

## Developments In Business Simulation & Experiential Exercises, Volume 23, 1996

### CHANGING INSTITUTIONAL NORMS AND BEHAVIOR, NOT CULTURE: EXPERIENTIAL LEARNING COMES TO MYANMAR

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*Then, a go/den mystery upheaved itse/f on the horizon-a beautifu/, winking wonder that blazed in the Sun, of a shape that was neither Muslim dome nor Hindu temp/e spire. It stood upon a great kno//... There's the o/d Shwedagon," said my companion. The go/den dome said "This is BURMA, and it will be quite unlike any land you know about.*

Rudyard Kipling, 1898  
(Quoted in Angelene, 1995)

Kipling's observation holds true today. The Shwe Dagon pagoda still casts a golden glow over Yangon, the capital of Myanmar. (Kipling called the city and the country by their British names—"Rangoon" and Burma.") Beneath the 2,500-year-old pagoda, modern Myanmar struggles to convert to a market system so that its people can join the global economy.

#### ABSTRACT

This paper describes two From-Toe frameworks incorporating institutional and behavioral changes that introduce experiential learning in a developing country without arousing cultural disputes. The setting is Myanmar, a country struggling to join the global economy despite severe political and economic troubles. These frameworks may be useful for those assisting MBA program start-ups in other developing countries.

#### BACKGROUND

Rich in natural and agricultural resources, Myanmar was once the wealthiest country in Southeast Asia and the world's largest rice exporter. During the last days of British colonial rule before World War II, most writers believed that Myanmar had the highest literacy rate of any nation between Suez and Japan [Steinberg, p. 20]. The country is bisected by the Irawaddy River system which provides a rich source of hydroelectric power, water for irrigation, and over 1000 miles of inland navigation from the Indian Ocean on the south to the Chinese border on the north.

Knowing this background, one would think that Myanmar would be reporting economic development and growth to match its fast growing neighbors in Southeast Asia such as Thailand, Malaysia, and Indonesia. Nothing could be further from the truth. In 1987, the United Nations General

Assembly classified Myanmar as a least developed nations along with Chad, Ethiopia, Nepal, and Bangladesh [Steinberg, p. 20].

The main reason for Myanmar's economic malaise is political. The multi-party governmental system adopted after independence from the British in 1947 could not maintain internal order nor sustain economic development. Finally, in 1962, the army took direct control under General Ne Win who remained a virtual dictator for 25 years. Ne Win declared that Myanmar would follow a strange mixture of European-style socialism and populist isolationism that appealed to the xenophobic strain among the Burmese peasants.

The most striking aspect of this "Burmese Way to Socialism" was the nearly complete isolation from the rest of the world. Ne Win abruptly canceled foreign aid projects, including international exchange agreements such as the Fulbright program. Tourism was severely curtailed and citizens of Myanmar had great difficulty getting permission to travel abroad for any reason. Ne Win built a wall around Myanmar.

A description of the political and economic turmoil these policies produced is beyond the scope of this paper. Suffice to say, economic conditions in Myanmar got worse, not better [Thien, 1995]. The standard of living of most people was below that of the pre-war colonial period. Black markets proliferated and influential individuals became wealthy amid widespread economic decline and poverty.

In 1988, serious civil disturbances broke out. Police were unable to restore order. Regular army units, fresh from border combat with insurgent groups, shot down hundreds (perhaps thousands) in several major urban areas. Ne Win stepped down and a group of generals staged a coup. Ruling through the State Law and Order Restoration Committee (SLORC) the army leaders promised elections in 1990.

Aung San Suu Kyi, daughter of Aung San, Myanmar's martyred revolutionary hero, happened to be in Yangon during this time attending her dying mother. She became the major opposition leader and was placed under house arrest during the election

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campaign. Nevertheless, the opposition coalition defeated the government (army) party in the 1990 election. SLORC, however, refused to turn over power and continues (in 1995) to govern Myanmar, promising elections after a new constitution is ratified. Aung San Suu Kyi continued under house arrest for six years, becoming an international hero and winning the Nobel Peace Prize in 1991. She was released in July, 1995.

After the 1988 riots foreign governments began to abandon aid projects in Myanmar. The suppression of dissident groups and the inability or unwillingness of the Myanmar government to control the opium trade on the Thai border led to the departure of most foreign donors including the Asian Development Bank, the United States Agency for International Development (USAID) and Japanese aid agencies. The United States withdrew its ambassador. Private foreign companies, while not forbidden to do business with Myanmar, received no assistance from governmental sources such as the World Bank, the International Monetary Fund, or the U.S. Export Import Bank. The departure of foreign donors was a major blow. Myanmar was more isolated than ever. (The previous three paragraphs digest information obtained from U.S. Embassy sources and press reports in 1995.)

Recognizing the economic reasons behind the 1988 disturbances, SLORC abandoned the command economy of the Burmese Way to Socialism and moved towards a market economy. The government eased visa restrictions on those entering and leaving Myanmar [Shin, 1995]. Regulations were changed to encourage foreign investment, including provisions for foreign ownership of Myanmar corporations [Kyaw, 1995]. No doubt many of these reforms were aimed at encouraging foreign donors to return, but most observers in 1995 agree that SLORC is sincere in its desire to open up Myanmar's economy. Fostering economic growth without further bloodshed is the major task faced by Myanmar's leaders.

### MANAGEMENT EDUCATION NEEDS IN MYANMAR

Assuming that Myanmar can avoid a major political upheaval, the nation will require a new cadre of professional managers. The new managers will need the skills and determination necessary to meet the demands of a global market economy.

To produce these managers, universities in Myanmar must quickly create business schools that can offer Master of

Business Administration (MBA) level training. This is a daunting task. The formidable obstacles faced by educational reformers include the following problems:

1. Critical funding shortages. Myanmar higher education has been cut off from the outside world since 1962. Creating MBA programs will require close contact with foreign institutions for faculty training, teaching materials, textbooks, and curriculum development. Professorial salaries are extremely low and must be raised. All this will require substantial funding. Foreign exchange is scarce in Myanmar, even for government programs.

2. Turmoil in the universities. In the wake of the 1988 troubles, the government closed the universities for four years. To accommodate students, who could not enroll during the shut down, universities began enrolling double classes in 1994. This process should be completed in 1996. Nevertheless, the overload has placed a tremendous strain on university resources.

### THE INSTITUTE OF ECONOMICS MBA PROGRAM

Graduate business education is big business. Around the world, MBA programs have blossomed. Most of the top-quality programs use English as the language of instruction. The emerging economies of Southeast Asia have been especially fertile ground. Hong Kong, Taiwan, Philippines, Malaysia, Singapore, Thailand, and Indonesia all have institutions offering English-language MBA programs. Myanmar is entering the MBA education race very late.

Notwithstanding these difficulties, the MBA Program at the Institute of Economics (IE) in Yangon welcomed its first class of 50 students in June, 1995. Yi Yi Myint, the MBA Director received an MBA from Stanford in 1960. She has based her curricula on the U.S. MBA model using English as the language of instruction. This first MBA class is a notable group. Most are young (25-30). Seventy six per cent come from the private sector, and 34% are women. Their English language capability ranges from good to excellent. Many have managed to travel outside Myanmar, so they have seen the global economy first hand.

Yi Yi Myint formulated the following objectives and goals for the MBA Program:

#### *Strategic Objective*

*The strategic objective of the IE MBA Program is to*

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*produce graduates who have professional skills, a modern approach to management and the behavioral norms necessary to enable Myanmar to compete successfully in the world market.*

### **Strategic Goal**

*The main goal of the IE MBA Program is to develop and maintain a high quality general management Master of Business Administration program that will attract the best students in Myanmar. The IE MBA Program will seek students with well-balanced records of academic achievement, English language skills, and managerial experience.*

The MBA faculty and staff moved into a converted dormitory, installed computers and air conditioners, and remodeled classrooms while classes were in session.

In June, 1995, the author began a six-week assignment as an academic specialist sponsored by the United States Information Service at the U.S. Embassy in Yangon. Relations between the U.S. and Myanmar were still strained. The U.S. ambassador had not returned. The top U.S. official was the Chargé. The author's role was to assist the MBA Program by teaching classes using the case method, introducing experiential methods to junior faculty, and assisting long range planning.

From the outset, it was important that the problem of cultural issues be addressed. The author had previous experience assisting fledgling Indonesian MBA programs, and was sensitive to the worries of Asian educators that business education will introduce alien, Western cultural standards that downgrade local customs and traditions.

To illustrate why these worries exist, a brief sketch of some of the characteristics of Myanmar society that become immediately apparent to a Western visitor will be helpful.

### **SOME MYANMAR TRADITIONS AND CUSTOMS**

Tradition is strong in Myanmar. Protecting traditional practices from the encroachment of Western culture is a major concern. Satellite television arrived in 1994 from India carrying "decadent" Western-style programming and exacerbating the worries of traditionalists.

Historically, Myanmar reacted strongly against cultural encroachment, especially British colonialism. Unlike other

countries in Southeast Asia, western clothing is not favored. Both sexes wear the *longyi* (a plaid sarong) and simple sandals that look like shower shoes. This attire is most striking among men who wear the longyi even on formal occasions. Trousers are seen only on soldiers and policemen, and perhaps an occasional student wearing blue jeans.

Most people in Myanmar follow the teachings of Theravada Buddhism. The unique Myanmar form of Buddhism is enriched by belief in 37 primary *nats* or spirits, a remnant of pre-Buddhist animism. Nat worship fills approximately the same role as prayers and gifts to the Saints in Christianity. Achieving *Nirvana*, or nothingness, is the major goal of Buddhist teaching. After Nirvana an individual is free from the cycle of birth, suffering, and death. To achieve this state, each must lead a life of merit.

In Myanmar, much religious activity centers around meritorious acts such as feeding monks, the construction of Buddhist shrines and donating money for the maintenance of pagodas. People are quite business-like about merit seeking. When a donation is made at a pagoda, the donor will often ring a bell to alert the local nats (spirits) that a meritorious act has occurred. Money donations are sometimes announced over a loudspeaker with the name of the donor and the amount of the gift.

But this does not mean that Myanmar Buddhism casts gloom over its adherents. Unlike other Asian societies, in Myanmar recounting one's achievements is not considered to be bragging or bad manners. One of the best ways of improving one's *Karma* (fate, luck) and chances for a better life next time is to rejoice in other people's successes and generosity. How can you do this if they don't tell you? No one should be shy about telling of their accomplishments. Myanmar people enjoy sharing the happiness of others.

Turning to power relationships, Myanmar has a strong tradition of centralized rule. From the earliest kings through the British colonialists, power resided in one individual, radiating down through levels of authority. Power, political or economic, has always been personal in Myanmar. Loyalty is to the person, not the office or the institution [Steinberg, p. 2]. Government service is considered a major source of employment among the elite. Ne Win's methods of maintaining personal control of Myanmar for over 25 years are often compared to those of the kings of old Burma [Maung, 1992].

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EXHIBIT 1: SOME NEW INSTITUTIONAL NORMS FOR MYANMAR

	FROM:	TO:
Most Valued Managerial Skill	Government Relations and Technical Expertise	General Management Skills Needed to plan, organize, Direct and control a modern business
Scope of Middle Management Interest	Functional Specialty	Complete Organizational System
Information Systems	Closed: User Must "Pull" Information from the System	Open: System "Pushes" Information to User
Focus of Efforts	Individual Success	Organizational Success
Authority Structure	Centralized	Decentralized
Competitive Scope	Local	Global

To be successful, the new crop of Myanmar managers must be able to reconcile modern business methods with traditional Myanmar customs. Training managers who can do this is the task facing MBA programs in all developing economies.

### FOCUSING ON INSTITUTIONAL NORMS AND BEHAVIOR, NOT CULTURE

The introduction of experiential learning methods such as the case method and classroom simulations raises the problem of alien cultural standards. Many faculty members in developing countries are hesitant to depart from traditional instructional techniques for fear of downgrading local customs and social mores. These concerns can be alleviated by focusing on institutional norms and organizational behaviors, avoiding the deeper feelings stirred by the term "culture."

Two "From-To" frameworks incorporating likely institutional and behavioral changes provided a way to introduce experiential learning without arousing cultural disputes.

The first framework dealt institutional behaviors-how organizations are organized and controlled (Exhibit 1). Myanmar's new breed of managers must be able to create and manage new organizations, quickly identify marketing opportunities, develop new products and services, and attract foreign capital. In addition, Myanmar's managers will have to administer the day-to-day activities of their companies, prepare strategic plans, and design organizational structure and control systems appropriate for

Myanmar. To accomplish these tasks new managers must adopt new approaches to management. The list of new approaches in Exhibit 1 is not exhaustive, but provides a good framework for discussion.

Exhibit 2 suggests some changes in managerial behavior. Increased emphasis will be placed on personal accountability, initiative, and a sense of urgency about producing high quality goods and services that can meet international competition. As Peter Drucker points out, these are not cultural changes for Myanmar, but rather behavioral changes within the Myanmar culture [Drucker, 1991]. Again, the suggested changes in behavioral norms for Myanmar professional managers is not intended to be all inclusive, but rather, a starting point for discussion and a way to avoid fears of cultural encroachment.

(Both Exhibits 1 and 2 were inspired by tables found in Austin, 1990, p. 233, and Beamish *et al.*, 1994, p. 165-178.)

### RESULTS

The frameworks in Exhibits 1 & 2 provided an introduction to the discussion of the types of changes needed for economic growth in Myanmar and how experiential techniques could be used in the classroom to encourage these changes. Junior faculty became enthusiastic supporters. Although limited by the lack of teaching materials, plans are under way to write cases on Myanmar organizations and to develop classroom activities, such as in-box exercises, that are relevant.

Student response to the case method was over-

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### EXHIBIT 2: SOME PROSPECTIVE CHANGES IN MANAGERIAL BEHAVIORAL NORMS

	FROM:	TO:
Primary Organizational Goal as Seen by Employees	Provide Employment	Satisfy Customer Needs and Wants
Basis of Reward System	Loyalty	Competence
Managerial-Style	Paternalistic	Self-Reliance
Individual Locus of Control	External	Internal
Path to Success	Individual Relationships	Managerial Performance

whelming. Classroom interest and enthusiasm was particularly high when the author used cases he had written dealing with Indonesian companies. The Myanmar students felt a much closer affinity to the problems faced by Indonesian managers as opposed to the American cases they find in their textbooks.

### CONCLUSION

The success of the MBA Program is crucial to Myanmar's economic future. Most of its neighbors in Southeast Asia are experiencing high rates of economic growth. Eager to reap the benefits of international trade, these governments are attempting to reorient their economic and political systems to attract foreign capital and to find foreign markets for their goods. Myanmar must play catch-up. Hopefully, by emphasizing changes in institutional norms and managerial behavior instead of fighting culture wars, the people of Myanmar will be able to earn their fair share of the world's economic wealth.

These frameworks may be useful for those assisting MBA program start-ups in other developing countries.

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