is in the best interest of the graduate student to use this methodology to ensure a positive outcome and expeditious progress through his or her course of study (Tidwell, 1999).

Temporal Trends and Practices

Prior to 1950 business education at universities was primarily embedded in the empiricist school of thought and was emerging from a legal and economic perspective. At vocational schools, however, the applied approach was taken, with business skills being taught to all who wanted a career, for example in legal or administrative services (Abercrombie, 1989). However World War II challenged everyone's assumptions of lives, and this included how the business discipline was being taught (Abercrombie, 1989). Many people challenged the rational and empiricist approach to teaching business, and began integrating many other schools of thought, from psychology, anthropology, and sociology into the content and process of business teaching. (Abercrombie, 1989). Thus, from 1950 to 1980 was an age of experimentation and testing of limits at many business schools, where multidisciplinary topics and methods of teaching

emerged. Professors from psychology and sociology became members of the business faculty and a unique combination of thought emerged (Abercrombie, 1989).

However, at the same time accreditation procedures for business education were developing and, by 1980 those who wanted to join the “club” were required to curtail their more creative curriculum tendencies, as strict guidelines were established in the name of “quality” (AACSB website). Some individuals from disciplines related to, but not offered in, the Business Schools or Departments were not allowed to take courses in the Business School if they were undergoing accreditation, which put undue restrictions on individuals and the overall development of business education in the name of quality. For example at the University of Memphis students in consumer psychology and social psychology related to overall trends in the marketplace and individual purchase attitudes and behaviour were removed from courses in which they enrolled in order to ensure an overall “quality” in the business discipline and permit them to enter the ranks of Schools accredited under the AACSB guidelines (Tidwell, 1993).

Individuals that had been allowed to take a wide variety of business courses in the early 1980’s, by the late 1980’s were not allowed to enroll in any business courses, and had to get permission from the Dean to sit in and audit classes (unofficially, of course) even for the courses that they were going to be teaching once they finished their degrees, such as those majoring in Consumer Psychology (a multi-disciplinary degree combining Computer Science, Cognitive Psychology and Marketing). Thus, from 1980 to 2000 we would like to label the “bureaucratic” years, with content and process of business teaching being scrutinized through standards and benchmarking, in a process of conforming to what everyone else was doing, or rather not doing. Academic Freedom was challenged as course syllabi were required to meet certain standards, and even the models of international education that had once been respected and revered were giving up their individuality to “join the club” (Tidwell, 1993).

Presently, there is an increased awareness of the way business is taught throughout the world, however, there appears to be an overall lack of respect for diversity and an underlying

assumption that each of our own models is THE correct one. Instead of increasing our overall appreciation of the historical developments that have produced these differences, we seem willing to trim around the edges to try and make everyone conform to certain standards which I believe will restrict the overall development of the discipline. How we teach business and what we teach are intricately linked to one another, and we must retain “quality” without sacrificing our creativity and diversity, both as institutions in curriculum development, and as instructors in individual syllabi and course design and delivery. I believe all accreditation bodies, local, regional, national, and international should carefully examine this issue for all those who have undergone accreditation. All those Business Schools who have gone through this process should ask themselves what they gave up in order to join the club, and those contemplating membership in the club should carefully consider the overall benefits and sacrifices that they will have to make to make in the name of quality and standardization. Cloning should not be a concept that business education implements, as diversity is what encourages creativity, and this is what started businesses in the first place.

Cultural Traditions

The Soviet Model

Education in the Soviet Union was one of the best in the world, with the highest overall quality standards, and very specific procedures followed for curriculum development, course content, and all assessment criteria (for a complete historical review please see Dailey and Cardozier, 1989). The centralized government ensured that universities only taught what the labour market needed to a degree unheard of in other countries. For example economics majors were trained especially to major in the socialist form of economics, based on how many economists would be needed by the time of graduation. Under this system, they ensured that all universities were doing the same thing, and studying a certain content that conformed to the rhetoric of the day. Thus, this is not unlike what the AACSB was attempting to do with its accreditation procedures in the early 1980’s in the United States.

Students rise at the beginning of class, no one is allowed to talk, come late or leave early. Discipline and control are maintained by the professor to ensure maximum efficiency in delivery of the lecture material, with the least amount of interruptions. Final Exams are given orally to all students, with completely randomized questions being asked of each student for a subset of the total set of test questions that have been thoroughly covered in tutorials or workshops, which are held each week for each lecture delivered. The overall methods of business education were based on traditional teaching methods, introduced by Peter the Great (Avis, 1987; Dunstan, 1987; Holmes, 1991; Kirschenbaum, 2001)

The Post Soviet Model

The overall educational system under the Soviet Union has not disappeared with the collapse of the government system (Gershunsky, 1993). Remnants of the past are far more likely than not, with people uncertain of which parts to retain and what to change (Holmes, Read, and Voskresenkaya, 1994). A variety of options are being considered, but each change takes a very long time to consider and debate on how it will be tested, because the overall decision-making autonomy has not been taught to the majority of the people who are in authority to make the changes (Dailey and Cardozier, 1989; Jones, 1994). Discussions of groups, debates, opinions and evaluations take months and sometimes years in order to make even the most minor changes (Zouev, 1999). However, this can also be said about university bureaucracies throughout the world. Resistance to change is a human quality, regardless of which form of government they have had or how much they have been taught to make empowered individual decisions (Tidwell, 1996).

In many of the former Soviet republics, such as in Kazakhstan, the Soviet style of education based on centralized democracy and Marxist theory has prevailed for many years, and with the collapse of this system, many republics have found themselves now in the category of “developing countries.” The models that are currently being used in national and government

funded universities to teach business education are similar to those that were used in the 1950's in America and Europe, however, this is beginning to change, as a consumer culture with access to cable television begins to teach a new generation of Kazakhstanis about capitalism and materialism.

The have's and the have-not's have returned to the former Soviet republics with all the flamboyance of its former bourgeoisie and proletariat class distinctions. The wealthy seek material gratification and can afford to send their children to the most expensive universities, while the poor suffer and dream of attending any college or university, one day or one generation to come. The wealthy can afford to have their children learn the most modern and Western methods of doing business, while the poor learn 1950's economics wrapped in a Soviet-system style of delivery. Although the economy is classified as "developing" Kazakhstan has modern plumbing facilities, the most advanced science in the world (leading in aerospace technology, recall the USSR was the first in space, and those institutions were/are located in Kazakhstan). According to the classical definitions of "developing economies" the former Soviet republics meet many of the criteria of a "developed" country, however, the biggest difference is the overall distribution systems and level of production.

During the Soviet times, the system was so elaborately linked that it was like the 5 blind ladies and the elephant, with each only holding a small part of the elephant and no one grasping the entire picture, no one is able to determine that it is an elephant, much less teach it how to stand on its hind legs. Thus, even though the concept of the Commonwealth of Independent States (CIS) was/is a good one, with free trade across all former Soviet republic borders, overall production and distribution systems have not been coordinated well enough to maintain the level of production in their glory days of the Soviet union. Assembly lines stand still, agricultural machinery rusts, and people go hungry making homemade bread and milking their cows by hand selling them door to door trying to make a living.

While the wealthy are able to come into the largest retail chain for electronic appliances in all of Kazakhstan and buy the top quality products from around the world, the poor dream of even owning a telephone that was built after 1950. Thus, I go to the local university and teach for the maximum wage of \$200 per month for a full professor with many publications, so I can provide a Western approach to teaching International Economics, from a marketing perspective, and International Business, from a marketing perspective, because a consumer orientation is an alien concept to the university, businesses, and the government. Asking people what they want instead of telling them what they can or should have is a completely different approach that is simply unknown and misunderstood.

Eastern Models

Kazakhstan is also looking at the significant changes in China and its education system, as well as its entry into the WTO, and the impact of its Special Economic Zones. This will be compared to the sudden application and influx of capitalist perspectives in Kazakhstan, as the two countries have many things in common and have the same ambitions and goals, although different approaches to these through business education.

Confucianism +Communism

Confucius teaches respect for other human beings and respect for society, a pacifistic approach and a code of honour that goes way beyond any Western philosophy in terms of positive outcomes for those who follow this thought in practice in their own lives. Combined with Communism which is a system of egalitarian government, one can see why China has been successful at integrating and maintaining their system of government. However, the government wanted to test to see if a form of capitalism could be added to this effective mix of philosophies and began what is known as “Special Economic Zones.” The idea sprang forth after it was agreed with Britain to return Hong Kong to its mother country. How would the PRC (People’s

Republic of China) manage such a different culture of rampant capitalism in Hong Kong without any prior knowledge of managing capitalist ventures? At the same time universities began teaching business education in a way that would allow future communist leaders to be effective business leaders in these new areas.

Capitalism +Communism

Through the Special Economic Zones, the Chinese were able to establish strict control over the effects of capitalism and manage their potential integration into their communist government system. Studies at all major universities involved examination and scrutinizing the effects of capitalism, and prompted the establishment of the first Stock Exchange in China. Students and practitioners joined hands in the development of business education, with an ever increasing focus on communication prompting millions to learn English, German and French as second languages in primary schools to prepare for new ventures.

Special programs of business education and research institutes were established and actively sought collaboration with institutions around the world. Conferences began to be hosted in China by Chinese universities and Research Institutes, with thousands of students and professors coming to absorb the theories and carefully consider which ones would work with the current philosophies of Confucianism and Communism. This carefully considered strategy and slow pondering and examination of the phenomenon of capitalism is what earned the respect of the international community and eventually, allowed the PRC entry into the WTO (World Trade Organisation). To this day integration continues in a slow and steady way, in an attempt to prevent, control and monitor the pitfalls of capitalism that so many countries are having enormous problems dealing with, such as homelessness and hunger, who is entitled to education, water and medicine, with many socialist governments going broke, and unable to carry the burden, and many capitalist governments unwilling to care for the poor.

Business schools need to cover corporate citizenship and a more socialist or communistic approach to capitalism, as it appears as though the extremes have been taught in the universities throughout the world to the detriment of those societies who focused on only capitalism. Conscience needs to enter the business education system.

Western Models

Eastern European (German, French)

Are very much like the models used in the Soviet Union. The promotional systems of academic rank and how many years it takes to become a full professor are the same. East German practices and the strong links to West German businesses that were formed after the fall of the Berlin Wall have a very strong presence in Kazakhstan and business models are found in the universities based on these practices.

North American (USA and Canada)

Business models from the North American continent are only used by private universities in Kazakhstan, and are so opposite to what students expect, many students have difficulty adapting to the system. Basic principles of consumer orientation are so foreign to students that several lectures must be spent with concrete examples of how this must be done in practice are required. Marketing is still viewed as demand economics, with people as numbers and how we make enough things to give to those people, not what will make them happy. A production concept reigns in all businesses except the MNCs (multi-national corporations) that have their headquarters in Western capitalist countries. Only students who have had some experience with these companies can fully comprehend what is being taught in the business classes using the American models of business education, which are based on a combination of market share and customer satisfaction.

British Commonwealth Countries (Australia, New Zealand, England, India)

Is much more like the current post-Soviet style of education and because of the socialist background is more comfortable to students. Research-only masters and doctoral degrees, with little or no coursework, is also practiced in Kazakhstan universities. Strong links between the European Union and its many funding bodies have provided for many university start-ups and are teaching a softer form of capitalism to students, based on lecture and tutorial style presentations in undergraduate courses.

The Kazakhstan Experience

Teaching at a Western-style university without partners abroad

Business students attending a Western-style university in Kazakhstan are very confused because they have nothing to compare the quality of education to. They try to compare it to the way other universities teach business and do not understand when faculty try to explain that it is not the way it is done at THIS place. Teachers are just as confused, because ways they have taught in other countries do not work in Kazakhstan. The common knowledge that a student accumulates from living in a capitalist country by the time they arrive at a university in those countries is not present in Kazakhstan. The administration also has difficulty adapting to the situation, with rampant cheating and plagiarism, and payments being received for grade inflation at almost all other universities, administrators have a difficult time explaining to parents that the student must attend class and work harder in order to improve their grades because a large donation to the building fund will not work. Western models of business are being taught and the procedures and methods being used by administrators and faculty reinforce the content of the courses, at every turn.

Teaching at an International University with partners abroad

Universities with partners abroad who have been successful with exchange programs have had more overall success in teaching the business from these models because the students and faculty go and experience what is being taught first-hand. Students return with confidence and a common knowledge base that takes their classroom concepts and makes it come alive for them in ways that they could not understand before. Administrators have an easier time with

students, as the overall culture reflects the business models being taught and the overall organizational culture reflects this as well.

Teaching at a Kazakh national university without partners abroad

The faculty are still teaching the way they always have, and teaching the same content they always have, and administrators are still administrating in the ways they always have. A few lines have been added to the course content and a few deleted to ensure the rhetoric of old is not blatant and the new rhetoric is being embraced, however, academic integrity and student plagiarism and openly cheating on quizzes and exams is the norm. Collectivism and communism taken to new heights in terms of collectivist knowledge, with replies to quizzes sometimes being discussed in groups of 5 or 6 openly in front of the instructor. In a weekly quiz, for example, no less than 10 students are given a zero for cheating in a class of 30 students, and those are just the ones who are noisy and obvious enough to be caught.

Lectures on foreign countries are being taught from books by professors who have never been out of the country. International business, for example, is being tutored by people who have no business experience and have never been outside the country. Thus, the curriculum is neither international nor is it business as any Western-style university would define it. Professors need to spend time with junior faculty explaining the difference between the pedantic procedural task-related knowledge that is currently being taught (i.e. how to write a contract proposal to an international corporation) and the underlying theory one needs to determine which company (companies) you should be writing to and what you should be proposing. Currently the latter is missing. The very scientific economic calculations are taught, and the tasks are being taught to the point of putting students to sleep, but everything else in the middle, which forms the basis for all market economies is somehow strangely missing.

Conclusions

Business education in Kazakhstan is a myriad of past, present, and future ambitions, goals and is implemented in many different ways based on overseas affiliations, with vast contracts in cultural, historical, governmental, institutional, and paradigmatic differences. The authors hope that this has somehow exposed the vast differences in what is a wonderful and safe place to live and work, and we encourage everyone to come and experience it for yourselves!

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