

Educating Educators in a Volatile Climate- the challenge of modernising Higher Business Schools in Serbia and Montenegro

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Introduction

This study is set in the rapidly changing political, economic and educational environment that has ensued in Serbia and Montenegro¹ following the fall of President Milošević in October 2000. Its primary focus is a ‘Training trainers’ initiative, mounted by the GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit/Society for Technical Co-operation), designed to upgrade the teaching capacity of academic representatives from four Serbian Higher Business Schools in modern business and management education. This international assistance effort in Higher Education is a critical element in a broader strategy of the GTZ in Serbia to facilitate the growth of the small and medium sized enterprise sector at a time of rapid privatisation. Inevitably, in the aftermath of civil war and sanctions, the GTZ initiative possesses potent symbolic value, demonstrating the intention of a high profile western agency to rehabilitate Serbian Higher Education after a period of enforced international isolation. The assistance effort may also be read as integral to the drive by the Council of Europe to instate the concept of ‘democratic citizenship’ this having been associated with the fight against racism (Osler and Starkey, 2002) and the promotion of human rights within a context of re-activated democracy (Naval, Print and Veldhuis, 2002). At the outset, I should point out that I was one of the team of western academics and consultants responsible for delivery of a number of GTZ sponsored business programmes in 2002/2003. I possessed sole responsibility for the formulation and operation of the Human Resource Management (HRM) module. Thus, as an “acceptable practitioner” (Michailova and Clark, 2004:9) amongst Serbian academic peers, I was able to gain first hand insights into problems and issues

¹[1] The newly reconstituted State of Serbia and Montenegro is all that remains of the former Yugoslavia. The two republics retain a loose political relationship with each planning a referendum in 2006 on full independence. For stylistic purposes, in this article Serbia and Montenegro will subsequently be referred to as ‘Serbia’.

associated with the assimilation and teaching of new business ideas by local experts. In October 2004, I undertook a follow up visit to Serbia, funded by EU/Tempus with the purpose of re-engaging with representatives of two of the Higher Business Schools participating in the GTZ programme to evaluate progress made in incorporating GTZ materials into teaching and learning approaches.

Context

As the first wave of Eastern European transition countries come of age through accession to the European Union, Serbia still reels from the devastating social and economic effects of war and sanctions. Despite the inception of a 'shock therapy' privatisation scheme in the post- Milošević era (Hadžić, 2002) and a broader political drive towards democratisation, the forces of the status quo are still apparent in all walks of Serbian life, constantly threatening a return to the 'dark heart' of state socialism combined with militant nationalism. This is well illustrated by the refusal of the current cabinet to hand four senior police and army officers who are known war criminals to the trial in The Hague; for fear that such an action would set the Police and Army against the Government (Guardian Unlimited Special Reports, 2003). The assassination of pragmatic and pro-western Prime Minister Dr. Zoran Djindjić on 12th March 2003 returned the national climate to one of shock and despondency and demoralised advocates of liberal market reform. More recently, growing public reactionary sentiment was threateningly demonstrated by the electoral victory of the Serbian Radical Party (S.R.P.) in December 2004, led by the self- styled warlord, Vojislav Seselj, who himself awaits trial in the Hague. The S.R.P. now controls one-third of deputies in the Serbian Parliament.

Undoubtedly it is the lack of real economic progress that is fuelling political uncertainty. Headline statistics reveal that over 60 per cent of GDP was lost in the decade from 1989 to 1999 (UNDP, 2000), while just over 10 per cent of the population existing below the poverty line of 2.4 Euro per day. (IMF, 2004) The national rate of employment stands at around 30 per cent with a rate for under-25 year olds at 50 per cent. It is likely that demobilised soldiers and invalids constitute around one third of the total number of unemployed persons. Approximately one million refugees (constituting around 10 percent of the population) place an extra burden on already drained social services. Deficits in human capital have been exacerbated by the haemorrhaging of young, educated individuals to the West at the outbreak of serious hostilities between the summers of 1991 and 1992, when up to 300,000 people are estimated to have emigrated (Collin, 2001).

The European Union, notably through the 'Bologna Declaration' (1999) has stressed the vital role of education in the re-establishment of democratic culture as well as driving economic progress. Similarly, the Council of Europe has actively promoted the concept of democratic citizenship in the region through educational initiatives, collaborating with bodies such as the Serbian Ministry of Education and Sport, the European University Association (EUA), the Alternative Academic Education Network (AAEN), Serbian Universities, The Student Union of Serbia (SUS) and the German Rectors' Conference.

The GTZ initiatives in Serbia may be regarded as complementary to the stated EU mission in the region, providing a practical programme for the upgrading of practical, commercial and administrative skills. The GTZ itself was founded in 1975

as a company under private law. The Society defines itself as an international cooperation enterprise for sustainable development with worldwide operations, its major client being the German Ministry for Economic Development. GTZ is engaged in approximately 2,700 development projects spanning over 130 countries in the South and East. The ultimate aim of the Society is for its projects to function in the long term without external support. GTZ has been a major collaborator with the Serbian Privatisation Agency (along with the World Bank, DFID and USAID). From May 2001, the Society has been engaged in a project to support the small and medium sized enterprise sector in Serbia.

Higher Education in Serbia

The Higher Education system in Serbia is organised principally along binary lines, consisting of five Universities and a number of Post-secondary education colleges, or Higher Schools. Official recognition is also extended to three private Universities.

Universities offer traditional theoretically orientated educational programmes culminating in first degrees (four to six years study), Masters' (up to two years) and Doctorates. Higher Schools have offered more vocational forms of study, including business studies, but do not currently possess degree-awarding powers. Certificates awarded by these institutions are normally attained after two years of study.

Organisational life for each type of institution has been determined in a precise legal fashion, including governance structures and study rules. At time of writing, a significant legislative reform is passing through the Serbian Parliament, which, if enacted, will harmonise the status of Universities and Higher Schools by providing the latter with degree awarding powers, and permitting them to offer three year programmes of study. All aspects of institutional life for each type of institution have

been determined in a precise legal fashion. Thus governance structures, study rules, degree structures, teaching staff and their corresponding titles and rules for promotion, student rights and obligations are harmonised throughout the country. In general, higher educational institutions have been deemed to be autonomous, implementing their own decisions within the strictly defined framework.

Nevertheless, in the context of the escalating conflict in Kosovo in the late 1990s, the University Act (1998) and Post Secondary Education Act (1998) demonstrated that the previous principle of University self regulation was far from sacrosanct. These Acts served to unilaterally remove the autonomy of Universities, creating a new management structure in which all key personnel were appointed by, and responsible to, the ruling party. Existing professors and teaching staff were required to sign new contracts within sixty days of the passing of the new law, effectively signing an oath of loyalty to the regime, or facing the alternative of being dismissed. Indeed sixty independent minded Professors at the University of Belgrade ultimately lost their jobs. Reporting on the impact of this legislation, Human Rights Watch (1999) identified forty high- ranking politicians holding administrative or governing board positions at the University of Belgrade. Amongst them was Vojislav Seselj, head of the ultra- nationalist Radical Party and deputy Prime Minister of Serbia. Seselj was leader of a paramilitary group active in the Croatian and Bosnian wars. The report found that newly appointed deans used their broad powers not only to root out dissident faculty, but also to ‘depoliticise’ the curriculum. In the Department of Philology, the government appointed Dean unilaterally decided that Croatian literature did not exist (and was to be redefined as “Catholic Serb literature),

dismantled the Department of World literature, and declared that a ‘fifth column’ of western inspired traitors had invaded Serbian scholarship.

Following the fall of President Milošević in February 2001, and the election of a new government led by the late Dr. Zoran Djindjić, a new University Law was passed in 2002 to re-instate University autonomy. Implicit in the reformist legislation was a commitment for Higher Education establishments to engage in critical self- evaluation of their activities, with reference to the principles of the ‘Bologna Process’ that has defined benchmark standards across Europe (Republic of Serbia, Ministry of Education and Sport, 2003). Indeed, the harmonisation of Serbian educational systems and standards with wider European norms is viewed as an essential element in the country’s political and economic rehabilitation within in the European Community and beyond. The Serbian Ministry of Education and Sport (2003) has identified major objectives for reform as follows:

- Increasing the efficiency of the Higher Education system in terms of drop-out rates and the length of studies;
- introducing quality control mechanisms with regard to staff and teaching,
- establishing the relevance of programmes with respect to national needs and market demand;
- promoting multidisciplinary and interdisciplinary programmes supporting new professions created in the technological era;
- promoting the concept of applied studies, providing skills and competencies required by the labour market; and
- incorporating students as partners in the learning process.

A recent Institutional Evaluation of Universities in Serbia, published by the European University Association (2002), following a wide-ranging review by E.U.A. appointed teams, reveals that Serbian institutions currently fall considerably short of the above standards. It was found that University infrastructures were generally outdated and inadequate, with under-resourced library facilities. Virtually all the Serbian Universities followed the same traditional model in their organisation and structure, with homogenous profiles of faculties and academic programmes. A heavily inverted age pyramid for academic staff was commonly observed. Curricula and teaching materials were standardised across the institutions and, in many cases, several Universities employed the same teaching staff. A high level of academic in-breeding was apparent, the existence of an ideological vacuum being reinforced by the established practice for students to depend upon the teaching Professor's own publications at the exclusion of others. Western sanctions applied in the 1990s, had only served to exacerbate tendencies towards institutional introversion, with anachronistic curricula based upon internationally non-relevant literature and teaching materials. Little use was being made of alternatives to *ex cathedra* teaching, such as group project work or problem solving exercises. Turning to the contribution of Higher Education to the wider community, the report highlighted that educational provision has been available almost exclusively to younger people, who are bound into programmes for excessively long periods, and where there is a high propensity towards dropping out. A major failing of current provision was an underdeveloped and excessively traditional portfolio, which failed to cater for adult education, continuing education and lifelong learning.

Perhaps inevitably, in an educational environment which has been cocooned from the outside world, and in which academic inbreeding has been rife, allegations of corrupt practice have been made with some frequency. The E.U.A. report asserts that assessment procedures, which have frequently been oral and conducted between individual Professor and student, have lacked transparency and are suspect on ethical grounds. An unpublished survey conducted by the student union of Belgrade University (2001), canvassing the views of 6000 students, found that majority of students (around 70 per cent) believed student rights were violated on a daily basis, transgressions including sexual and psychological harassment (survey on corruption by students union of Belgrade University, 2001).

Case Study Institutions:

Insight can be gained into the history and current organisational status of Serbian Higher Business Schools through a brief exposition of two cases studies of institutions represented on the GTZ programme. Material for the cases was acquired through interviews with Senior Professorial staff at each institution and through available documentation.

Belgrade Business School (BBS)

BBS is the oldest and largest of the Higher Business Schools, and its institutional genealogy may be traced to 1956, with the foundation of the first 'Higher Economic and Commercial School'. The establishment of a vocational Institute at this time represented a breach of the educational monopoly held by traditional Universities. Large industrial systems, including Kragujevac (motor manufacture), Genex (construction, import and export), banks, state firms and chambers of commerce, were

active the founding of the School through the contribution of funds. In prioritising the agendas of practical studies (frequently through student internships) and foreign trade, the School represented a 'flagship' academic manifestation of the market socialist model incepted by Tito. Through the 1960s, 70s and 80s, BBS was organised on self management principles, with recruitment and promotion decisions, as well as directorial appointments, being subject to collective decision making by staff. Over this period, the student body was subject to significant growth, the more applied orientation of studies at BBS providing an attractive alternative to the provision of its main 'rival', the Faculty of Economics at the University of Belgrade. The financial basis of the School was consolidated as funding was procured from the dual sources of State and student fees.

As the Serbian nationalistic project gathered momentum in the 1990s, and the suppression of dissident opinion became more forceful, so the climate at BBS became more repressive and introspective. Overturning the participative ethos of self-management, Directorial appointments in the School sympathetic to the prevailing political regime were imposed by the State. Despite escaping the more oppressive acts of censorship undertaken by the government affecting media and education (HR Watch, 1999), sanctions imposed by the West exerted a strangulating effect on BBS, curtailing possibilities for international staff and student exchanged and severely restricting the flow of academic information and materials from non- Serbian sources. Since the fall of Milošević in October 2000, two further Directors have been appointed by State, both representing democratic interests. BBS now comprises five schools (marketing and retailing; accounting, finance and banking; management; computer science; taxes and duties) with a staff resource of 63 tutors, 48 of which

possess doctorates. At the time of writing, attempts are being made to rekindle international relations, most notably with a 'new' British Business School and a German vocational academy. These embryonic links remain highly precarious, being organised on an *ad hoc* basis by individual staff.

The Business College, Blace (BCB)

The institutional origins of BCB may be traced to Priština Teachers' Training College, established in Kosovo in 1958. In 1998 the Kosovan Ministry of Education changed the status of the Institute to that of Business College. Following the NATO bombardments of Kosovo in March 1999, Serbian nationals in Kosovo found themselves in a highly precarious situation as the majority Albanian population threatened reprisals for previous ethnic atrocities. In this context, BCB uprooted to Blace in September 1999, around 30 kilometres north of the Kosovan border. Original staff members, who were now effectively refugees, were supplemented by part time Professors of Economics from the University of Priština. The College has now become permanently sited in Blace, and over the past few of years has recruited a number of younger staff members to meet growing teaching demands. The staff resource now totals around 35 tutors with a relatively young age profile. Despite its Serbian national origins, staff and student contingents now comprise approximately one third Muslim population, although there is no Albanian representation. The creation of a 'green field' site has presented the opportunity for the College to modernise rapidly. A current organisational challenge is to decentralise authority structures in the establishment to nurture the growth of newly established departments in tourism and catering.

The GTZ Assistance Programme

Throughout 2001 the upgrading events were planned through a series of meetings involving senior representatives from the GTZ and four participating Higher Business Schools: Belgrade (the lead institution), Novi Sad, Valjevo and Blace. It was agreed that intensive programmes (two weeks continuous study or the equivalent) were to be provided in the following areas: micro-economics, financial accounting, e-commerce and HRM. The upgrading events were all delivered at Belgrade Business School, and were to be led by tutors recommended to the GTZ from Germany, the U.S. and the UK. The central problem to be tackled, as stated in an annex to the contract document, was “the high level of unemployment and low level of income- generating opportunities in urban and rural areas in Serbia”. To achieve insight into the context of the upgrading programme for Serbian academics it is instructive to quote from GTZ tender documentation:

“Activities are geared to the demand for skilled workers with practice-oriented training in the commercial- administrative field and the demand for middle management personnel for the slowly evolving private, and above all, medium sized companies in Serbia. Present services are not meeting ongoing needs. Commercially- orientated secondary schools do not provide academically sound training. University level education does not have adequate practical orientation and courses of study take too long to compete. Although in terms of the level they are targeting, i.e. between University and secondary school level, Higher Business Schools are pursuing the right approach, they do exhibit significant weakness with regard to the standard and practical relevance of both their teaching contents and teaching practices. An

initial structural reform has been adopted empowering Higher Business Schools to extend the period of training to three years, and the willingness and dynamics to reform do exist. The greatest bottleneck, however, is the qualification status of the teaching staff.”

Fourteen individuals participated in the programmes, representing the four GTZ Serbian partner Higher Business Schools. Participants were selected by senior academic staff at each college according to their likelihood of benefiting from the programme and also their availability to attend. A number of the more senior Professors had only recently entered into Higher Education. One, for example, had been General Manager of the Yugoslav Statistics Office following 38 years in public administration, whilst another had spent 25 years in publishing. Only a minority had worked in the West, including one of the younger Professors who had gained employment as a product manager for a leading British company. One participant was fully fluent in English (as well as other European languages), whilst a few others possessed a basic command, but preferred to rely on translation.

None of the programme participants described themselves as specialists in HRM, although a minority had studied Organisational Science at the University of Belgrade. Notwithstanding the generalist orientation of participants, a minority (particularly the more senior participants), had occupied management positions in industry in the 1970 and 80s, thus gaining an insight into management in a socialist market environment, including the management of personnel. The teachers of management, marketing and accounting sometimes incorporated elements of organisational studies into their teaching portfolios.

Critical Reflections on the GTZ HRM programme

Consultant observations

The following section offers insights into preparation and process issues on the basis of my experience as Consultant. A note of methodological caution should accompany these reflections. Firstly, all exchanges were subject to translation, from English into Serbian and vice versa, this sometimes slowing communication, and occasionally creating etymological ambiguity. (Jankowicz, 1994) Secondly, as recent observation into fieldwork in transforming societies has highlighted (Clark and Michailova, 2004) exchange between western researcher and post-socialist grouping is rendered problematic by the cultural identity of each. Thus, despite my privileged status as ‘acceptable practitioner’ amongst Serbian academic peers, my perceptions were unequivocally through a western ‘lens’ and subject to interpretation based upon my own preconceptions and experiences, as well as my lack of experience of the Serbian site of research. Throughout this section I shall refer to myself as ‘the Consultant’

Preparation

- Material was not available to the Consultant in advance on the institutional backgrounds of the participants, their work experience or academic qualifications. Training needs were specified in a generic sense as stated on the tender documentation (see above) for the entire cohort. The consultant had no previous contact with either the GTZ or with the Serbian Colleges, other than e-mail communications with a representative at the GTZ in order to make practical arrangements for the visit. Programme materials were distributed to participants shortly in advance of joining the programme, these containing

academic summaries of each lesson. These, however, were of limited use as only a minority of the clients were able to read in English.

- It emerged through subsequent informal discussion that not all Serbian participants had been enthusiastic about attending the programme. This was partly because it fell in the traditional Serbian holiday period, and also due to its interference with the standard practice in the Serbian Higher Business Schools of tutorial staff working in a number of institutions in the course of the working week to supplement incomes (around \$500 per month). In the circumstances, the School Directors agreed to pay the Serbian tutors to attend the programme.

Process

- Following from the GTZ terms of reference an emphasis was placed upon 'modern, practice- oriented' training. A considerable proportion of the programme content was thus devoted to HRM techniques and practices. In advocating a drive towards technical assistance in the field of management, the GTZ was replicating its broader philosophy of skill transfer into developing countries in respect of large- scale physical projects. Nevertheless, an agenda of impromptu 'sense- making' needed to accompany the predetermined curriculum, this involving explicit consideration of how HRM translated into the specific Serbian economic and organisational context. The infusion of local perspectives meant that the organisation and presentation of ideas possessed an iterative character, and prompted continuous modification

of course design at an informal level, as participants learned from Consultant, but also the Consultant learned from participants.

- The legacy of traditional educational values appeared to stifle exchange within the classroom. A number of group members were reluctant to question the Consultant, who was invariably referred to as 'Professor'. A number of participants also appeared to be uncomfortable with group working, when the purpose of the activity was to arrive at a negotiated outcome to an organisational problem through individual assertion. Indeed, where there was disagreement with either the Consultant, or (more commonly) with group members, this was sometimes manifested in a culturally specific fashion, expressed as an explosive, emotionally charged polemic.
- All exchanges in the classroom were subject to instantaneous translation. The Serbian Professor of English responsible for this highly demanding activity brought a particular advantage to the translation effort, which was an ability to combine linguistic competence with insight into Serbian business culture. Thus, on a number of occasions, the translator assumed the lead teaching role to explain the significance of a particular term or concept. Nevertheless, problems of nuance remained. By way of example, the term 'Human Resource Management' itself has no direct equivalent in the Serbian language, a near equivalent being '*Cadrovski*' Management, which retains socialist connotations of centralised administrative organisational structures engaging labour quotas in a manner insensitive to market requirements. Interpretation of the term 'HRM' is problematic in the Serbian context as 'Human' denotes

'compassionate', 'resource' is taken as a *de facto* western term and 'management' signifies 'one who makes rules' or 'making relationships'.

- Certain factors in the physical environment tended to impede progress on the programme. Most notably, the absence of air conditioning meant that stifling temperatures adversely affected concentration. Despite the exhortations of School Directors for staff to attend the programme, attendance remained variable throughout the fortnight, with other work or family commitments sometimes taking priority over the developmental exercise.

Insert table 1 here

Participant evaluation

Participants were asked to evaluate the usefulness of the programme both verbally and on forms issued by GTZ representatives. Invariably the Serbian tutors related the 'lessons' of HRM to their own academic institutions, highlighting, in particular, the need to manage the performance of all staff in a more sophisticated and discriminating fashion in order to facilitate institutional change to meet the requirements of the Bologna Agreement. Participants were generally negative, however, about possibilities for transferring new business knowledge acquired in the classroom into wider Serbian economic structures, given the desolate state of industry and commerce. One stated, for example, "We are trying to survive, there is no time for HRM", whilst another described the Serbian economy as "pre-industrial". It was also stated that the ethos of an empowered, collectivistic, workforce continued pervade Serbian organisational thinking, this being difficult to reconcile with western

notions of individual commitment to enterprise and differential contribution and performance. Younger course members, in particular, asserted on completion of the programme that there was a need to embrace more applied themes in teaching and to attract a wider student base to include part time and mature students. A major constraint on progress, however, was the lack of customised teaching materials in the Serbian language. Such materials, including case studies, needed to be produced urgently with western assistance. It was only through the production of suitable learning materials that the dominant learning paradigm could be shifted from 'reproduction' to 'understanding'.

Short to medium term implementation

In October 2004, a sample of five original participants representing the two case study institutions were interviewed in order to establish the extent to which The GTZ had acted as a catalyst for reform of programme delivery and promoting educational outreach into Serbian industry and commerce. Dialogue with academic staff was supplemented by scrutiny of current course programmes, prospectuses, *etc.* delineating business studies curricula. These items were subject to translation. At BBS, there was little evidence that new business knowledge had permeated curricula. Indeed, despite the previous overt enthusiasm for HRM, the discipline was not offered as a discrete module in any course of study. Where change had occurred, it was piecemeal in nature. For example, one participant had changed assessment methods from a rigid controlled approach to a more developmental style. In another instance, the Professor had inserted HRM activities from the GTZ programme in a sporadic fashion within a traditional Organisation Studies portfolio. Few examples were offered of BBS programmes being offered beyond traditional student groups

A group of fifteen students following an international programme who agreed to participate in the study corroborated the picture of inertia. According to one “Theoretical and classical approaches are taken to teaching, which now appear old fashioned”. Another stated; “Our opinion doesn’t matter, there is a monopoly here. Professors recommend their own books reflecting their own point of view. Only the new Professors are interested in using case studies”. Pessimism was also expressed concerning employment possibilities as follows; “After three years of study you still need connections to get a job”.

By way of contrast a climate of change and modernisation was apparent at BCB. Although the agenda for modernisation was not exclusively attributable to the GTZ, the international assistance programmes were regarded as an important catalyst for reform. A Professor of Business who had attended the GTZ programme reported that HRM was now instated (along with other modern disciplines such as business ethics, quality management and cultural theory) as part of the undergraduate curriculum. This tutor stated that he had made direct use of both the substance and method exhibited by the GTZ HRM programme in his teaching. He had consciously moved away from ex cathedra approaches, now using methods such as simulations, role play, business games, and utilising local case studies derived from the internet, chambers of commerce and other sources.

Upgrading of curricula, however, could only be understood against the background of broader institutional developments. Part time modes of study were now being offered, with employed students being able to study at home under the

supervision of BCB tutors. An on-line distance learning package was about to be launched, this having been approved by the Serbian Government. Participants identified other international influences, alongside the GTZ, that had been vital in stimulating educational reform, notably a 'benchmarking' exercise with comparable curricula in German Higher Schools and Greek Technological Institutions as well as embryonic exchange relationships with a German Berufssacademie and a 'new' UK university. An active drive was in place to acquire new sources of literature at BCB, this possessing great symbolic meaning after the burning of books during ethnic tensions in Kosovo. The School now had a tradition of acquiring a limited supply of English books once a year through an Oxford University Press books fair held on the premises. It also relied upon donations from sympathetic institutions overseas. Asked why BCB appeared to be at the forefront of Higher Educational reform in Serbia, a participant responded "dynamic management", adding that "We are here for the students, not *vice versa*".

Discussion

Although GTZ programme participants were generally positive about the HRM programme as an educational experience in its own right, this study has revealed significant shortcomings in the success of the initiative in meeting broader objectives as specified in tender documentation. At Belgrade Business School, the largest and lead institution, only modest modifications were evident, some fifteen months after the delivery of the programme, in the academic status quo. Experience of the programme of transposition of new business knowledge from the West into Serbia has revealed that this activity is far from socially neutral, complexities and constraints in

this process only being understood with reference to the unique organisational and socio/economic circumstances in the site of delivery.

Central to an understanding the GTZ initiative is the notion of *agency*. Flowing from the general strategic orientation of the GTZ to promote sustainable development in its countries of operations, the initiatives in Serbia were mounted as ‘Training trainers’ programmes, designed to empower local academics as critical actors in driving economic reform through the educational process. The Higher Business Schools were designated by the GTZ as appropriate educational agencies for the diffusion of ‘western’ business knowledge into Serbian society. This overall strategy may in general be commended, it contrasting with the more direct approach taken by other international training providers in Central and Eastern Europe, whereby western academics and consultants engage on a face to face basis with managerial client groupings, often in an *ad hoc* and episodic fashion.(Upchurch and Cicmil, 2004, Hollinshead and Michailova,2001) Placing primary concentration on the upgrading of the Higher Education infrastructure in Serbia manifests an organic and systematic vision of management knowledge accumulation, recognising that local trainers are best placed to provide continuity of developmental assistance, as well as being the custodians of important local knowledge. Nevertheless, the GTZ approach is predicated on certain organisational assumptions that need to be scrutinised in the particular Serbian setting.

As the analysis above reveals, Higher Business Schools, as organisational entities, have been profoundly affected by the changes and crises in their own environment. As organisations that have survived dramatic environmental turbulence

over the past decade, but which are now seeking to adapt to meet the requirements of newly privatised economic structures, the Higher Business Schools themselves display the contradictory social pressures associated with rapid institutional change in the transformational economies (Clark and Soulsby, 1999). Thus powerful tendencies towards the '*status quo*' co-exist with a reformist agenda for educational modernisation along western lines, and moves towards institutional autonomy occur against a backcloth of governmental control and patronage. Of the Higher Business Schools represented on the programme, the evidence would suggest that BCB had moved most unambiguously in the direction of reform and modernisation. This may be explained by its 'green field' status stimulating ideological departure from previous political legacies, its staff base comprising relatively young and reform minded individuals, its need to respond to local market circumstances in order to survive, an autonomous managerial ethos, and its physical distance from seats of power in Belgrade.

Despite the formal reassertion of autonomy in Serbian Higher Educational Institutions, the allegiance of staff members to sources of authority beyond the organisation inevitably stifles the possibility of academic progress through self-regulation. Accompanying structural inertia at an institutional level are powerful cultural factors acting to reinforce the status quo. From an 'inside-out' organisational perspective, the GTZ assistance programme symbolised the ascendancy of western inspired values at the Higher Business Schools, drawing enthusiastic support from those anxious for international rehabilitation, and more rhetorical, and possibly defensive responses from those of a conservative disposition. The contested nature of the GTZ intervention is well illustrated by the inexplicable and unpredictable actions

of the previous Dean of BBS who, after forcefully exhorting staff to join the training programmes during 2003, subsequently severed all links with the German Society. In 2004, the relationship with the GTZ has been re-instated by the new Dean of BBS. Thus, in engaging with Serbian academic partners, western interests may be advised to recognise the ‘propagandist’ quality of the espoused modernisation agenda as a powerful statement of intent by reform minded individuals, and as a form of organisational declaration to external political authorities. Yet genuine reformist intent remains threatened by the political volatility that continues to characterise the reality of Serbian organisational life.

Similarly, the notion of agency relates to the Serbian academics joining the GTZ programmes, as well as the organisations they work for. A critical consideration in the wider transposition of new business knowledge along the lines envisaged by the GTZ is the capability of these ‘proselytes’ to both assimilate and reproduce concepts such as ‘Human Resource Management’. Thus, the success of the GTZ assistance effort would depend critically on the expeditious relaying of knowledge, firstly from western tutor to Serbian academic and then from Serbian academic to indigenous students and practitioners of business. In order to consider the feasibility of forming such a chain for international assistance in management learning it is instructive to reflect upon theoretical insights provided by The Centre for International Business and Management (CIBM), 1993. These researchers distinguish between three levels of learning that have relevance for managers in post socialist societies. The first, *technical*, level refers to the acquisition of new, specific, techniques. Examples are specific techniques for quality measurement, specific scientific or engineering techniques, or techniques for the construction of samples for market research. The

second, *systemic*, level relates to learning with regard to new systems and procedures, emphasising coordination, relationships and links. Examples include production technologies represented systems of techniques and procedures, production control and budgeting systems and systems defining responsibilities and reporting relationships. The third, *strategic*, level, involves “changes in the mind- sets of senior managers, especially their criteria of business success and their mental maps of factors which are significant for achieving that success”. According to the CIBM, the third typology presents by far the greatest challenge to former socialist managers as it demands a new cognitive framework for doing business and conducting the task of management, requiring 'double' as opposed to 'single' loop learning (Argyris and Schön, 1978).

Although the GTZ has been involved in a wide range of vital assistance efforts on a world- wide basis, the primary focus of its activity has been the provision of technical support. Whilst the utility of this form of aid cannot be doubted, the classification of learning levels by the CIBM would suggest that technological and scientific know-how is quite readily transferable across borders, the essence of such knowledge frequently comprising certain universal principles or techniques. On the other hand, Human Resource Management and comparable disciplines may be equated most closely with the third, strategic level. This is made evident by the following definitions:

Storey (1995:5) states:

“Human Resource Management is a distinctive approach to employment management which seeks to achieve competitive advantage through the

strategic deployment of a highly committed and capable workforce using an array of cultural, structural and personnel techniques” (6)

Whilst Bratton and Gold (1995:7) define HRM as:

“A strategic approach to managing employment relations which emphasises that leveraging people’s capabilities is critical to achieving sustainable competitive advantage, this being achieved through a distinctive set of integrated employment policies, programmes and practices”.

The organisation of the GTZ HRM programme in Serbia, which involved minimal exposure of the tutor to Serbian culture or business in advance of its delivery, or consideration of individual participant’s training needs, seemed to be predicated on the belief that 'all aid is good', thus conflating technical and strategic knowledge typologies. Whilst it may be possible to convey purely technical knowledge with little awareness of 'context', it may be asserted that more abstract managerial knowledge is only meaningful when formulated in a reflexive, generative and pro-active fashion (Senge, 1990). Here, reflexivity refers to an "unending process in which thinking and reality may come to approach each other" (Soros, 1994). Thus, simple 'input- output' (Upchurch and Cicmil, 2004) formulation for the transposition of abstract managerial knowledge is rendered inappropriate through the powerfully social constructed nature of such knowledge in the local environment. Through involving the Serbian academic experts in the process of constructing new HRM knowledge in the classroom environment, a dichotomy became apparent between universalised and idealised HRM formulations (Brewster, 2001, Storey, 2001) and the reality of Serbian industrial life. Not only does the continuing collectivist orientation of the Serbian

workplace collide with the individualistic tenets of the HRM philosophy, but also the return of the Serbian economy to 'pre-industrial' status is scarcely reconcilable with notions such as 'high commitment' and 'sustained competitive advantage' (see above definitions). Consequently, the role of the Serbian business academics as agents in the transposition of western business knowledge is a highly ambiguous one. The managerial knowledge of which they are now custodians cannot be disseminated into wider Serbian society in a mere transactional sense. Instead, the GTZ participants and their colleagues are confronted with the demanding task of 'making sense' (Weick, 1995) of such new business knowledge so that it is meaningful for teaching purposes. As experience of the GTZ HRM programme revealed, however, the Serbian business academics demonstrated limited capacity for reflexive learning, and for reconciling competing visions of reality. The predisposition of the Serbian participants towards rote learning and prescription occurs within an educational culture in Eastern Europe which has tended to favour an authoritative system of knowledge transfer (Jankowicz, 1999). According to Upchurch and Cicmil (2004) this is predicated upon deference towards a single source of authority as opposed to acceptance of the legitimacy of multiple sources.

Furthermore, it should be recognised that HRM type knowledge is bound to be politically charged in the Serbian environment, its ideological precepts being associated with a 'shock therapy' approach to reform in the transforming economies (Stiglitz, 2002). Thus, the 'message' of HRM is likely to be most accessible to reform minded individuals in academia and elsewhere, and resisted by those with a vested interest in the *status quo*.

Insert table II here

Policy Implications

Western agencies undoubtedly have a significant role to play in reconstructing Serbian Higher Education as a central component in fostering ‘democratic citizenship’ and stimulating economic regeneration as the Republic continues to experience the aftermath of war and sanctions. Those with an interest in providing future educational assistance may learn from the pioneering effort of the GTZ, which was successful as a ‘Training trainers’ event in itself, but was hampered by organisational and pedagogic constraints upon the transposition of new business knowledge into wider societal structures.

With regard to *organisational* and *strategic* considerations, the GTZ placed a high level of trust in the Higher Business Schools, and particularly Belgrade Business School as the lead institution, as strategic partners or agents in modernising Serbian Higher Education. This study reveals, however, that it would be misguided for western observers to characterise the Schools as unequivocally reformist in nature. Western educational assistance agencies may be guided by established practices of international joint ventures when entering into strategic alliances with overseas subsidiaries. The process of ‘due diligence’ manifests a prudent approach towards entering into international joint ventures enabling the parent organisation to gain important reassurances concerning systems of corporate governance in the subsidiary, managerial competence, financial viability and the like. In the case of international educational collaboration involving Serbian institutions, a critical area of concern for mentoring western agencies would refer to actual level of institutional autonomy.

Thus a precondition of future assistance efforts along GTZ lines could be demonstrable (as opposed to technical) organisational independence of local partner institutions, as manifested in 'human resource' policies concerning recruitment of academic staff, career progression policies, reward systems, and so on.

Similarly, international businesses typically aim to achieve high levels of cultural consonance with subsidiary organisations (Martinez and Jarillo, 1991) as a precondition for the delegation of managerial authority to the 'host' environment. Extending this principle to educational 'joint ventures' in Serbia, it may be advisable for mentoring western bodies to engage in screening of potential participants in developmental activity in order to establish genuine commitment to reformist goals. Excluding powerful groupings with a vested interest in the status quo may be politically explosive at institutional level. However, reflecting the need to expurgate retrogressive political tendencies in various walks of Serbian life, such an action may offer the only possibility for genuine educational renewal.

At a *pedagogic* level, if new business knowledge is to be disseminated into embryonic market structures by local business academics, they need to be equipped to 'make sense' of western management ideas in the Serbian business context. A number of related courses of action may be derived from the GTZ experience in order to enhance the position and credibility of local educational providers. Firstly, Serbian educationalists with responsibility for business teaching may benefit from behavioural skills training prior to being exposed to complex management knowledge. Practice in group problem solving, involving negotiation and compromise techniques, may be regarded as an important prerequisite for engaging in 'western' forms of managerial

discourse. Secondly, for 'Training trainers' programmes concerned with the transposition of managerial knowledge of a 'strategic' nature, it is advisable to involve local experts in programme design to enhance the meaningfulness of materials within the local educational and business environment. Thirdly, there is a need to theorise concepts such as 'HRM' within the Serbian business context, with a view to formulating 'home grown' literature in this domain, including indigenous case study materials which may form the basis for problem centred learning in the classroom. Such materials may appropriately be formulated in the first instance through collaboration between western and Serbian academics. Fourthly, the GTZ intervention was of an 'episodic' nature, providing once-off, intensive exposure to western business disciplines for Serbian academic clientele. For more pervasive diffusion of learning into Serbian educational and industrial structures, interventions by western experts need to have a longer term orientation, enabling assistance with follow-up and implementation activity. In respect of each of these proposals, the EU could play an invaluable facilitating role, supporting the nurturing of sustained project orientated relationships between western and Serbian academics.

Conclusion

At the time of writing, provisional plans are being formulated to mount a second phase of GTZ assistance programmes for the Serbian Higher Business Schools. This study, however, has highlighted serious institutional and cultural constraints that potentially jeopardise the achievement of the educational mission pursued by the GTZ. Whilst Serbian academics, and particularly reform minded individuals, are receptive to new business ideas, it remains the case that institutions are unable to regenerate in an autonomous fashion as forces of cultural and structural inertia remain

powerful. Thus the benign intentions of western agencies in contributing to the rehabilitation of Serbia must be tempered through the recognition that the precondition of pluralistic democracy has yet to be fully achieved.

The Bologna Declaration indeed provides the benchmark for Higher Educational reform in Serbia. Yet whilst educational establishments remain subject to political patronage, adaptation to local and international standards may only occur at the level of ideology. Thus the modernisation of Serbian Higher Education requires profound and courageous re-adjustment within Serbia, not just at an institutional, but also at a psychological level. Moreover, there is a need for sustained national and international action to bolster the Serbian economy to ensure that educational reform does not remain in an institutional vacuum.

Appendix: Summary of research oriented activity

Visit 1, July 2003 - funded by GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit)

Main activities:

Two week 'training trainers' programme on HRM for fourteen Serbian academics designed and delivered by the author.

Structured discussions with fourteen academic experts from four Serbian Higher Business Schools (individually and collectively) concerning the status of HRM/ HRM teaching in Serbia, and the academic environment for business teaching.

Preliminary feedback from participants on value of programme on its completion using pro forma evaluation sheets (subject to translation).

Visit 2, October 2004- funded by EC/ Tempus

Main activities:

Evaluation of perceived value of GTZ programme in teaching through structured discussions with five former participants (four at BBS and one at BCB) (subject to translation). Key question areas included (1) critical observations concerning GTZ programmes in retrospect (2) Examples of implementing lessons from the HRM programme into teaching (3) Examples of transposition of new business knowledge to groups outside the colleges (4) Views as to future GTZ *etc.* educational assistance programmes.

Interview with the Dean of BCB concerning the perceived value of the programme. (subject to translation).

Structured discussion with ten international undergraduate students at Belgrade concerning perceptions of HRM/ Business teaching in general.

In depth discussions with two English- speaking Professors at BBS concerning the history and future direction of the School, as well as the nature of the academic career in Serbia.

In depth discussion with one English speaking Professor at BCB concerning the history and future direction of the School and the nature of the academic career.

Scrutiny of institution based documentation at BBS and BCB, including brochures, prospectuses, internal memoranda and web based material (subject to translation).

Undergraduate teaching by the author at BBS and BCB.

Table I: Programme design

<i>Week 1</i>	
Day 1	Introduction to HRM teaching in the UK context- examination of specimen programme demonstrating programme objectives, content, assessment methods and bibliography. The changing environment for HRM, the impact of social, economic, political and technological changes- towards market orientation.
Day 2	Defining the nature of HRM- tendencies towards individualisation of the employment relationship in quality oriented and customer led systems of production. Case study analysis of organisational changes in (British) Airline Company following privatisation.
Day 3	Introduction to the concept of ‘human resource planning’. Structured discussion on the environment for HRM teaching in Serbia involving participants.
Day 4	Introduction to methods of recruitment and selection. Illustrative skills exercise on selecting an individual for a specified position on the basis of personal/career data.
Day 5	Motivation and payment systems. Structured discussion- comparing payment systems in the UK and Serbia.
<i>Week 2</i>	
Day 6	Training, development and performance appraisal systems. Structured discussion- comparing training systems in the UK and Serbia.
Day 7	Understanding the corporate and employment policies of multinational corporations particularly in developing countries. Case study analysis of cross- cultural problems occurring in a U.S./Mexican joint venture.
Day 8	Participant presentations on <i>the Management of Change</i> and <i>Organisational Restructuring</i> with reference to Serbian Higher Business Schools.
Day 9	Participant presentations on <i>Defining Organisational Culture</i> in Serbian Higher Business Schools.
Day 10	Review and Evaluation.

Table II: HRM ideal types in East and West

Planned economy - emphasis on state ownership	Market economy - emphasis on private ownership
The purpose is to ensure that jobs are allocated to the right people at the right time	The purpose is to match available human resource skill and potential with corporate mission and goals
Personnel policies aim at trade- offs between economic and social objectives	HR policies aim at developing a coherent ‘strong’ culture and at balancing current and future needs
Administrative, routine HR activities	Focus on productivity, change management, flexible organisation
Centralised management	Decentralised management
Internal, bureaucratic focus	Environmental awareness

Adapted from Meshoulam and Bird (1987) and Krulis- Randa (1990)

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