
An exploratory study of SME management in the Middle East

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Abstract: The Middle East is a growing, lucrative marketplace that recently has captured the interest of the world for political as well as economic reasons with the War in Iraq in 2003. This exploratory study examines the relationship between retail small/medium enterprises (SMEs) management and employee perceptions of customer service on a number of dimensions. The results suggest that managers and employees in the Middle East behave in similar ways to those in western countries, but there are differences, probably related to cultural characteristics. The Middle East is a richly diverse region, a myriad of unique cultures. As the market becomes more sophisticated, the importance of service quality increases. Global retailers can benefit from this study by better understanding the managers and employees in the region that are vital to their success. Implications for practice are discussed.

Keywords: SMEs; retail management; Middle East; Kuwait; Lebanon.

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1 Introduction

Recent attention has focused on the Middle East¹ particularly because of the War in Iraq in 2003. There is a heightened interest to understand this part of the world, its inhabitants, and cultures. In this regard, it is important to understand that residents of the Middle East are not strangers to contradiction and conflict. Idiosyncrasies, both ancient and modern, have shaped the culture of this region. Despite cultural and political ties, these countries differ in many ways. For instance, economic structures and factor endowments vary considerably (Nashashibi et al., 2001).

Since the discovery of oil in the Gulf Region² in the 1930s, the Middle East has been in transition. The population of the Middle East has grown very fast in the past thirty years – faster than any other region of the world except sub-Saharan Africa (Dhonte et al., 2001). The subsequent increases in revenue have resulted in drastic changes and significant industrialisation within these countries (Abbasi and Hollman, 1993; Ali, 1990; Ali and Al-Shakhis, 1986). Contact with Western countries and corporations improved the standard of living in the Middle East through better education, improved healthcare, greater mobility, and increased communication (Ali, 1990; Ali and Al-Shakhis, 1986).

The Gulf region has emerged as a major retail trading centre in the last fifteen years, not only for the Middle East, but as a world centre. There is a great need to understand retail management practices if other countries are to compete in this region. In this study, we look at perceptions of retail managers and salespersons in Kuwait and Lebanon. To our knowledge, this is the first study that has explored the perceived service behaviour and organisational commitment of managers and salespersons in a retail environment in the Middle East. From a Western perspective, the Middle East is still surrounded in much mystique and ignorance. The contribution of this study is to help understand the nature of the Middle Eastern management better.

1.1 *Management in the Middle East*

Western thought often conflicts with Arab culture and religion. Industrialisation, while welcome, complicates the duties of managers who strive to achieve modern results while maintaining their traditional values. This duality and contradiction is an inherent part of the Islamic culture that dominates the Middle East. For centuries, Muslims have upheld religious ideals that conflict with political routine (Ali, 1990, 1993). Hickson and Pugh (1995) cite four major influences upon Arab management: Bedouin tradition and wider tribal inheritance, Islam, foreign rule, and the need for oil by the West. The Bedouin tradition connotes a romantic image of the camel-mounted tribesman and is most visible today by the traditional costume still worn by many politicians and businessmen.

1.2 The influence of religion

Islamic culture shapes the region, and therefore the organisations and managers that operate there. Passages in the Quran, the Islamic holy book, specifically address business transactions from spending habits to financial and management concepts. There are specific courses in Islamic Finance at colleges and universities located in the Middle East (Atiyah, 2003). Different interpretations of the Quran are yet another source of contradiction and are the basis of differences in the culture (Ali, 1990).

Management style is one contradiction which finds roots in differing Muslim sects. Authoritarian management is predominant in large organisations while consultative methods prevail in other arenas. Some Islamic sects prefer consultative methods of management, which is more consistent with tribalistic traditions (Ali, 1989a; Ali and Al-Shakhis, 1986), while others prefer religious interpretations that promote authoritarian styles and encourage absolute authority of rulers (Ali, 1990). Early colonial possession of the region also set a precedent of authoritarian management (Abbasi and Hollman, 1993; Ali, 1990). These patterns find additional roots in the fundamental precepts of the Islamic religion.

Despite the rather authoritarian tradition of Arab cultures, retail managers and employees in the Middle East come from a number of nationalities and traditions and should be equally attuned to serving the needs of their customers and are, thus, not expected to differ in their perceptions of service quality. The first hypothesis formally states our expectations.

H1: Retail store managers and employees will not differ in their scores on service quality.

1.3 The influence of nationality

In addition to religion, nationality probably has the next most significant effect on managers from the Middle East. Saudi Arabians tend to be more conformist and have high structure needs compared to other Gulf region residents. Authoritarian management predominates in organisations in Saudi Arabia. Kuwaitis are more tribalistic; they are submissive to authority and tradition. In addition, the Kuwaiti people have had more exposure to new ideas and Western culture than their counterparts from other Gulf region nations (Ali, 1988). The Iraqis and Qataris hold more existential values and lean toward consultative management styles (Ali, 1988, 1989b). A pseudo-consultative management style is dominant in Kuwait. Managers in this region seem to value an appearance of consensus and consultation, but often make decisions without considering the discussions they facilitate (Ali, 1989b). Gulf Region managers under 30 years of age prefer more participative management techniques regardless of nationality (Ali, 1989b; Yasin and Stahl, 1990).

The second hypothesis examines the differences between nationalities and their perceptions of service quality. Because of different cultures and traditions, we expect differences in perceptions of service quality. Employees from cultures with a service tradition and countries which have difficult economies may have a different perspective on service quality. Since we have no theoretical basis for direction, our hypothesis merely expects differences to exist.

H2: Retail employees from different countries will differ in their perceptions of service quality.

1.4 The influence of cultures

The cultures of the Middle East are unique in many aspects, but there is a general tendency towards fatalism. This is manifest in many ways, but particularly in one expression, 'insha' Allah', roughly translated as 'Allah (God) willing', but may also be used to suggest 'if the boss wills it' (Rice, 1999). Insha' Allah is used to explain many uncertainties in life and sometimes to delay or reposition responsibility and decision-making. As the Middle East becomes more diverse with peoples from many different backgrounds working in the area, however, this fatalistic attitude may become less prevalent. Also, as more Middle Easterners travel outside their region, other, less fatalistic attitudes may become more pronounced, especially regarding service quality. Retailers may wish to develop strategies to improve service quality before their competitors do. Global retailers may have both an advantage and a disadvantage in this regard. Their advantage may come from past experiences in improving service quality and in relying on sophisticated ways of measuring and managing it, especially training. On the other hand, global retailers may be at a disadvantage in assuming that what works in other regions of the world will work in the Middle East. Certainly there are service strategies that may be universal, but Middle East customers are distinctive in many aspects of their consumer behaviour and will undoubtedly require unique service solutions.

We examine the relationships between fatalism and the measures used in this study. In cultures with high fatalism values, employees may attribute SQ encounters to events and people over which they have little or no control. As a result, perceptions of service quality may be lower than in less fatalistic cultures. The correlation between perceptions of service encounters and SOCO is expected to negatively relate to fatalism. The rationale for this direction is that in fatalistic cultures, people's expectations and perceptions hinge on factors other than themselves. Retail employees might, for example, believe that service is a function of the corporate bureaucracy and not in their direct control. This forms the basis for our third hypothesis.

H3: Fatalism is negatively related to various measures of service quality.

1.5 Size

Transaction cost theory and resource dependency theory suggest that size is one of the most important factors affecting an organisations' behaviour in response to changes in market environments, including the need to improve service quality (Tushman and Romanelli, 1985). Size has been the most frequently studied structural characteristic in studies by organisational theorists. In comparison with large organisations, SMEs are less bureaucratic and hierarchical, while being more innovative and customer-oriented. They need less response time to implement changes. SMEs are also able to adapt, internalise, and crystallise information more efficiently across the entire organisation (Oviatt and McDougall, 1994). Therefore,

H4: Managers and employees of smaller retail stores will perceive their service quality to be greater than managers and employees of larger retail stores.

1.6 Service quality

While service quality has been studied to a considerable extent in the USA, it has been given less emphasis in other countries, especially developing countries. Measuring service quality outside the USA has been done to a limited extent. At issue has been the validity of measures used in the USA and the industries sampled (Donnelly et al., 2000; Lam, 1997; Wetzels et al., 2000). Little work has been reported comparing manager and salespeople perceptions of service quality in international retail operations. It is of interest here due to the expanding role of retailers in the Middle East.

Winsted (1999) found that different cultures do have different expectations of service quality. The consumerism movement, taken for granted in the USA, also extends to developing countries, but at different rates (Kaynak et al., 1992). Because of this, different quality levels of service may be expected and delivered in developing countries (Malhotra et al., 1994). It follows that:

H5: Service quality perceptions will be dependent on the service orientation of employees.

2 Methods

2.1 The sample

As part of a larger study, store employees in Kuwait and Lebanon were surveyed by management students in their last year of study at a AACSB institution located in the USA who were from Kuwait and Lebanon. The students administered the surveys personally under the direction and training of the authors. The students surveyed a convenience sample of employees, who were first-line salespeople and their managers, resulting in 178 usable responses. A profile of the sample is listed in Table 1.

Table 1 Profile of employees (N = 178)

<i>Demographic</i>	<i>Percent*</i>
<i>Gender</i>	
Female	36.9
Male	63.1
<i>Age (years)</i>	
25 and under	18.9
26–35	50.3
36–45	18.3
46–55	8.6
56 and older	3.9

Table 1 Profile of employees (N = 178) (continued)

<i>Demographic</i>	<i>Percent*</i>
<i>Nationality</i>	
Kuwaiti	8.0
Indian	26.9
Lebanese	26.9
Egyptian	5.1
Sri Lankan	6.3
Filipino	6.9
Palestinian	5.7
Others (11 countries)	14.2
<i>Years employed</i>	
<5 years	59.6
5–10 years	25.2
>10 years	15.2

*Except for years employed.

The retail stores in which the survey was conducted were located in Kuwait (85.7%) and in Lebanon (14.3%). The stores were located in shopping centre (40.3%), on the street (23.8%), and separately (34.7%). More than 100 stores were sampled – most were small, although department stores were also sampled. A wide variety of products were offered by the sample stores, including automotive parts, electronics, travel, banks, fashion clothing, sports, food, books, and many other products and services. Employees were primarily sales people, but managers and other customer-contact people were also surveyed. The data represent a rather broad spectrum of products, customers, and retail contact people.

2.2 *Measures used*

ServQual

The primary measure of interest was service quality, comparing expected service and perceived service outcomes. Validity and reliability of the ServQual scale has been well-supported (Parasuraman et al., 1986, 1988). The ServQual model measures the expected and perceived levels of service. The level of service is measured on five dimensions:

- *tangibles*: physical neat appearance of the facilities, personnel, etc.
- *reliability*: ability to perform service dependably and accurately
- *responsiveness*: willingness to help customers
- *assurance*: conveyance of knowledge, trust, and confidence
- *empathy*: caring, individualised attention.

Previous studies using the ServQual scale have generally been supportive of these dimensions, but there have been some questions raised as to its generalisability

(e.g., Cronin and Taylor, 1992; Teas, 1993). The ServQual instrument has also been used in cross-cultural and cross-industry studies, with generally satisfactory results. Lam (1997) used the ServQual instrument in evaluating patient service quality in Hong Kong hospitals and found it to be essentially one-dimensional (rather than five dimensions), but also reliable. A modified version of ServQual was used to determine quality of service in marketing research agencies in the UK. The authors concluded, notwithstanding the criticisms of the scale, that the instrument has practical applicability in cross-cultural contexts (Donnelly et al., 2000). For the purposes of our study, we compared only the perceptual measures since these are more realistic indicators of customer service.

Customer orientation of salespeople

The SOCO (Sales Orientation – Customer Orientation) scale is purported to measure how salespeople engage in customer-oriented selling (Saxe and Weitz, 1982). The scale consists of 24 items related to actions a salesperson might take when dealing with customers. The 9-point scale was anchored with “True for none of my customers – NEVER” and “True for all my customers – ALWAYS”.

The SOCO scale has been used in a variety of studies to compare customer-oriented behaviour with ethics (Honeycutt et al., 1995; Howe et al., 1994) and salesperson performance (Brown et al., 1991; Swenson and Herche, 1994). Of the studies cited, only Honeycutt et al. (1995) made use of a cross-cultural context. In that study, Taiwan and US auto sales people were compared on several ethical dilemmas. Ethics training was related to customer orientation.

Fatalism

Fatalism refers to the level of control people believe they have over outside events. High levels of fatalism suggest people believe they have little control over events affecting their lives. Middle Eastern cultures are generally considered to be more fatalistic than Western societies, especially North Americans (Abbasi and Hollman, 1993). Farris and Glenn (1976) developed a scale to tap this dimension. A seven-point Likert scale anchored by strongly disagree/strongly agree was used. The questions asked respondents the extent to which they agreed with the following statements:

- making plans only brings unhappiness because the plans are hard to fulfil
- it does not make much difference if people elect one or another candidate, for nothing will change
- with the way things are today, an intelligent person ought to think about the present, without worrying about what is going to happen tomorrow
- the secret of happiness is not expecting too much out of life and being content with what comes your way.

Studies of fatalism have most often been reported in the sociology literature, where it has been linked to attributions of poverty and cross-cultural differences between Lebanese and Portuguese (Abouchedid and Nasser, 2002), among others. Fatalism has also been used with Hofstede’s value dimensions to compare cultural values in Russia, Georgia, Kazakhstan, and Krygystan (Ardichvili, 2001). Previous use of the fatalism scale in cross-cultural marketing studies has had mixed results, with reliabilities sometimes marginal (John et al., 1986; Foxman et al., 1990).

3 Results

A psychometric analysis of the measures is listed in Table 2. The reliabilities on the diagonal are generally satisfactory for an exploratory study, except for the fatalism scale, which is rather low. The hypotheses, tests, and results are summarised in Table 3.

Table 2 Correlations and psychometric analysis

<i>Scale</i>	<i>Tangibility</i>	<i>Reliability</i>	<i>Responsiveness</i>	<i>Assurance</i>	<i>Empathy</i>	<i>SOCO</i>	<i>Fatalism</i>
Tangibility	0.7264						
Reliability	0.79**	0.7897					
Responsiveness	0.64**	0.73**	0.7115				
Assurance	0.76**	0.75**	0.74**	0.7619			
Empathy	0.56**	0.64**	0.76**	0.67**	0.7932		
SOCO	0.53**	0.53**	0.58**	0.54**	0.52**	0.8836	
Fatalism	-0.20**	-0.21**	-0.26**	-0.22**	-0.32**	-0.17*	0.5725
# items	4	5	4	4	5	24	4
Mean	5.58	5.57	5.03	5.68	4.92	6.50	3.75
SD	1.15	1.20	1.39	1.21	1.40	1.24	1.24

Reliability on diagonal.

* $P < 0.05$.

** $P < 0.01$.

Table 3 Tests of hypotheses

<i>Hypothesis</i>	<i>Tests</i>	<i>Results</i>
H1: Retail store managers and employees will not differ in their scores on service quality and commitment to the organisation	Tested by comparing managers and employees on ServQual dimensions (Table 4) and SOCO, OCQ, and Customer Focus (Table 5) using T-Tests. No differences found	Supported
H2: Retail employees from different countries will differ in their perceptions of service quality	Tested by ANOVA (Table 5) for all nationalities and by t-tests between means of employees from Lebanon and India (Table 6)	Supported
H3: Fatalism is negatively correlated with service quality dimensions	Tested with correlation analysis (Table 7). Service quality and SOCO were negatively correlated with fatalism	Supported
H4: Managers and employees of smaller retail stores will perceive their service quality to be greater than employees of larger retail stores	T-tests comparing means of small and large firms indicated no significant differences on all the variables tested (Table 8)	Not supported
H5: Service quality perceptions will be dependent on the service orientation of employees	Regression analysis with ServQual measures and SOCO indicates a strong relationship with adjusted R^2 of 0.38. Individual components were also significant (Table 9)	Supported

The first hypothesis was that retail store managers and employees will not differ in their scores on standard tests for service quality. The rationale for this hypothesis is that both managers and employees should be equally committed to serving their customers. We tested this hypothesis by comparing employee and manager responses to the ServQual dimensions (Table 4). T-tests between the means of each measure suggest no statistically significant differences between managers and employees on perceptions of the ServQual dimensions, supporting the first hypothesis.

Table 4 Comparison of employee and manager perceptions of service quality

<i>ServQual perceptions</i>	<i>Manager mean</i>	<i>Employee mean</i>	<i>T</i>	<i>P</i>
Tangibility	5.5269	5.6350	-0.589	0.557
Reliability	5.5646	5.5977	-0.176	0.861
Responsiveness	5.0808	5.0370	0.197	0.844
Assurance	5.7692	5.6651	0.568	0.571
Empathy	4.9915	4.9150	0.354	0.724

Managers = 65; employees = 108.

In the second hypothesis, we predicted differences between nationalities in perceptions of service quality. We tested this hypothesis by analysis of variance between the different nationalities and perceptions of service quality. The ANOVA was significant ($P < 0.10$) for all service quality perceptions, but not for the SOCO scale (Table 5).

Table 5 ANOVA of service quality perceptions and SOCO between nationalities

<i>Measure</i>	<i>F</i>	<i>P</i>
Perceptions – Tangibility	2.151	0.007
Perceptions – Reliability	1.583	0.075
Perceptions – Responsiveness	1.658	0.056
Perceptions – Assurance	1.866	0.026
Perceptions – Empathy	1.721	0.044
SOCO	1.428	0.130

df between groups = 17; df within groups = 156.

Eighteen countries were represented by the retail employees, so comparisons between individual countries suffered from unequal sample sizes. In fact, only 14 of the 127 respondents in Kuwait were actually Kuwaiti. This is not unusual, as the service jobs in Kuwait are frequently performed by people from other countries, including other Middle East countries, India, the Philippines, Sri Lanka, and various others. To see the differences between nationalities, we compared Lebanese employees with those from India, because their sample sizes were about the same. The Indian workers were employed by Kuwaiti retailers. The *t*-test results are reported in Table 6. These results indicate that Indians (working in Kuwait) differed from Lebanese retail workers in perceptions of service quality, but not on the SOCO scale. Taken together, the ANOVA and *t*-tests support hypothesis 2.

Table 6 T-tests of differences between Lebanese and Indian retail workers

<i>Scale</i>	<i>Lebanese mean</i>	<i>Indian mean</i>	<i>T</i>	<i>P</i>
Perceptions – Tangibility	5.51	6.02	-2.38	0.020
Perceptions – Reliability	5.39	6.00	-2.69	0.008
Perceptions – Responsiveness	4.80	5.38	-2.12	0.037
Perceptions – Assurance	5.55	6.10	-2.32	0.023
Perceptions – Empathy	4.55	5.32	-2.65	0.010
SOCO	6.28	6.62	-1.49	0.140

Lebanese N = 47; Indian N = 46.

The third hypothesis examined the correlations of fatalism with the various service dimensions. The reliability of the fatalism measure was 0.5725, which is somewhat low, but consistent with previous analyses. As predicted, fatalism was negatively correlated with SOCO and each of the ServQual perceptions. These results support the hypothesis. The results are reported in Table 7.

Table 7 Correlations with fatalism

<i>Measure</i>	<i>Correlation</i>	<i>Significance (P)</i>
SOCO	-0.170	<0.05
SQ Perceptions – Tangibility	-0.201	<0.01
SQ Perceptions – Reliability	-0.207	<0.01
SQ Perceptions – Responsiveness	-0.256	<0.01
SQ Perceptions – Assurance	-0.217	<0.01
SQ Perceptions – Empathy	-0.316	<0.01

NS – not significant.

The fourth hypothesis determined if there were differences between small (<100 employees) and large (100 employees or more) retail firms, we compared their means on the critical measures using *t*-tests. These results are reported in Table 8. There were no significant differences between small and large firms on the ServQual or the SOCO scales. We had expected small retailers to perceive their quality of service was better than larger retailers, but this was not the case. Both small and large retailers perceived their quality of service to be better than the midpoints on each of the scales used.

Table 8 Comparison of large (100+) and small (<100) employee firms: T-tests of means

<i>Scale</i>	<i>Small firms</i>	<i>Large firms</i>	<i>T</i>	<i>P</i>
Tangibility*	5.5985	5.6026	-0.021	0.983
Reliability*	5.5242	5.6823	-0.827	0.409
Responsiveness*	4.9545	5.2385	-1.295	0.197
Assurance*	5.7262	5.7615	-0.189	0.851
Empathy*	4.9301	4.9692	-0.176	0.861
SOCO**	6.5561	6.5926	-0.184	0.854

Small firms N = 99; large firms N = 65.

*Perceptions on ServQual scale.

**Sales orientation customer orientation.

While about 60% of the firms were classified as small, the mean number of employees was 376, with the largest firm having >20,000 employees and nine stores reporting more than 1000 employees. These results suggest that the large firms may have reasonably good service training programmes in place. Another explanation could be that because of the wide diversity of employee origins, that all retailers have equivalent training or service expectations.

The fifth hypothesis examines the relationship between the perceptions of service quality and the SOCO scale. We used regression analysis to examine the relationships and found that both overall and individual service quality perceptions related very well to the SOCO scale (Table 9). The regressions were all significant ($P < 0.001$) and explained considerable variance (high R^2).

Table 9 Regression of perceptions of service quality on SOCO

Service perceptions	SOCO Standardised Beta	Adj R^2	ANOVA	
			F	P
Overall	0.619	0.380	107.641	<0.001
Tangibility	0.529	0.276	67.186	<0.001
Reliability	0.530	0.277	67.557	<0.001
Responsiveness	0.577	0.329	86.378	<0.001
Assurance	0.541	0.289	71.151	<0.001
Empathy	0.519	0.265	63.419	<0.001

4 Discussion

As retailing becomes more global, it is important to consider the needs of customers and employees of differing cultures, which can be affected by the management styles that are practiced. This study is an early attempt at learning more about the importance of service to customers and employees in the Middle East and how best to manage the human side. As earlier described, this region is growing fast, in both population and economic influence. It is critical that global retailers understand this potentially huge market and how to best manage employees in this region with its wide variance of ethnicity and culture.

The cultures of the Middle East are unique in many aspects, but there is a general tendency toward fatalism. This is manifest in many ways, but particularly in one expression, 'insha' Allah', roughly translated as 'Allah (God) willing', but may also be used to suggest, 'if the boss wills it' (Rice, 1999). Insha' Allah is used to explain many uncertainties in life and sometimes to delay or reposition responsibility and decision-making. As the Middle East becomes more diverse with peoples from many different backgrounds working in the area, however, this fatalistic attitude may become less prevalent. Also, as more Middle Easterners travel outside their region, other, less fatalistic attitudes may become more pronounced, especially regarding service quality. Retailers may wish to develop strategies to improve service quality before their competitors. Global retailers may have both an advantage and a disadvantage in this regard. Their advantage may come from past experiences in improving service quality

and in relying on sophisticated ways of measuring and managing it, especially training. On the other hand, global retailers may be at a disadvantage in assuming that management techniques which work in other regions of the world will work in the Middle East. Certainly there are motivational strategies that may be universal, but Middle East customers and employees are distinctive in many aspects of their behaviour and will undoubtedly require unique management motivation and reward systems.

Our study also provides evidence for training sales people and retail employees in the Middle East. Training can influence the customer orientation of sales people in improving responsiveness, reliability, and empathy, among other service dimensions when coupled with good management techniques.

4.1 Limitations

The results of this study are subject to four major limitations, some of which affect many exploratory studies. First, our data was gathered in only two countries in the Middle East, Kuwait and Lebanon. While this adds to the richness of the study, it also limits our ability to predict from it. Second, the surveys were completed by a convenience sample of retail managers and salespersons that may not represent the larger population. Convenience samples are always suspect in generalising to a population, but this sample is fairly large and comprehensive. Third, we used self-reporting techniques, which may be biased. One of the concerns is the respondents understanding of English. The data collectors determined this was not problematic. Fourth, we used scales that have not been adequately tested in either culture. This exploratory study indicates, however, that the scales may be useful in more than one culture. It is a start to developing more universal scales, if necessary. In addition, the measures have been used repeatedly in the past. Nonetheless, the generalisability of this study is limited. These limitations are not unusual in an international exploratory study of this nature. The value of understanding more about the Middle East, specifically Kuwait and Lebanon, outweighs the technical and theoretical limitations.

On the positive side, we have examined service quality and customer orientation in SMEs located in an area of the world not often researched or accessible to non-natives. We believe this study contributes to the understanding of retail managers and salespersons in the Middle East. Progressive global retailers may benefit from the information on service quality and customer orientation of salespeople. Regional retailers may likewise benefit by understanding their own customer, manager, and salesperson dimensions of the measures used. For training purposes, this information would be particularly useful.

4.2 Future research

This study is the first in an ongoing plan of research focusing on the Middle East. This study has suggested a number of management issues specific to Kuwaitis and Lebanese. While we suspect differences between the two cultures, our study did not examine those differences in detail. Further research should examine the differences between cultures more closely, as management styles may be culturally influenced. In addition, Kuwait and Lebanon may not represent other Middle East cultures, so a number of other countries in the Middle East, including Saudi Arabia, Bahrain, and the United Arab Emirates (UAE) should be included in future studies. Dubai, part of the UAE, and

Bahrain, are positioned to be major trading centres and should be included in future studies. Future studies should also consider non-Arab Muslim cultures, such as Malaysia and Indonesia, to see if differences in patterns of service quality and management styles exist. Also, mixed cultures, such as the Philippines may be fruitful areas for research. Ultimately, research into the huge and economically growing emerging markets, including China and India, should provide a richer understanding of these fast-growing consumer markets.

As firms continue to be located in various parts of the world and as customers are exposed to increasingly better customer service, it becomes imperative that managers learn to manage employees from different cultural backgrounds. Indeed, the competitive advantage of the future may well be in delivering consistent levels of customer service no matter where a firm is located. Manager and service employee training will become the cornerstones of sustainable and competitive advantages in service quality.

The Middle East faces demanding imperatives and challenges. Sayigh (1999) identifies these international challenges as arising from a process of transforming into a world economy and include trade liberalisation, globalisation, integration, and structural reform. If indeed the Middle East is to transform itself, a better understanding of its management techniques and culture is needed.

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Notes

¹For the purposes of this paper, 'Middle Eastern countries' refers to the countries of Algeria, Bahrain, Djibouti, Egypt, Iran, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen, as defined by the International Monetary Fund (IMF).

²'Gulf region' refers to the countries of the Gulf Cooperation Council-Bahrain, Kuwait, Qatar, Oman, Saudi Arabia, and the United Arab Emirates, as defined by the IMF.