“Business Ethics in Albanian Universities”

Final Narrative Report

Project implemented by IDRA

Supported by OSCE Presence in Albania

February 2005
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1. BACKGROUND

This project is a continuation of the project “Introducing Business Ethics in Albanian Universities” supported by OSCE PiA during the year 2003. In the framework of the latter, were organized training programs with potential teachers of business ethics for local universities of Tirana, Korca, Elbasani, Gjirokastra, Vlora and Shkodra, while one of the products of the project was a student's book titled “Ethics, Economics and Business”. Both have served as an integral part of the new project financed again by OSCE Presence in Albania during the year 2004.

The second project “Business Ethics in Albanian Universities - Open Lessons” was designed to move forward and actually implement some of the recommendations that came out from the previous project. There were two primary dimensions of this project.

1) **Open Lectures.** It consisted mainly as a tour in five Local Universities of Albania to give open lectures on Business Ethics. Several objectives were behind this component.

   i. Attract students to such a subject

   ii. Push/Encourage Universities to establish business ethics courses in the curricula

   iii. Distribute the book “Ethics, Economics and Business” to a wide auditorium as a concrete study material for the students

   iv. Engage the trained lecturers from the previous project into delivering part of the presentations and also support them through these events to lobby in their Economic Faculties

   v. Test the ground for the level of the subject to be designed for each Faculty in local Universities (Economic Faculties are not all the same in their branches curricula introduced and not all of them have the same level of performance).

2) **Business meetings.** The second dimension was a meeting between students and business representatives to talk and discuss about Business Ethics. While in the open lectures students would get the basic knowledge about the subject and raise their attention to the right issues and questions, the meeting with businesses was designed to make the discussion more practical. To assess also the level of awareness, implementation practices and also needs of Albanian Businesses for Business Ethics. The meetings were designed in such a way that they would be as interactive as possible. Also the presentations were tailored for these meetings. The ones used had to be much more
practical and adopted for Albanian reality. On the other hand we tried to select
businesses that would participate in this event. We wanted to have a qualitative group of
business representatives (sound, medium to large businesses, able to discuss the issues of
business ethics). That is why we limited the number of businesses to 15-20 businesses per
meeting. They were selected in cooperation with local Chambers of Commerce and local
lecturers as well as IDRA contacts.

A pool of potential lecturers/trainers who were trained in the previous project was
established who served as contact points and also “lobbyists” in their universities to establish
the subject of business ethics.
2. PREPARATORY PHASE

During this phase IDRA got in contact with all the University lecturers who were part of the training on Business ethics in the previous project supported by OSCE PiA. It was discussed with them the project and preliminary work plans were designed.

<table>
<thead>
<tr>
<th>Names of local lecturers (coordinators)</th>
<th>University, city</th>
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<tbody>
<tr>
<td>Gjergji Shqau</td>
<td>University “Aleksander Xhuvani” Elbasan</td>
</tr>
<tr>
<td>Edlira Tukaj</td>
<td>University “Luigj Gurakuqi” Shkoder</td>
</tr>
<tr>
<td>Sonela Dedo</td>
<td>University “Fan. S. Noli” Korce</td>
</tr>
<tr>
<td>Enkela Babaramo</td>
<td>University “Eqerem Cabej” Gjirokaster</td>
</tr>
<tr>
<td>Arben Vercuni</td>
<td>Agricultural University of Tirana</td>
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</tbody>
</table>

All the activities were designed in close cooperation and with the support of the Economic and Environment Officer at the OSCE PiA

An official letter was prepared for Deans of all five universities where the objectives of the project and also the activities foreseen in the specific area were explained. It is important to mention here the good will and interest of the Deans from Local Universities to support such project by providing contact details, the necessary facilities and flexibility in the school program during the training days. In all Universities it was made a change of the program to accommodate the “Open Lectures based on the excellent cooperation with the Deans and the staff of the Economic Faculties

Also during this phase IDRA presenters prepared their presentations for both events. The team who worked closely to draft the presentations was composed by:

- **Auron PASHA – IDRA**
- **Dr. Hysen Cela – University of Tirana, Economic Faculty**
- **Dr. Engjell Skreli – Economic Faculty, Agricultural University of Tirana**
- **Enkelejda Dervishi – IDRA**

Also an important asset for this project was the participation as a lecturer and consultant of Mr. Michael Asslander, from Zittau International Graduate School (Germany). He was very valuable in designing some of the presentations and also gave insights on methods of delivering the speeches. **Mrs. Ledia Boshnjaku** - IDRA was the project coordinator.
Most of the presentations were based on the book “Ethics, Economics and Businesses” published under the previous project supported by OSCE PiA. Sections of the presentations for students’ lectures were reserved for the local University lecturers who were part of the training of the previous project. While the presentations that were done for the meetings of businesses were different. They were more focused on the practical side of the notion of business ethics. Also another focus was on the experience of business ethics implementation from other countries brought by Mr. Michael Asslander.

**Activities** were conducted in five local universities in the two consecutive days as it is shown below.

1) University “Aleksander Xhuvani” Elbasan – December 6\(^{th}\) – 7\(^{th}\) 2004
2) University “Luigi Gurakuqi” Shkodra – December 8\(^{th}\) – 9\(^{th}\) 2004
3) University “Fan S. Noli” Korca – December 15\(^{th}\) -16\(^{th}\) 2004
4) Agricultural University of Tirana – January 19\(^{th}\) 2005 and January 24\(^{th}\) 2005
5) University “Eqerem Cabej” Gjirokastra – January 26\(^{th}\) – 27\(^{th}\) 2005
3. OPEN LECTURES

Open lessons were organized in five local Universities of Albania. The students that participated were students in the third or the last year of their studies of economic branches. The idea was to have students who have had a solid knowledge of economics and management techniques in order to be able to grasp faster the subject. In fact the subject is designed for students of 3rd and 4th year of their studies. In the box on the right there is the profile of students who participated in the open lectures.

The number of students present in the lectures varied from about 40 in Elbasani to about 100 in Gjirokastra, reaching at 347 participants in total.

In the first two Universities tour (Elbasan and Shkodra) was present also Mr. Michael Asslande r from Zittau International Graduate School (Germany) who had the main presentation “Introduction to Business Ethics – Basic theories and instruments”.

Four lecturers were engaged with power point presentations on basic theories and instruments of business ethics, its relationship with economics, and the need for its inclusion in faculties’ curricula. (See respective agendas and presentations in Annex B and C). In every university an important role was played by the local lecturers who were trained by IDRA in the previous project. They in cooperation with the project coordinator organized open lectures and in the same time delivered part of the presentations.
The book “Ethics, Economy and Business” was distributed to all the students present in the lectures. After the presentations the students had the possibility to discuss about different business ethics issues and ask questions to the presenters.

In all the open lectures the OSCE representative was present.

- **Main Findings from the meetings with the students:**

  In general the students and potential teachers of such subject in the universities highly evaluated the efforts of the working group who prepared the book and they considered it as a critical tool for preparing the respective subject curricula for the year to come.

  1) The Topic on Business Ethics is a very interesting one because the vast perception of the students about ethics is that it is a “moral predication”. The lectures and the book in fact showed that business ethics is a management discipline, a way of managing in a more efficient way the business operations. In all the Universities the training program was organised, the students showed a very high interest to have such a subject in their curricula.

  2) In one case in Korca after the present professor mentioned to the students that such a subject is not foreseen because of the subject load is a full year program, one student suggested to drop some other subjects from their curricula and include business ethics in it.
3) The link between ethics and economics is something that caught the attention of the students. Somehow economics as it is taught in the universities fails to recognize some other “motivation factors” behind the behavior of economic agents. Because there is to an extent a mechanical way of teaching economics, most of the shaped opinion about the economic agents is that we have to do with a “Homo Economicus” as a human being whose only motivation is to maximize its own interest. The specific notions as “Trust” between agents (as an economic variable) and the Costs of Transaction were very attractive to students and they engaged a lot in discussions.

4) Another interesting thing about these lectures was that unlike most lectures given to students that are very formal and without a lot of engagement from the students’ part they were positively surprised to see that in fact the whole discussion was based on an active involvement of them in delivering the ethics principles.

5) Students are interested to get this kind of knowledge because it “arms” them with a new approach which is not much seen in Albanian business community. Once they see that Business Ethics is in fact in the interest of the company (as how it creates an image to the community or as how it treats its partners and clients, or how it encourages loyalty of employees or clients) and not just “a business that should give money out of his pocket for some charity”, they feel this is a management technique which could be valuable to their future work.

6) One thing seen in the lectures was the deficiency in the link between economics and philosophy, thus making the economic thinking very mechanic and sometimes hard to absorb. Usually the subject of “History of Economics” is not incorporated in all the other related subjects in the Economic Faculties. The subject of business ethics especially in the “Introduction of ethics” can in fact fill some of these gaps because it will deal with the ethics as philosophical concept and the relationship with economics.

7) It seems to be an attitude “against businesses” or that business in general in Albania is AMORAL. It is almost created the perception that in order to be prospering in Albanian Business Environment one should avoid ethics as much as possible. You can prosper
only if you are amoral, you bribe, you cheat, engage in unfair competition and so on. Social Responsibility is a totally unknown notion – according to the students. In fact because of this attitude, it was interesting to see the vast majority of the students that participated in the open lectures wanted to participate in the meeting of the next day with businesses. In Elbasan almost all the students participated in the meeting with businesses, In Korca the interest was very high but because of logistical issues there could be accepted about 25 students. In Shkodra 35 students participated in the meeting with business representatives. It should be emphasized that the students participation in the meetings with business representatives was on voluntarily bases. This was another sign that the subject is very interesting for the students.

8) In almost all the lectures a discussion was opened on the values of Albanian Society in these years of transition and how these values have impacted business operations.
4. MEETINGS WITH BUSINESS REPRESENTATIVES

The second component of this project was the round-table discussion organized with the selected business representatives and students. Business representatives were selected in cooperation with local coordinators (lecturers of local Universities) and Chambers of Commerce in each city. The aim was to have a qualitative discussion among business community, that’s why the participation from private sector was limited at about 15-20 business representatives. The selection criteria were: to get medium to large (30+ employees) companies, already with experience in their field of operation, active in improving business environment (as per the perception of chambers of commerce and local coordinators), and be representative of the most developed sectors in the city/region. Such meetings aimed at promoting debate on business ethics issues among business community and students (future managers or employees).

<table>
<thead>
<tr>
<th>Name Surname</th>
<th>Title of presentation</th>
<th>Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Micheal Asslaender –</td>
<td>**Do we need business ethics? – Toward value orientation and</td>
<td>Shkodra and Elbasani</td>
</tr>
<tr>
<td>International School of</td>
<td>social responsibility in management</td>
<td></td>
</tr>
<tr>
<td>Zittau</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Auron Pashaj –</td>
<td>• Ethics, Economy and Business</td>
<td>Tirana, Gjirokastra,</td>
</tr>
<tr>
<td>Executive Director (IDRA)</td>
<td>• Ethics and Law (adopted for Business purposes)</td>
<td>Korca, Elbasani, Shkodra</td>
</tr>
<tr>
<td>Enkelejda Dervishi (IDRA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Hysen Cela – Economic</td>
<td>Some aspects of ethics implementation in business organizations</td>
<td>Elbasani and Tirana</td>
</tr>
<tr>
<td>Faculty, Tirana University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Engjell Skreli – Albanian</td>
<td>**Ethical problems and their impact on business organizations</td>
<td>Gjirokastra, Korca</td>
</tr>
<tr>
<td>Institute for Public Policies</td>
<td>(codes of ethics)</td>
<td>and Tirana</td>
</tr>
<tr>
<td>(AIPP)</td>
<td></td>
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The presentations were designed to serve as catalyst for the discussion to follow. After the presentations, business representatives and students had the possibility to talk about the topics raised by specialists. They also shared their experiences with regard to business ethics. In each of the meetings were present about 12-17 business owners or administrators who exercised their activity in the field of construction, transport, agribusiness, production, services, etc. A copy of the book “Ethics, Economy and Business” was also distributed to all of them.

The vast majority of those students who were present in the open lessons also participated in the meetings with business representatives.

- **Main findings from the Meetings with Business Community**
• Business ethics seems to be a subject of interest for Albanian businesses but there is a confusion on what this notion is about.

• When talking about ethics the first reaction of the businesses was that before asking them about ethics it should be asked and looked for the public administration. This pattern was very obvious in almost every meeting with the businesses in all regions.

Ethics in public administration is an important element for creating a sound ethical and less corruptive environment, but ethics from the part of business perspective is equally important. During these meetings the lecturers tried to deliver the message that “it takes two people to play tango” (meaning there need to be two counter parts to make the corruption exist), and that ethics from businesses’ part in fact can create a strong pressure for more ethical behavior from government institutions.

• Business representatives were very much interested to hear about such instrument as code of ethics for companies. The lecturers elaborated more on the code of ethics as a management tool which would also create a monitoring system for the executive level of employers behavior having a direct impact on company performance. Another important issue discussed in these meetings was the fact that Albania is in the process of regional integration and EU integration. Albanian businesses with the Free Trade Agreements of the region and the free trade agreement that is expected to be signed with EU will face competition with EU companies and others from the region. In order to efficiently compete in the international markets, the Albanian companies will have to look into adopting the

### Businesses’ Profiles

<table>
<thead>
<tr>
<th>Location</th>
<th>Industries</th>
</tr>
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<tbody>
<tr>
<td>Elbasani</td>
<td>Construction, Trade, Agribusiness, Services, Tourism</td>
</tr>
<tr>
<td>Shkodra</td>
<td>Construction, Agribusiness, Manufacturing, Services</td>
</tr>
<tr>
<td>Korca</td>
<td>Construction, Agribusiness, Services</td>
</tr>
<tr>
<td>Tirana</td>
<td>Services, Construction, Tourism, Manufacturing</td>
</tr>
<tr>
<td>Gjirokastra</td>
<td>Construction, Services, Agribusiness, Trade</td>
</tr>
</tbody>
</table>

**TOTAL:** 53 businesses
standards needed, business ethics standards included. Unfair competition practices, bribing, cheating, non-enforcement of contracts, conflict of interest and so on, are all phenomena whose cost of using is rising in such a global environment. Other monitoring mechanisms from other countries from international institutions are out there to spot unethical behavior and this might result in business loss. Albanian businesses seem to be aware of such a thing and the interest of knowing more and possibly adopting ethical programs/codes to their companies has increased.

- Business representatives mentioned as a recommendation (Korca, Elbasani, Shkodra) that it would be very valuable to them to prepare a book/study with practical case studies from the Albanian business environment which touch upon “ethical Dilemmas” and their impact on the company performance. In this way the notion would be more practical to be grasped by business owners and employees. This suggestion was directed to the OSCE representative in these meetings Mrs. Ledia Muco, who brought in this case examples from other similar initiatives in other countries, such as the Code of Ethics for Business Companies in Azerbaijan.

- In the meetings with business representatives could be seen that businesses self-organization and self-regulation is weak. Especially for business ethics the need of self-organization and self-regulation is very important. It is very hard to have effective results for business ethics if there is no initiative from inside but only pressure from outside. But Albanian businesses are still in individual mood and business organizations or Chambers of Commerce seem not to have any influence. In the meetings could be seen that although there was a positive response to such a subject business representative were in fact in an “expecting” position for some kind of a bigger initiative that just individual businesses adopting ethical rules. A much stronger and active role of business associations and chambers of Commerce was stressed.

- Business presented in the meetings were very interested to hear that such a subject would be part of the formation of future business administrators (current students). They stressed that while in their business they try to apply business ethics, they do not have an
integrated approach and implementation mechanism for it. Such a subject would give students advantages to implement it to Business environment in the future.

• An interesting part of the meetings was the interaction between students and businesses. Students in all meetings were very active and asked a lot of questions to businessmen. Questions had to do with practices used by them in doing business and their relation to the business ethics. Students asked how businesses recruit people, how do they treat employees, how do they contribute to the community and so on. Although a lot of questions were focused on the Corporate Social Responsibility, and not in the management practices of the businesses, it was an interesting debate. In one case one student in Korca exploited the meeting to make a call for contributions to Korca businessmen present in the meeting to help some communities in rural areas of Korea who had problems with snow storms. Another question and a debate was about possible programs to hire disadvantage groups. But several arguments were focused on the possibilities of adoption of codes of ethics from businesses.

• In Elbasani one student suggested that business companies should look for graduated students with good marks of business ethics when hiring new staff (Elbasani is going to introduce the subject of business ethics in this semester (February – June 2005) for the students of the 3rd year). In Gjirokastra it was an interesting discussion about the concept of “family Businesses” and the Trust as a very important element in the business operation. Apparently in Gjirokastra businessmen do not trust other people so they hire their family people although they may not be the most competent ones to do the job.

• 5. IMPACT OF THE PROJECT

This project has had a great contribution in introducing business ethics in Albania Universities. After this project was concluded, three Economic Faculties in Albanian Universities were committed to established business ethics courses as part of their curricula, one faculty that is seriously thinking of designing a program on business ethics for the coming year and another one who would introduce several themes of business ethics as part of subjects “Communication” and “Strategic Management”

• Tirana Economic Faculty – Business ethics course, Obligatory, 4th year students, Business administration and Finance. Established a year ago but the book prepared by IDRA on “Ethics, Economics and Business” is now an official material of the subject.
• Elbasani University- Business ethics Course established this year, obligatory, 3rd year students, business administration

• Shkodra University – Business ethics course established this year, by choice, 3rd and 4th year students, business administration

• Korca University – the faculty is thinking of expanding some of the subjects they already have to include several themes related to business ethics. Business communication and Strategic management are two possible subjects to change. The book “Ethics, Economics and Business” will serve as a tool source to make those changes.

• Gjirokastra University – The faculty is very interesting at establishing a course on Public Administration Ethics. Although this is a subject that differs from Business ethics, the factor that spurred this thing was this project and the open lectures organized through the University.

• Agricultural University – Thinking to introduce several themes as part of already existing subjects.

In the words of the foreign consultant Mr. Michael Asslander this is an incredible achievement and it should serve as an example not only in other transition countries but also for western countries, where business ethics is part of post-graduate education only and not in the under-graduation programs

The project had also other achievements

• It has improved the curricula of Universities with the book "Ethics, Economics and Business". Although the book was prepared in the previous project, the tour done in this project serves to officially distribute the book to students. More than 800 copies were distributed (Participants to the open lectures, participants in business meetings, for university libraries, university cathedras/departments etc.).

• It has created a pool of trained lecturers for Business ethics for all Albanian Universities. This pool can serve as a nucleus for a network of business ethics lecturers or even create a network of business ethics of Albanian businesses.

• The idea of establishing a chapter of European Business Network was discussed with the trained lecturers and business representatives. Mr. Asslander as a member of the German Business Ethics Network promised to provide his support in this regard.
• It has contributed to initiate the debate on introducing business ethics to private sector. Corporate Social Responsibility and Code of Ethics are the key topics to be elaborated in the later stages. Business meetings held in five locations served to raise the awareness of Albanian Businesses in the subject.

• It has created a model of “Open Lectures”, a new tradition for Albanian Universities and this can serve for other purposes in other subject of curricula where 347 students were in the focus of the meetings.