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## **25 YEARS OF MARKET-BASED SOLUTIONS**

### **ARTICLE SERIES**

# Development of Management Education in Central and Eastern Europe (1985-2016)

Prof. Danica Purg, PhD  
Asst. Prof. Alenka Braček Lalić, PhD  
IEDC-Bled School of Management, Postgraduate Studies

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## ARTICLE SERIES

*A failed coup attempt in August of 1991 left former Soviet leader Mikhail Gorbachev's power irreparably damaged and he resigned in December. The Soviet Union crumbled and Boris Yeltsin took over in Russia where, in the beginning of 1992, he lifted most of the remaining price controls.<sup>1</sup> In 1991, India's economy was, as one author put it "on the brink of collapse". That year, PV Narasimha Rao took over as prime minister. Rao and his Finance Minister, Manmohan Singh, are credited with putting reforms in place that would fundamentally change the economic landscape in India. Deng Xiaoping engaged in a series of speeches designed to ensure the continued economic liberalization within China,<sup>2</sup> and a 1992 vote in South Africa ended Apartheid and created a multiracial government. This was also the year that William Davidson established the William Davidson Institute (WDI) at the University of Michigan. Much has changed in the 25 years since WDI was first established, but WDI continues to pursue the vision William Davidson laid out at the time of its founding: "to forge a path for those responsible for economic change in these emerging markets – that it will give them the knowledge, the methods, and the blueprints for a successful transition to a market economy."*

*This is one of a series of articles, collectively titled "25 Years of Market-Based Solutions," that presents an overview of the activities and research that has taken place over the past 25 years in Management Education in Central and Eastern Europe, with an eye toward what we can expect in the coming years.*

1. [https://www.washingtonpost.com/archive/politics/1992/02/28/russia-set-to-remove-most-price-controls/b8f4237f-34e7-49c5-bcb5-a743dbf3d1d3/?utm\\_term=.2156d93c3745](https://www.washingtonpost.com/archive/politics/1992/02/28/russia-set-to-remove-most-price-controls/b8f4237f-34e7-49c5-bcb5-a743dbf3d1d3/?utm_term=.2156d93c3745)

2. <https://www.ft.com/content/a1b03b56-f33c-11e0-8383-00144feab49a>

## 1 Introduction

Central and Eastern Europe has recently been facing profound economic, cultural, and social challenges. Globalization, technological progress, and demographic and societal changes have been reshaping the contexts within which new business landscapes and models have been emerging and new strategic responses are being sought. The emerging business issues — including the role of business in society, sustainable development, and responsible leadership (underscored by the global financial crisis, increasingly tangible effects of climate change, mass immigration, and income inequality) — have created new managerial and leadership challenges. These challenges present themselves as new opportunities for management and leadership development in Central and Eastern Europe. However, at the same time, they call for new knowledge, skills and attitudes. To respond to these challenges with appropriate management and leadership development, management schools need to continue establishing dialogue with businesses in order to gain insights into emerging business issues and actual development needs, and address these needs with relevant educational offerings.

In order to propose how management education in Central and Eastern Europe should be developed in the future, it is critical to consider the Central and Eastern European context in which management schools operate. The main objective of this article is to trace the development of management education in Central and Eastern Europe over the past 30 years and provide recommendations for the future of management education in this part of the world.

## 2 The Change to Market Economy and Management Development in Central and Eastern Europe

In the early 1990s, the countries of Central and Eastern Europe faced a number of challenges, such as privatization, high inflation, and weak competitiveness. At the same time, they were grappling with the recently introduced market economy. Managers in most of these countries saw their business environment (a centrally planned economy) changing drastically. Many managers and leaders did not have the knowledge and skills to adjust to these changes. Yugoslavia, for example, was the most open of all Central and Eastern Europe countries, yet its social-economic model of self-management still differed significantly from the Western model in structure and vocabulary<sup>1</sup>. Management at that time was understood as a political function. This explains why no integrated programs of management development had been introduced before 1985. The concept of management was considered foreign and technocratic, as well as inferior to “self-management,” the Yugoslav socialist model of organizing companies and society. The other Central and Eastern European countries mirrored the Yugoslav situation: management was mainly a political function with strong ties to the ruling parties and the government.

According to Grayson (1993, 7), creating markets where they did not exist before was a task of unprecedented proportion, even more challenging than the transition from communist to democratic regimes. The business environment of Central and Eastern Europe was characterized by “general uncertainty,” which called for rapid responses to address problems holistically and achieve a basic level of efficiency and competitiveness (Purg 2009). The major concern of companies in Central and Eastern Europe was the ability to manage and govern the complexity of organizations. In less-developed transitional economies, the need to establish the basic rules of ethical management and leadership was even greater. It was not difficult to see that most of these issues were typical not only of Central and Eastern Europe but of all countries with transitional economies (Purg 2009, 348).

Economic changes created social change, including change in values and skills. Operating in a market economy required managerial skills and institutions that people in North America and Western Europe had acquired over centuries. These changes in values and skills had a profound impact on management education in Central and Eastern Europe (Grayson 1993, 7).

## 3 First Management Development Institutions in Central and Eastern Europe

In 1985, the President of the Chamber of Commerce of Slovenia launched an initiative to establish a modern management school. Despite ideological doubts, the Slovene authorities accepted – or perhaps, tolerated – this initiative. In 1986, the first management school in Yugoslavia and Central and Eastern Europe was established in Slovenia by Professor Danica Purg (one of the authors of this article). As the word management and other management terms did not exist in the indigenous languages and were not part of the ideological vocabulary at the time, the Slovene school was named, in its English translation, “The Center for Educating Leading Workers in the Economy.” In Yugoslavia before 1990, the word “management” was viewed as a “technocratic” tool for manipulating workers.

1. Yugoslavia opened its borders in 1958 and has been therefore since then imposed to the demands of the market economy.

Since the new school's name would have been cumbersome to use in an international environment, the English name was changed to IEDC, which stands for International Executive Development Centre. According to Mirvis (2011), when asked whether or not Slovenia was then ready to compete in the market, Marko Bulc, former president of the Slovene Chamber of Commerce, replied: *"The gap is not in technology, but in the minds of people."* He invited Professor Danica Purg, a Slovene teaching at the Faculty of Organization of Work, to prepare the new concept and curricula for the school. In 1986, she was appointed director and set out on a whirlwind tour of the world's leading management schools — INSEAD, IMD Lausanne, London Business School, and Harvard Business School — to learn more about modern management education and invite professors to her school in Brdo. These visits resulted in the school's mantra: "Take the best from the West and leave the rest." (Mirvis 2011, 11).

The second management school in Central and Eastern Europe was established a year later (in 1987) in Hungary. It was called the International Management Center (IMC) and was founded by American-Hungarian philanthropist George Soros.

Programs at the first two management schools in Central and Eastern Europe— IEDC and IMC — were organized for executives and thus lasted only a few days at a time. Both schools invited faculty and business leaders from abroad to share their practices with local managers. One of the first programs of this type at IEDC was "Strategy Development." At the program, board members of the Dutch multinational Wolters Samsom (now known as Wolters Kluwer) were invited to share their knowledge and experience with Slovene managers. IEDC showed awareness of the changing environment by introducing a program in business ethics around the same time, thus becoming an international forerunner in this field. According to Grayson (1993, 68), IMC's activities were divided into three main areas: a graduate management program, executive education, and consulting services, which focused on mid-to-senior level managers. The consulting service focused on meeting the needs of a particular company. In terms of orientation, curriculum, and pedagogy, IMC was the only "Western-type" business school in Hungary at that time.

In Estonia, the follower of IEDC and IMC was the Estonian Business School, founded in 1988 by Professor Madis Habakuk (Estonia), Professor Marshall Fitzgerald (USA), Professor Rein Peterson (Canada) and Ilmar Martens (Canada). It was the first higher-education institution in the Soviet Union that offered business education in English. In Latvia, the pioneer was Riga Business School, established in 1991.

The first management development institutions in Russia were established in the late 1980s and at the beginning of the 1990s. The pioneers of management education in Russia are:

- Institute of Business Studies (IBS-Moscow)<sup>2</sup>, now under the Russian Presidential Academy of National Economy and Public Administration (RANEP), was established in 1988;

2 Institute of Business Studies: <http://eng-ibda.ranepa.ru/>

- Moscow International Higher Business School (MIRBIS)<sup>3</sup> was founded in 1988 in accordance with an inter-governmental agreement between Italy and the Soviet Union, at the initiative of Professor Vladimir Groshev, rector of the Plekhanov Institute of National Economy (now Russian Economics University) and the then president of Economic Research Society NOMISMA, Professor Romano Prodi, who later became prime-minister of Italy and president of the European Commission;
- The International Management Institute of Saint Petersburg (IMISP)<sup>4</sup> was the first business school founded in St. Petersburg and one of the first within the former Soviet Union. It was established in 1989;
- The Higher Commercial Management School of the Ministry of Foreign Economic Relations (HCMS) was established in 1989 and provided training for Soviet managers on Western business techniques and strategies (Berniker 1989);
- The Graduate School of International Business (GSIB)<sup>5</sup> was founded in 1992 and was the first business school in Russia to develop and conduct Russian MBA programs. GSIB is currently a structural division of the Russian Presidential Academy of National Economy and Public Administration (RANEPA).

In Poland, several management development institutions were established in the early 1990s:

- Warsaw University International Postgraduate Management Center was founded in 1990, offering MBA programs and executive education (Grayson 1993);
- The Center for Industrial Management was established in 1991 and renamed Warsaw Business School in 1993, offering MBA programs and executive education (Grayson 1993);
- Academy of Management and Entrepreneurship Kozminski was founded in 1993 by Professor Andrzej Kozminski. In 2008 it was renamed Kozminski University<sup>6</sup>.

Despite these efforts, in the early 1990s, Central and Eastern Europe still had a shortage of about 2,500 professors of management and approximately 100,000 managers<sup>7</sup>. The United Nations Development Programme (UNDP), the International Monetary Fund, the World Bank, and deans of Western business schools advised managers in Central and Eastern European countries to become more market-oriented, to improve the quality and design of their products, and to develop professional marketing and sales. To the extent that they implemented these changes, the first management schools in Central and Eastern Europe greatly supported the reform processes in the region, especially privatization.

To stimulate the development of an up-to-date management development program, international companies such as Tetra Pak, ABB, McDonalds, and Toyota invested in Central and Eastern Europe and made efforts to employ local managers. American and Western European management schools also saw opportunities in Central and Eastern European countries. At the beginning of the 1990s, management schools cooperated with schools from North America and Western Europe, including the University of Pittsburgh's Graduate School of Management in Budapest, Prague, and St. Petersburg; the State University of New York in Riga,

3 Moscow International Higher Business School: <http://www.mirbis.ru/en/>

4 International Management Institute of Saint Petersburg: <http://www.imisp.ru/en/>

5 Graduate School of International Business: <http://eng.gsib.ru/>

6 In 1999 Kozminski University was the first business school in Central and Eastern Europe to receive EQUIS accreditation. Kozminski University was also the first business school in Central and Eastern Europe accredited by AACSB (in 2011), AMBA, and CEEMAN.

7. From the UNDP report, written by Derek Abell and Danica Purg, on the basis of consulting on management education to the governments of Poland, Romania, and Hungary (1989, 1990, and 1991).

Latvia; the Italian Management School at Bocconi University, Milan, cooperating with the International Management Institute of Saint Petersburg (IMISP); and the Nomea Institute in Moscow. The European Foundation for Entrepreneurship Research (EFER) was established in 1987 by Bert Twaalfhoven, a well-known Dutch entrepreneur, who sponsored case research. It also provided case-writing and teaching workshops. That was the time of the first student exchanges and visits of foreign professors of management to Central and Eastern Europe. Unfortunately, those professors often lacked knowledge of the region's economy and political situation.

Since the Western management schools often did not understand the Central and Eastern Europe context, assessment of their activities in that period were generally not positive<sup>8</sup>. There was no research or development of pedagogical material, and no critical mass of professors or researchers, to the detriment of both (Grayson 1993, 25). Besides, educational institutions, professors, and students needed time to understand the difference between economic science and management science. According to Volkova<sup>9</sup> (2016), *“It was a rather difficult choice for many educational institutions to move from economic to management education, because there was no understanding in place and also not enough qualified people who could teach in those programs.”*

Nevertheless, it is important to note that management education has been successfully launched in Central and Eastern Europe since 1986 and has become a necessity in the region in terms of implementing and accompanying economic reforms. In the early 1990s, management education sprung up not only through private management development institutions, but also as an integral part of traditional public universities. However, according to Abell (1998, 63) *“In Europe particularly, the relatively cautious response of universities to entry in executive education led to establishing management institutions sponsored initially by corporations or by chambers of commerce. These institutions had two immediate advantages: they were necessarily forced to be practically oriented and relevant, since they had to meet the needs of their sponsors; they were able to be much more entrepreneurial in spirit and action than some of their university-based counterparts – where the shift towards practice-oriented teaching and research was (and still is) resisted by the more conservative “academic” forces in the university system.”*

## 4 Associations of Management Development Institutions in Central and Eastern Europe and their Role

The main challenges at the beginning of management education in Central and Eastern Europe were the lack of management professors and researchers, the lack of research and development of pedagogical material that would be relevant to the needs of Central and Eastern Europe, and the copying of the Western model of management education which did not take into account Central and Eastern Europe's environment and its complexity and history.

Several associations in Central and Eastern Europe have addressed these challenges, producing a significant impact on the development

<sup>8</sup> See, for example, Nancy McNulty: “Too many American consultants and managers are failing in their efforts in Eastern Europe by misjudging Europeans' educational attainments...” (Mirvis and Walravens 2013, 18).

<sup>9</sup> Interview with Tatjana Volkova, Member of Baltic Management Development Association (BMDA) Board, conducted in 2016 by Alenka Bracek Lalic.

and quality of management development institutions. The first association of management development institutions in Central and Eastern Europe was the Russian Association of Business Education (RABE)<sup>10</sup>, established in 1990 in order to create “an effective system of business education in Russia that will provide home consumers with up-to-date means and resources for professional workforce training.” RABE’s main aims have been to participate in the elaboration of strategies for business education in Russia and CIS, form a consumer-oriented approach to business education in Russia, and generate, select, and disseminate innovative ideas, as well as the best home and overseas experiences in management and business education, guaranteeing high quality Russian business education. Over a period of more than 25 years, RABE has become the largest association of business schools, universities, centers of additional professional education, training centers, and other organizations that are interested in the development of business education in Russia. By identifying business education as a special segment of the educational market in Russia’s economy and by uniting the leaders of business education, RABE has gained recognition not only in Russia but also among foreign partners and has become an initiator, developer, and participant of a number of innovations in the Russian educational system. Today RABE has more than 120 members.

Russia’s emphasis on education in the past 15 years has contributed to the rapid expansion of various forms of professional and business education. Today, all kinds of retraining programs are available to any Russian company that is ready to pay for them – from one-day “update” seminars to internationally recognized programs of Doctor of Business Administration. Russian schools have recently started to be accredited by the Association of Masters of Business Administration (AMBA) and have even appeared on the list of top 100 European MBA programs (Morley et al. 2009, 297).

Another turning point in the field of management development and education was the establishment of CEEMAN<sup>11</sup>, the Central and Eastern European Management Development Association, in 1993. Professor Danica Purg was motivated to found the association for several reasons:

- Few management schools in the West were focused on Central and Eastern Europe management education. Most lacked an understanding of the real challenges facing the Central and Eastern European countries<sup>12</sup>;
- International management development conferences were poorly attended by people from Central and Eastern Europe, mainly due to financial constraints;
- Western management schools and sponsoring institutions did not understand that in order to close the management gap there was a need for high-quality management education, requiring high-quality professors;
- It was necessary for Central and Eastern Europe management schools to take responsibility and initiative for management development into their own hands and start working closely together in order to make progress.

In late 1992, after an international EFMD<sup>13</sup> conference in Slovenia, Professor Purg met with 13 deans of management schools from

10 Russian Association of Business Education (RABE): <http://www.rabe.ru/>

11 CEEMAN, International Association for Management Development in Dynamic Societies: <http://www.ceeman.org/>

12 Danica Purg: “The West can teach us a lot about rationalization, but when it comes to culture and “the manager as intellectual”, the West can learn from us...” ( Mirvis and Walravens 2013, 18).

13 European Foundation for Management Development



Central and Eastern Europe and launched an initiative to establish CEEMAN with the aim of improving the quality of management development in Central and Eastern Europe<sup>14</sup>. The need for such an association was evidenced by the growth that CEEMAN experienced after its establishment in 1993<sup>15</sup>. In 1995, CEEMAN had 63 members from 22 countries, mainly from Central and Eastern Europe (13), but also from Western Europe (6), Canada, Kazakhstan, and the USA. From 13 initiators in 1992, CEEMAN has grown to 220 institutional, corporate, and individual members representing 55 countries from all continents. This also reflects the development of CEEMAN's extended mission: not to limit itself to Central and Eastern Europe, but to share its experience with members and spread its activities worldwide, with a focus on economies in transition (also called "dynamic societies"). In the light of this extended mission, CEEMAN has changed its name to International Association for Management Development in Dynamic Societies.

Mirvis and Walravens (2013) argue that CEEMAN member schools took the lead in reducing the skill gap by educating management students and conducting company programs throughout Central and Eastern Europe. For instance, CEEMAN members in Central and Eastern Europe offered 34 MBA programs in 1997. By 2007, CEEMAN had 67 institutional members all of which offered at least Bachelor degrees in management and business studies. It should be emphasized that there were many women in the programs, exceeding 50% in undergraduate programs, with an average of 45% in graduate programs. In some management development institutions in Central and Eastern Europe, the number of foreign students exceeded 40%. The same was true of foreign faculty (Mirvis and Walravens 2013, 18).

CEEMAN has also been an active contributor to PRME – Principles for Responsible Management Education – since it was launched at the UN Global Compact Leaders' Summit in Geneva, Switzerland in July 2007. CEEMAN members were among the first management development institutions that joined this global initiative. Recognizing the growing importance of sustainable development for business leaders, CEEMAN has taken significant steps in promoting the concept by integrating sustainability into its International Management Teachers Academy (IMTA)<sup>16</sup>, CEEMAN International Quality Accreditation (IQA)<sup>17</sup> standards, and its Champion Awards<sup>18</sup> for outstanding individual achievements in the area of responsible management education in support of the needs of Central and Eastern Europe.

The third association of management development institutions in this region was also founded in 1993 on the initiative of 19 charter members interested in promoting management education in Poland. Association of Management Education SEM FORUM<sup>19</sup>, located in Warsaw, reached a Business Schools Agreement on Quality of Education in 1994 which enabled the creation of a professional accreditation system in Poland.

14 Gabriel Matauan: "CEEMAN was the perfect vehicle to take us through the window of opportunity that had been opened once the Iron Curtain had collapsed. It was a whole new world to know and to conquer" (Mirvis and Walravens 2013, 18).

15 Sergey Mordovin: "We didn't have enough professional communication and experience... there were dreams that we can help each other, support each other, openly and unselfishly share our experience. CEEMAN appeared at this time and many of our hopes were realized" (Mirvis and Walravens 2013, 18).

16 International Management Teachers Academy: <http://www.ceeman.org/programs-events/imta-international-management-teachers-academy>

17 CEEMAN International Quality Accreditation: <http://www.ceeman.org/accreditation>

18 CEEMAN Champion Awards: <http://www.ceeman.org/competitions-awards/ceeman-champion-awards>

19 Association of Management Education SEM FORUM: <http://semforum.org.pl/>

In 2002 Baltic and other countries worked together to form the Baltic Management Development Association (BMDA)<sup>20</sup>. Its goal was to create a regional management development network initiated by universities, business schools, individual professors, and business professionals from the Baltic countries and elsewhere. From the very beginning, the association enhanced the quality of management development in the Baltic region and beyond by promoting research and offering educational services and networking opportunities for management development institutions and business enterprises. “Bridging East and West” became the motto of BMDA. By establishing a virtual bridge between Eastern and Western management schools, and especially through collaboration between different scientific cultures, BMDA has provided a unique opportunity for its members to share the experience of transformation, rapid growth, and managing organizations for stabilization which are the main features of the new EU member states, including the Baltic countries. Its focus on Baltic regional management development is maintained and it currently unites 70 members from 24 countries.

With regard to the development of management education in different countries in Central and Eastern Europe, Volkova (2016) explains that some countries have excellent schools which act as change agents in the field of management education, while others are still in the process of development and following more advanced countries. Therefore, it is very important that associations, such as RABE, CEEMAN, and BMDA are focused on enhancing the quality of management education in this region and on brand development. This could be achieved through partnerships among management schools and joint degrees.

There are three main challenges for management education in Central and Eastern Europe in the near future, according to Volkova (2016). The first challenge is to professionalize the management educators. The second is to understand the management needs of Central and Eastern Europe’s companies. The third is to bolster research on management. Such research could be encouraged through organization of academic conferences, delivering doctoral study programs, applied research, and partnerships.

In order to get a better understanding of the development of the content, priorities, and programs of the management development institutions in Central and Eastern Europe, we can review the CEEMAN annual conferences topics in the period from 1993 to 2010. We can distinguish four clusters of topics at annual conferences:

- a “mission” cluster (leadership, management development)
- a “customer/partner” cluster (business, entrepreneurship, competition)
- a “context” cluster (change, integration, restructuring, transition)
- a “vision/strategy” cluster (future, global, international).

<sup>20</sup> Baltic Management Development Association (BMDA):<http://www.bmda.net/BMDA/>

## Topics Included at CEEMAN Annual Conferences<sup>21</sup>

Year	Topic	Epochal Themes
1993	Management, Management Development	
1994	Partnerships: Between Business and Between Business School	<ul style="list-style-type: none"> <li>• National Economic and Organization-Level Restructuring, Privatization</li> <li>• Developing Business and Management Schools</li> </ul>
1995	Improvement Restructuring	
1996	Transition	
1997	Human Resources	
1998	Transformational Leadership	<ul style="list-style-type: none"> <li>• Disintegration and Transition, Skill Gap</li> <li>• Integration, Crossing Cultures</li> <li>• Moving Schools Forward; Entrepreneurship and Cooperation</li> </ul>
1999	Integration New Europe	
2000	Entrepreneurship	
2001	Cross-Cultural International	
2002	Business Leadership Future	
2003	Cooperation: Business and Business Schools	
2004	Enlarged Europe	
2005	Arts, Innovation Management	
2006	Synergy Business and Schools Research	
2007	Global	
2008	Transition Management	<ul style="list-style-type: none"> <li>• Global Financial Crisis and its Impact</li> <li>• Needs of Future Managers and Firms</li> <li>• Educating Responsible Leaders</li> </ul>
2009	Crisis Change, Competition Future, Social Responsibility	
2010	Quality, Sustainability Global	
2011	Global Challenges	
2012	Dynamic Markets	

The greatest attention was initially devoted to the mission and customer/partner clusters. In the last decennium, however, issues related to the context and vision/strategy clusters have become more important. The notion of “restructuring” has gradually been replaced by “change” and “transition,” whereas “international” has been replaced by “global.” Until 2002 the main focus was on internal issues, such as business schools’ mission and organization, as well as other conceptual issues. That focus was natural for that period, following the foundation of most business schools. Since 2002, an external focus has become more prominent, and globalization, ethics, social responsibility, and sustainability have come to the forefront.

<sup>21</sup> Mirvis et al. 2013, 186.

## 5 The Development of Pedagogical and Research Excellence in Management Education in Central and Eastern Europe

According to Grayson (1993, 28), the lack of qualified and experienced faculty to teach undergraduates, MBA students, and executives was a critical bottleneck at the beginning of 1990s in Central and Eastern Europe.

CEEMAN was a pioneer in recognizing the need for pedagogical excellence, new ways of learning and teaching methodologies, as well as case writing relevant to Central and Eastern Europe for empowering management teachers. In keeping with its mission to accelerate high-quality management and leadership development and to transform managers into leaders that are agents of change in their organizations and countries, CEEMAN established the International Management Teachers Academy (IMTA) in 2000. This academy has focused on developing management university teachers for all CEEMAN members from around the world by providing high-quality studies in teaching methodologies which contribute to pedagogical excellence. IMTA is a two-week program. The first week is devoted to teaching methodology. In the second week, participants learn and practice how to teach particular management disciplines of their interest. As of September 2016, 567 young faculty members from 49 countries have graduated from IMTA in various teaching tracks: strategic management, marketing, finance, entrepreneurship, leadership and change management, and business and society.

With IMTA and other activities provided by CEEMAN and associations such as RABE and BMDA, the critical bottleneck created by the lack of qualified and experienced faculty, case studies relevant for Central and Eastern Europe, and joint research initiatives, has been gradually removed. For instance, the first major training needs survey, Assessment of Management Training Needs at the Achieved Level of Transition, was executed in Central and Eastern Europe, sponsored by the European Training Foundation (1998-2001), and published by CEEMAN. The survey covered selected enterprises in nine countries: Bulgaria, Poland, Romania, the Russian Federation, Slovenia, Latvia, Lithuania, Hungary, and Ukraine. It helped management development institutions in Central and Eastern Europe to understand the needs of companies and prepare relevant educational offerings.

In order to understand the progress that has been made since 2001, and gain insight into current business challenges and management development needs, CEEMAN started a research project in 2015 entitled “Management and Leadership Development Needs in Dynamically Changing Societies”. Currently there are more than 30 universities and business schools in 20 countries contributing to this joint research effort which aims to collect insights into the business challenges faced by companies and related management and leadership development needs. This will, in turn, help management education providers better adjust their offerings to the real needs of business, and provide useful reference to companies for developing their training strategies.

Two of the benefits of joint research initiatives is the integration of research results into curricula and the strengthening of research platforms at the management development institutions in Central and Eastern Europe, thus contributing to research excellence and development of case studies relevant for this part of the world.

## 6 Quality of Management Education in Central and Eastern Europe

Since the Western model of management education lacked an understanding of the real challenges for Central and Eastern Europe's countries, and overemphasized accreditations with Western values and concepts such as AACSB and EFMD, CEEMAN established the International Quality Accreditation (IQA)<sup>22</sup> in 1998. The IQA was designed to enhance excellence of management educational institutions operating in the transitional economies of Central and Eastern Europe by taking into consideration their original contexts and needs. *"The best CEE management schools are those that made a choice to be independent and that choose their own partners (from the West). As already mentioned, the West can teach us a lot on 'rationalisation,' but when it comes to culture and 'the manager as an intellectual,' the West can learn a lot from us"* (Purg 2010). According to Abell (2008, 65) *"Innovations can come from anywhere. It is not a race to catch up. We are not in a catch-up world anymore. We are in an invention world where an invention can come from any part. If we have something original, the job of an educational institution is to codify it and add value to it. This is true not only in this part of the world but everywhere. We have an opportunity to do something original but we have to work not only in teaching and changing our programs but also in what is behind that, which is research."*

## 7 Conclusions

Management education in Central and Eastern Europe has gone through several phases in the last 30 years. Its first phase, according to Kozminski (2010), was characterized by "copying the golden standard of American style management education" and its learning and teaching approaches. In its second phase, management education started to take into consideration Central and Eastern Europe's context, culture, and management development needs. That was the period when new, locally relevant models of management education were developed. During this second phase, management education in Central and Eastern Europe moved from copying Western management education to serving the needs of society and advocating its transitional and change role. This was accomplished through establishing different associations which encouraged the development of regionally based case studies, new learning and teaching approaches, and faculty development, research projects, and publication. In this phase, many management development institutions in Central and Eastern Europe started introducing innovative approaches that were related to the culture, philosophy, and traditions of a particular country and Central and Eastern Europe in general. Using theater, music, and visual arts as metaphors for leadership development was an important contribution by several management schools in the region, including IEDC-Bled School of Management (Slovenia), Kyiv Mohyla Business School (Ukraine), ISM University of Management and Economics (Lithuania), Moscow School of Management Skolkovo (Russia), and Graduate School of Management at National Research University Higher School of Economics (Russia). Besides this, it should be highlighted that management development institutions from Central and Eastern Europe were pioneers in promoting and integrating Principles of Responsible Management Education (PRME) and sustainable development into their educational offerings.

What now differentiates the Central and Eastern European model of management education from the Western model is its focus on

<sup>22</sup> See IQA Brochure, CEEMAN, Slovenia, 2016.

teaching excellence and provision of management education offerings that are relevant to the needs of society, thus creating an impact on the environments where management schools operate.

Management education in Central and Eastern Europe has recently entered a third phase, within which transnational cooperation and internationalization of management education is encouraged more than ever. Although management programs' growth is expected to be moderate in the coming years, it is also expected that the internationalization of programs will grow. In the meantime, the best institutions aspire to become accredited by institutions such as AACSB, AMBA, EQUIS, and IQA. With the support of CEEMAN and accreditation operations, institutions will focus on improving the quality of programs and services, as well as their relevance and differentiation. At the same time, we believe that management development institutions in Central and Eastern Europe will continue to focus on innovative approaches to management education that could be an important tool for holistic leadership development. The fact that management development institutions in Central and Eastern Europe, unlike their developed Western counterparts, did not need to go through the process of unlearning and relearning is an advantage as it helps management development institutions in Central and Eastern Europe to focus on innovation, experiential learning, and integrative thinking, all supported by digital processes instead of adhering to traditional approaches to management education. In this respect, we witness more research effects, more teaching material development, and greater participation on the international scene. Management development institutions are ready to shine. Latin America, Asia, and Africa today show a much greater interest in cooperating with Central and Eastern European schools and gaining mutual understanding. The "One belt, one road" project in China is also stimulating the transfer of management knowledge from Central and Eastern Europe to China. Many exchanges have started and conferences are taking place in China and Central and Eastern Europe to enhance cooperation.

Central and Eastern Europe has gone through a long transition period. It has now, in the third phase, a strong potential for partnership with management development institutions in other parts of the world where similar processes and transformations are taking place. Central and Eastern Europe's experience could aid global efforts to make management schools important change agents in society.

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