

## News / Information

### Seventh Annual Conference of the Centre for Research into East European Business and Other Transforming Economies (CREEB)

The CREEB Seventh Annual Conference was held at Chalfont St Giles (UK) on 17-18 September 2001, with participants from countries including Estonia, Finland, Poland, Romania, Russia, Slovenia, Sweden and the UK.

The overall theme of the conference was *Whither Transformation: successful evolution or fragmentation and decay?* There were streams on Corporate Restructuring and Transformation; Foreign Direct Investment; Competitiveness; Trust and Governance; SMEs; and China.

The first keynote address was given by Professor Malcolm Warner of Cambridge University and CREEB who presented some of his research into Chinese township and village enterprises. These are playing an increasingly significant role in the transformation of China's economy. In the second keynote address Professor Peter Lawrence of CREEB and Loughborough University gave a panoramic interpretation of developments in Eastern and Western Europe.

The conference papers stimulated much discussion and debate and indicated considerable ongoing interest in a range of issues relating to transformation. An innovation of this year's conference was the best student paper award. The Conference Committee had the difficult task of selecting from a number of quality papers and decided that the award should be shared by Caroline Throup of the University of Manchester Institute of Science and Technology (UMIST) and Broder Dittschar of CREEB. Caroline's paper was on *Measuring occupational stress in Russia: a critical incident approach*. Broder's paper was on *Standardization versus adaptation in financial services: foreign banks in Poland – results of an empirical investigation*.

Further details of CREEB can be viewed at <http://www.bcuc.ac.uk/creeb1.htm> or obtained by contacting [Fiona.Richardson@bcuc.ac.uk](mailto:Fiona.Richardson@bcuc.ac.uk).

*Vincent Edwards, Buckinghamshire Chilterns University College*



## **Restructuring the Business Education Infrastructure for Economic Transformation in Albania – A Research Note**

### **Albania**

Unlike most Central/Easter European (CEE) countries, little is known about Albania. The economic and political turmoil of 1997, resulting from collapsed pyramid style investment schemes, and the Kosovo conflict during 1999-2000 have publicized Albania to the general public around the globe. Albania is a small nation located east across the Adriatic Sea from Italy, bordered by Montenegro and Kosovo on the north, Macedonia on the east, and Greece on the south. Albania has a population of some 3.3 million, about one-half of which live in the countryside and are engaged primarily in agriculture. Its people are divided into two dialect groups: Gheg is prevalent in the north and Tosk (the official dialect) in the south. The country is blessed with natural beauty and resources – high majestic mountains, beautiful lakes and streams, more than 200 miles of pristine white sand beaches, and significant deposits of various minerals (oil, copper, nickel, chromium, coal, etc.).

Albania has a rich cultural history including: Illyrian Empire, the national hero Gjergj Kastrioti Skanderbeg, and, in modern times, Mother Theresa. Since the ancient Illyrian time, Albania has mostly been held hostage by tyranny, both foreign and domestic. First, the Byzantines, then the Ottoman Turks ruled Albania as part of their empires. Albania as it exists today came into being in 1912 following the collapse of the Ottoman Empire. However, it was occupied by Italy and Germany during World War II, and after the war, for the next forty years, Albania fell under a communist system ruled by ruthless Stalinist dictator Enver Hoxha. Hoxha totally isolated Albania from the outside world by breaking the relations first with the Soviet Union in 1960, and then with China in 1978 because he felt China has strayed too far from Marxist orthodoxy. Officially an atheist state under Hoxha, his secret police suppressed any sign of religious or political dissent. One estimate is that several hundred thousand were executed, imprisoned, or forced into internal exile during his regime. Not only did terror reign, but under the Hoxha brand of communism, Albania became both the most isolated and the poorest country in Europe.

After sputtering in political uncertainty following Hoxha's death in 1985, new democratic leaders were voted into office in March 1992. The elected president, Sali Berisha, was a very charismatic politician who governed the country effectively for several years. Gradually, Albania showed the highest rate of economic growth in all of Europe and was well on its way toward joining other CEE countries in a successful economic transformation toward a market economy. However, cronyism and corruption became prevalent and the failed pyramid-style investment schemes brought anarchy to the country. The civil

disorder brought down the Berisha government, virtually decimated all manner of public institutions, and caused the economy to collapse.

The newly elected coalition government was formed under the leadership of the Socialist Party in the summer of 1997. While Albania continued its struggle to recover from the 1997 civil disturbance, a new ethnic warfare started in Kosovo. More than 450,000 Kosovar refugees crossed the border into Albania, thereby imposing an additional burden on the already struggling nation. Most Kosovars returned to their homeland in early 2000. However, Albania continues its struggle, politically, economically, and socially. While the relative stability and calm exist in Albania today, political bickering persists. The recent ethnic conflict in Macedonia has raised serious concerns in both Albania and the region.

Per capita income in Albania remains similar to those in traditionally undeveloped economies in Africa and Latin America. Although Albania's human capital base is stronger than most underdeveloped countries, Albania began its transition with a mentality and administrative structure that have proven useless, if not counterproductive, to economic transformation. The future of Albania rests on the effective utilization of its rich human capital, especially young professionals, students and entrepreneurs. They are Albania's future leaders and constitute a tremendous untapped resource for promoting sustainable economic development. Investments in them, in terms of modern business education, will foster private enterprises, public institutions, and civic organizations. Thus, restructuring Albania's business education infrastructure is critical for Albania's future.

### **The Nebraska Project in Albania**

Soon after the fall of the Berlin Wall, the United States promised Central/Eastern European countries various aid programs. One of the major parts of the aid program for each country was technical assistance. The U.S. Agency for International Development solicited proposals from other profit and non-profit organizations to provide management training and/or market economics education (MTEE) for the CEE countries. The University of Nebraska team, under the first's author's leadership, was successful in obtaining a grant to provide such technical assistance to Yugoslavia in 1991. However, this project was never implemented in Yugoslavia due to the civil war. Consequently, USAID requested the University of Nebraska-Lincoln (UNL) to switch the project country to Albania. To have first-hand knowledge about the situation in Albania, we visited the country in December 1991.

1991 was the darkest hour, literally, for Albania. Thousands of people risked their lives trying to escape the miserable poverty by sailing to Italy on any available boat. Many made it, while most were deported back to Albania by Italian authorities. Many perished in the rough Adriatic Sea. To prevent a

further exodus of Albanians illegally attempting to enter their country, Italy sent emergency aids with its own troops for distribution. Our first trip in Tirana, Albania from Zurich, Switzerland was truly a memorable one – time warp from 1991 to the 1940's in 691 miles and roughly two hour of flying time. The cold and darkened hotel, long lines of people trying to buy bread, a handful of taxies and horse-drawn wagons sharing the streets of Tirana, people strolling the streets because it was warmer outside than inside their apartments, children begging in front of the only two working hotels, etc. We met with then Prime Minister Ylli Bufi, the Minister of Education, the Rector of the University of Tirana, and the U.S. Ambassador to Albania.

Against this backdrop of despair and desperation, we started the project in March 1992. Our initial challenge was to provide a general education program to all key government officials, university economics faculty, managers of state-owned enterprises (SOEs), administrators of collective farms, and a handful of entrepreneurs. Organized, massive, and visible training programs on the principles of market economics, management, entrepreneurship, and agribusiness started with 12 members of the UNL team. Our initial training program accommodated only 450 people for a five-day program in Tirana. Since that time we have trained more than 5,000 individuals through basic, advanced, focused and on-site programs.

Management training and market economics education programs have concentrated on the following issues: principles of market economics, international economics, global business, principles of modern business, entrepreneurship, small business management, and agribusiness. Most training programs were concentrated in the following major cities – Tirana, Korca, Shkodra, and Vlora. Simultaneously, Nebraska's team began to help Albanian business colleges (called Faculty of Economics or Faculty of Business and Economics) completely restructure their business curricula.

Currently there is no private institution of higher education in Albania. Thus, all universities are national universities. The premier institutions with graduate programs are the University of Tirana (UT), Tirana Polytechnic University (TPU), and Tirana Agricultural University (TAU). Other national universities are all undergraduate institutions located in major cities around the country: Elbasan, Gjirokastra, Korca, Shkodra, and Vlora. These institutions all have a small Economics Faculty teaching various economics/business courses. Initially, courses were designed and offered by faculty in a rather random fashion. Most faculties at these regional institutions were initially ill-trained to teach university level courses – most were UT graduates with BS degrees. Since 1992, however, many of these faculties have received further training overseas, either in formal masters-level degree programs or semester-long intensive programs to four-week short programs. Business education programs at these regional universities are still at the elementary level, perhaps the junior

college stage. Nevertheless, business programs are the most popular majors at these universities.

Undoubtedly, the most important program for training managerial talent in Albania is the MBA program, at the UT. This is the first ever and still the only MBA program in Albania. The program was established by the UNL project team and is based on the international standard of quality. As a matter of fact, the program is almost identical to the MBA program at UNL. The first cohort of 25 students was selected from a pool of 85 outstanding applicants in 1996. Selection criteria included proficiencies in English, mathematics, and informatics; undergraduate academic record; recommendation letters; and interviews with the faculty. Most of the students had full-time jobs.

All courses were taught by American faculty sent to Albania by UNL. The first graduation ceremony occurred in May 1998, and was attended by then Prime Minister Fatos Nano, the American ambassador, a number of government ministers, UT/UNL faculty, and more than 600 guests. The hour-long graduation ceremony was broadcast live and then rebroadcast numerous times over national television. It was the first time ever in Albania that graduates wore caps and gowns for the ceremony. The Prime Minister was so impressed with the graduates that he hired one "on the spot" as Vice Minister of Economic Planning and Coordination. Several other graduates were recruited by foreign enterprises, while others received promotions in their organizations. The University of Nebraska - Lincoln recruited two graduates as Ph.D. students in Management Information Systems. The second MBA cohort of 27 students graduated in June 2000 with even greater pomp. The third cohort (27 students) is on schedule to graduate in July 2001. The fourth group started classes in October 2000, and the fifth in January 2001. The MBA program is full two years ahead of the projected schedule, an unheard of accomplishment for government-funded projects.

With the increasing reputation and demand for the MBA program, UT has been successful in leveraging this quality program. It recently established an MPA (Master of Public Administration) program in cooperation with the Soros Center. Also, a concentrated MBA/MPA program is being developed to train government administrators. The initial target agencies are the Ministry of Public Order and the Ministry of Defense. UT has solidified sustainability of its MBA program.

To support business education infrastructure, Albanian universities must increase the availability of library resources, computer labs, teaching materials, and equipment. Our project has provided more than 150,000 books, over 80 computers, video equipment, a study room, office furniture, etc. We also have the Lexis-Nexis system, which can provide an enormous amount of information to both the faculty and the students through the Internet.



Another important aspect of our project has been helping UT Faculty of Economics staff develop the research culture. Professors have been primarily involved with classroom teaching and service activities. Creative and rigorous academic research has been quite neglected for some time. We have worked with our Albanian colleagues in developing collaborative research ideas for some time now. A number of joint research papers have been published in journals or presented at international conferences. The Faculty of Economics at UT recently launched a new journal.

In addition to the above described formal education programs, there have been numerous practical business training programs offered to practicing managers, entrepreneurs, government officials and even university faculty. Our project has established three Business Assistance Centers (BACs) at the Universities of Korca, Shkodra, and Vlora, and the Technology Management Center at the Tirana Polytechnic University (TPU). The centers provide a number of training/education programs to their respective local business communities in addition to face-to-face consulting services to small business owners. Information systems and computer training programs have been especially popular among local business persons.

The TMC at TPU is just beginning to provide its services. Its primary mission is to provide technical expertise to enterprises in their value-adding processes. The primary target areas are textile, construction, and informatics industries. In addition to simply providing training programs, BACs and the TMC are also engaged in various research projects such as marketing research, feasibility studies for new ventures, and labor skills requirement analysis for the local economy. These research projects also provide educational opportunities to local government officials and business persons as to how research results and other data can be used for improving operational efficiency and service quality.

College students in Albania have had a very limited opportunity for social initiatives and extracurricular activities. The one stalwart exception has been the Students in Free Enterprise (SIFE) organizations that our project established in 1996. SIFE is a non-profit organization whose mission is to build collegiate SIFE teams that teach free enterprise to improve individuals, communities, and countries. This purpose is accomplished through the student teams' outreach projects where students and faculty involve the community in the free enterprise system, providing the students with the opportunity to teach others what they have learned. SIFE teams work for one year and then prepare a report and presentation about their achievements.

We have held four annual Albanian SIFE competitions since 1998. All have served increasingly to muster human initiative among students in our partner institutions – Universities of Tirana, Korca, Shkodra, and Vlora. More than 100 students participate in the annual competition. The winning team has received well-deserved recognition and was sponsored to travel overseas for a study tour.

The SIFE program has been growing every year, in part, because it gives students an opportunity to engage with others to involve themselves in community activities. Students (mostly business students) have worked on projects that develop private enterprises directly, assist institutional development to foster private enterprise, and they have also worked on community improvement programs. The 2001 Albanian national competition was held in Montenegro among the winners of regional competitions, because the number of SIFE teams in the competition was simply too large to invite all of them.

## The Future

While the long shadow of its tragic past still lingers in people's thinking and behavior, Albanians have shown remarkable resilience. A massive dose of training and education in modern economics and management principles has greatly helped change the attitudes and behavior of the new generation of Albanians. A complete overhaul of business curricula at all national universities has really enhanced business education in Albania. The successful establishment of the MBA program at UT has provided a tremendous boost to advanced business education that is of international quality. The impact of this program reaches far beyond the Albanian business community with this newly established MPA and concentrated MBA programs. Clearly, Albania needs continuous support from the EU, the U.S., and other advanced nations to get its economic transition on track. If the Albanian government can maintain stability and social order, and make some visible headway in its severe infrastructure problems, then more progress can be made in the economic transformation process.

The Albanian people are survivors. Although desperately frustrated, they still have the will to make transformation work. To meet this goal, the young professionals especially seem to understand and are doing something about their development through business education. In conclusion, Albania's future will be determined by a complex combination of social, political, technical, and economic forces. Perhaps, the most important factor would be development of human capital through sound business education. Our project is its final phase – establishing sustainability of our programs, especially the MBA program at UT, the BACs and TMC, SIFE activities and research infrastructure. We expect to phase out our project in Albania by end of 2002. For more information about our project, please visit our web site: <http://www.cba.unl.edu/outreach/albania/>

*Sang M. Lee, Silvana Trimi, Department of Management, University of Nebraska – Lincoln*



## Conference Announcements/Calls for Papers

### **The European Academy of Management's II<sup>nd</sup> Annual Conference on: Innovative Research in Management May 9-11. 2002 Stockholm**

We are inviting scholars from all fields of management to jointly participate in the exciting exploration of innovative and creative ways of theorizing, conceptualising and studying management and business.

- Innovative research in management includes novel perspectives, theories and methodologies in traditional research areas, such as: general management, strategy, corporate governance, organizational theory, organizational behaviour, decision making etc.
- Innovative research also involves the exploration of emerging research domains, such as: political and non-for profit management, medical and hospital management, project and science management, regional and city management etc, management in fast-breaking sectors such as biotechnology and microelectronics as well as in brand and life-style based industries, management in new organizational forms and business configurations such as heterarchies, syndicates and industrial districts, and managing in new competitive realities characterized by convergence and coopetition etc.
- Innovative research implies as well trans-disciplinary theoretical frameworks and methodological approaches management disciplines such as: aesthetics and ethics of management, philosophical analysis of management issues, ethnological perspectives on management, evolutionary search algorithms in population research, information and computation theory in managerial behaviour, genetic algorithms for the study of markets and firms evolution and other approaches that combine methods from the social and natural sciences

### **Submission of papers:**

**Those interested in presenting a  
paper should:  
electronically deliver a full paper to  
E-mail: [euram@sses.com](mailto:euram@sses.com)  
Deadline: December 1<sup>st</sup> 2001**

**For details concerning the  
conference and call for papers,  
please visit:**

**[www.sses.com/euram](http://www.sses.com/euram)**

**For inquiries: [euram@sses.com](mailto:euram@sses.com)**





## **Operations Management and the New Economy**

European Operations Management Association (Euroma)

9th International Annual Conference

**Copenhagen, June 2-4, 2002**

The following tracks are announced:

- Operations management, new organisational forms and the networked value chain.
- Supply chain management and e-business.- ERP systems and operations management.
- Management of technology.
- Performance management and benchmarking.
- Organisational change and change management.
- Research paradigms and methods in operations management.
- Critical Operations Management.
- New forms and methods for operations management research and teaching.
- Research in progress.

**Deadline for submission of abstracts is January 1 -2002.**

**Please find further information at: <http://www.cbs.dk/euroma2002>**



## **Workshop on a New Agenda for Organization Theory in the 21<sup>st</sup> Century:**

**From Theoretical Diversity to Theories of Diversity ?**

**Where : Brussels, Belgium**

**When : February 7-8, 2002**

**Web site : <http://www.eiasm.be/WSdiversity.html>**



**3<sup>rd</sup> International Workshop on  
Transition and Enterprise Restructuring in  
Eastern Europe  
Copenhagen Business School, 15-17 August, 2002**

## **Background**

The Centre for East European Studies invites to the 3<sup>rd</sup> workshop on Transition and Enterprise Restructuring. This workshop will bring together a selected group of business, management and economics scholars to discuss the challenges facing enterprises in transition economies.

## **Research topics**

### **1. Acquisitions and Restructuring**

- The choice of acquisitions as an entry strategy
- Brownfield investment and post-acquisition restructuring
- Spillovers of foreign investors to the local industry

### **2. Managing organisations under transformation**

- Organisational transformation as a learning process; learning as transformation
- Cross-cultural challenges in East European organisations with Western participation
- Trust and networking in EE organisations with and without Western participation

### **3. Corporate Governance**

- Ownership, control and restructuring performance
- Dynamics of ownership transformation and change
- Systems of governance

## **Deadlines**

**Abstracts: March 1, 2002.**

**Completed papers: July 1, 2002.**

### **Further Information**

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**EDEN – EIASM's Doctoral Education Network**  
**Doctoral Seminar on Organizational Design**  
**Brussels, Belgium, March 11-15, 2002**

Our goal is to understand better how to develop and utilize what we know from theory and experience to create and choose among various organizational designs. We want to develop an operational knowledge base which will help us design organizations which will perform well.

The target group of the seminar is Ph.D. students and junior scholars. The purposes of the seminar are:

1. to provide the participants with an understanding of a dynamic multiple contingency approach to organizational design; which incorporates current notions on new forms,
2. to develop and integrate new ideas on design into the organizational design framework;
3. to develop skills to contribute to the knowledge of organizational design;
4. to outline a possible organizational design research project for each participant.

It is very important to emphasize that each participant will be expected to develop a proposal for a research project of personal interest (e.g., part of thesis) which incorporates issues from organizational design and knowledge framework development. The participants will be requested to present their research problems and research ideas at the beginning of the seminar.

For detailed information on programme, fees, scholarships, application procedures, deadlines etc., please contact:

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