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Current situation of corporate governance practices in Albanian joint stock companies: a Delphi-based approach

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Abstract

The implementation of "good" practices of Corporate Governance (CG) allows companies' to strengthen long-term financial performance, attracting more and powerful foreign investors. Due to the importance that foreign investors have in developing countries, such as Albania, one may assume that the implementation of CG mechanisms in such places is beneficial both for companies and the countries' economy. In this sense, Albania has been struggling to find a CG model that fits under its historical, cultural and political landscape. This paper aims to analyze the current situation of CG practices in Albania, based on an application of the Delphi technique to a panel of Albanian Chief Executive Officers (CEOs). Despite the short life of Joint Stock Companies (JSC) in the Albanian trade market, results show that CEOs have a good level of knowledge regarding the basic mechanisms of CG. There is still room, however, for improvements in the implementation of these mechanisms and in the adoption of the internationally accepted CG best practices.

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Keywords: Corporate Governance; Joint Stock Companies; Albania; Delphi-based approach.

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1. Introduction

A "good" Corporate Governance (CG) framework should protect shareholders' rights and ensure their equitable treatment, including minorities and foreign shareholders. It should also recognize rights established by law, and encourage active cooperation between corporations and stakeholders in creating wealth-generating economic conditions, jobs and sustainability of financially sound enterprises. In addition, a "good" CG framework should ensure that timely and accurate disclosure is made with respect to all aspects of the corporation, including its financial situation, performance, ownership and governance. It should also ensure the strategic guidance of companies, the effective monitoring of management by the board, and the board's accountability to the company and respective shareholders (OECD, 2004). In this sense, it is worth noting that a CG-based culture is important to improve not only the firm long-term financial performance but also benefits society at large. From this premise, the challenge of CG in transition economies is to generate an environment in which shareholders and managers are encouraged to target long-term performance and to influence the decision-making portfolio of foreign investors. Based on this initial background, and through the construction of a panel of Albanian Chief Executive Officers (CEOs), this paper aims to analyze the current situation of CG practices in Albania.

The Delphi technique has been applied in situations where the problem under discussion cannot be resolved by precise analytical techniques, simply because there are no historical data or relevant information available (Ferreira & Monteiro Barata, 2011). Given that this is the case of CG practices in Albania, we believe that there is considerable scope to explore this methodological approach in this particular context. Our research involves a panel of joint stock companies' (JSCs) CEOs from the most representative cities in Albania, and it is focused on five CG dimensions: (1) *shareholders' rights*; (2) *stakeholders' (other than shareholders) rights*; (3) *transparency and disclosure*; (4) *supervisory board's role*; and (5) *law enforcement*. To the best of our knowledge, there is no prior research using the Delphi technique to analyze the level of knowledge and implementation of CG mechanisms in Albania.

The remainder of the paper is structured as follows. The next section presents the literature review highlighting the prominent role of CG. Section three discusses the most relevant benefits and limitations of CG practices. Section four presents a brief methodological background of the Delphi technique and justifies its application in the context of the present study. Section five presents the results of our study; and section six concludes the paper.

Nomenclature

CEE	Central and East Europe
CEO	Chief Executive Officer
CG	Corporate Governance
CIPE	Canter for International Private Enterprise
JSC	Joint Stock Companies
IFC	International Finance Corporation
OECD	Organisation for Economic Cooperation and Development

2. Literature review on the prominent role of CG

CG is becoming popular even in small economies. The concept has been spreading worldwide, and the debate and interest around its definition have been increasing over the years, despite its recency: *"while the term 'Corporate Governance' had not yet been coined 25 years ago, it has since become common in the modern business lexicon, used by academics, practitioners, and the popular press* [...]*"* (Denis, 2001). The contributions from the economic literature notwithstanding, the concept of CG remains arguably poorly defined, mainly because it can potentially cover a large number of distinct economic phenomena. This has resulted in different authors having come up with different definitions, each reflective of their own particular interest in the field. According to Yuksel (2008), this is unlikely to change in the near future, such that the best way to define the concept might be to simply list a few different definitions, rather than just sticking to a single one. In broad terms, the OECD (2004) presents

CG as *"the involvement of a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate Governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined* [...]*"*. Shleifer & Vishny (1997) point out that CG deals with the ways in which suppliers of finance to corporations ensure they obtain the returns to their investment. Mallin (2007) defends that CG is seen as an essential mechanism in helping the company to attain its objectives, and that monitoring performance is a key element in this process. Thus, CG appears to be related to both shareholders and internal aspects of the company, such as control; and to external aspects, such as an organization's relationship with its shareholders and other stakeholders. However, it is widely recognized that CG practices have no standard mode – there is no 'one size fit all' (OECD, 2002; IFC, 2004) – so they cannot be equally applied to all situations and jurisdictions.

Instituting CG practices is not only a means of survival in today's world; it is a strategy to prosper (CIPE, 2002). The efficiency with which capital is invested in order to produce goods and services is crucial for the well being of an economy (Denis, 2001). Generally, effective CG promotes a more efficient use of resources within the firm and in the economy, and so assists firms (and economies) to attract low-cost investment capital by increasing domestic and international investor confidence (for further developments on the prominent role of CG, see Becht *et al.*, 2005; Rajagopalan & Zhang, 2008; Ammann *et al.*, 2011). CG practices can thus play a crucial role in companies' development and possible internationalization.

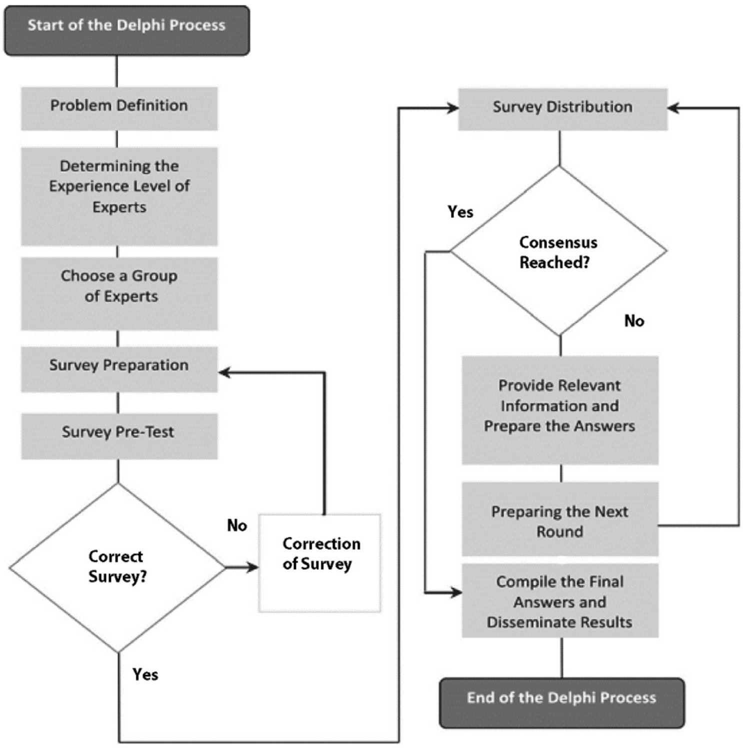
Within this scenario, then, CG can be analyzed at the firm level (*i.e.* with regard to internal mechanism) or at the country level (*i.e.* structure of capital, product and labor markets, political and economic institutions, laws, regulation, history and culture). In fact, globalization and lack of resources force companies to look for opportunities in countries other than their own, in order to create value for their shareholders, and reduce risk by creating a diversified portfolio. This assumption works for firms operating in developed countries, emerging economies, as well as for firms that operate in transition countries. Furthermore, the mixed empirical findings on the effect of single control mechanisms on firm performance and firm value notwithstanding, corporate finance researchers acknowledge that better-governed firms affect portfolio decision and attract greater foreign ownership (Bae & Goyal, 2010). CG safeguards against corruption and mismanagement, while promoting fundamental market values in democratic societies. As such, it seems plausible to assume that CG is going to be important not only in developed markets, but potentially even more in developing countries such as Albania.

3. Benefits and limitations of CG practices in Albania

The urgent need for CG in Albania, as in other Central and East Europe (CEE) countries, is related to trade liberalization and the privatization of former state-owned companies (the effects of state versus private ownership on performance are reported in Claessens & Djankov, 1999; Denis & McConnell, 2003). Firms in transitional economies such as Albania, in which the post privatization process, as well as political and cultural features, contributed to the establishment of a distinct concentrated CG system, have an urgent need to reassess their CG standards. From this standpoint, Omran (2009), Babić (2010) and Okpara (2011) show that the importance of a sound CG system for transition and developing economies and post-privatized firms can be explained through five main lines of influences: (1) the creation of key institutions, private corporations, which drives the successful economic transformation to a market-based economy; (2) the effective allocation of capital and the development of financial markets; (3) managerial excellence, which helps firms with a weak CG structure raise capital and attract foreign investors; (4) the contribution to the process of national development (*i.e.* corporations and associated institutions are the key to successful economic transformation towards a market economy); and (5) the positive effect on firm performance and efficiency, even in periods of economic crises. "Good" CG in big companies may be a guiding force for mid and small companies to devise effective governance frameworks that will result in further strengthening of the governance environment. Following this, stakeholders and society in general will be the biggest beneficiaries of CG outcomes. Nevertheless, despite these general benefits and the potential implications of implementing CG mechanisms, there has been very little research on CG in Albania (research in this area in other CEE countries notwithstanding); and as such there is a lack of knowledge and appreciation of the role that CG can have on firm performance. The key issues here are: (1) among CEE countries, Albania has the shortest history as a market oriented economy, and is therefore faced with underdeveloped institutional infrastructure and economic uncertainties; (2) absence of powerful investor groups, related with the absence of equity market and property rights institutions; (3) the absence of guidelines and codes of practices required by investors, which means the key references for corporate governance are the minimum standards required by law (with the Albanian CG manual having been approved only in December 2011); (4) weak corporate culture and lack of qualified specialists in CG and managerial labor markets; (5) privatization (and restructuring process) has been slower than in other transition economies (Lati & Sallaku, 2002); and (6) frequent government intervention. Following this, implementing best practices of CG still represents a challenge for Albanian JSCs. The next section presents the background of the Delphi technique, which is important to understand how the application of this technique can assist in analyzing the current situation of the corporate governance practices in Albania.

4. The Delphi technique

The 'Delphi Project' was the name given, in the early 1950s, to a USA Air Force-sponsored RAND *Corporation* research concerning the use of experts' knowledge within their domain of expertise. The technique is often referred to more as an art than a science (Linstone & Turoff, 2002; Yousuf, 2007; Ferreira & Monteiro Barata, 2011). The basic steps of the Delphi process are outlined in Figure 1.



Source: Zapata *in* Ferreira (2003, adap.).

Fig. 1. Operational structure of the Delphi technique

The essence of the technique begins with the development of an individual survey, which should be completed by a number of individuals considered experts (immersed and imbedded, as argued by Hsu & Sandford, 2007) on a specific issue under analysis (Ferreira *et al.*, 2013), and continues by a repeated sequence of successive individual questions (by interview or questionnaire) supplemented with information and advice (Dalkey & Helmer, 1963; Ferreira & Monteiro Barata, 2011). The aim is to achieve a convergence of opinions on a specific real-world issue (Hsu & Sandford, 2007). As argued by Dalkey & Helmer (1963) the object of Delphi is to *"obtain the most reliable consensus of opinion of a group of experts* [...] *by a series of intensive questionnaires interspersed with controlled opinion feedback* […]*"*. The Delphi technique is based on three basic principles: (1) *anonymity*; (2) *controlled feedback* of the information and knowledge contributions; and (3) *statistical treatment of the group responses*. As previously mentioned, the method is mainly used when the problem under discussion cannot be resolved by precise analytical techniques, simply because there are no historical data or relevant information about the problem, as in the case of corporate governance practices in Albania. As such, the problem resolution benefits from subjective judgments on a collective basis (Ferreira *et al.*, 2013). From a methodological perspective, a questionnaire survey was developed to define the current level of corporate governance practices used by Albanian JSCs. The results of our study are presented in the next section.

5. Results analysis

Given current conditions in Albania, an extra effort was made to increase the validity of this study (*i.e.* in a small country, one cannot expect to find many experts in the field). In this sense, CEOs of 80 JSCs were selected. The selection was based on official commercial data and through discussions with specialists. The survey was conducted mainly in the cities of Tirana, Durrës, Fier, Vlorë (where the greatest number of Albanian JSCs is concentrated), but also in Shkodra, Tropoja, Elbasan, Gjirokastër, Lushnje and Saranda. After the first round, the number of panel members decreased to 53 and, after the second round, only 37 panelists responded to the survey. It should be underlined, however, that *"there is no ideal number of experts for the application of the Delphi technique"* (Ferreira & Monteiro Barata, 2011).

5.1. Sample characterization

Considering the purpose of the study, it was decided to include experts from different types of JSCs (*i.e.* banking, insurance and other financial services). Also, some of them represent private JSC, while others stand for state-owned JSCs (established as such from the beginning or generated from special laws). Table 1 shows that most of the companies are owned by a single shareholder (40.6%) or a small group of controlling shareholders (*i.e.* 4-8). This evidence is in accordance with the data of IFC (2004) and Llaci & Tabaku (2010).

Table 1. Ownership structure

	Number	%
Shareholders	1	40.6
	2	18.9
	3	5.4
	4-8	27.0
	More than 100	8.1
Total	N=37	100.0

A characterization of the sample (*i.e.* 37 respondents of the 2nd round) is provided in Table 2, which shows that most respondents are *male* (70.3%), and between 43-47 years old (40.6%). As far as qualifications are concerned, most of the panel members hold a *higher academic degree* (67.6%), predominantly in *economics or management* (67.6%).

Table 2. Characterization of the respondents [second round]

Delphi Panel			
		N	%
Gender	Female	11	29.7
	Male	26	70.3
	Total	37	100.0
Year of Birth	1952–1956	3	8.1
	1957–1960	3	8.1
	1961–1965	8	21.6
	1966–1970	15	40.6
	1971–1976	8	21.6
	Total	37	100.0
Qualifications	4-Year diploma	12	32.4
	MSc, MBA	20	54.1
	Ph.D.	5	13.5
	Other	0	0.00
	Total	37	100.0
Area	Economics/Management	25	67.6
	Engineering	8	21.6
	Other	4	10.8
	Total	37	100.0

The data obtained according to the structure of the questionnaire are presented in the next subsection.

5.2. General characterization of the present situation

The objective of this section is to determine the *level of acknowledgement of CG mechanisms and their benefits* in Albanian JSCs. Based on the data collected from the panel of experts, we tried to understand their opinions about the real benefits of CG mechanisms. Based on a Likert scale from 1 to 5 (1 = *strongly agree*; 2 = *agree*; 3 = *neither agree nor disagree*; 4 = *disagree*; 5 = *strongly disagree*), and as shown in Table 3, the respondents elected *consistency with laws and regulations*; *improvement in the access to capital markets*; *increase of the level of oversight and accountability*; *reduction of costs of capital, fraud and corruption*; and *reduction of the risk of uncertainty for foreign investors* as some of the most important benefits brought by the use of CG mechanisms.

Table 3. Benefits of CG mechanisms

Benefits	Mean	Median	Standard Deviation	Coefficient of Variation
Consistency with laws and regulations	1.27	1.00	0.508	0.400
Improves the access to capital markets	1.57	1.00	0.647	0.412
Increases the ability to swift and take effective decisions	1.57	2.00	0.603	0.351
Increases the assets company value	1.73	2.00	0.608	0.422
Increases the level of oversight and accountability	1.54	1.00	0.650	0.389
It helps to establish a good reputation	1.70	2.00	0.661	0.445
Minimizes the risk of personal responsibility	1.68	2.00	0.669	0.398
Possibility of new partnerships with outside entities	1.73	2.00	0.769	0.445
Reduces costs of capital, fraud and corruption	1.51	1.00	0.559	0.370
Reduces the risk of uncertainty for foreign investors	1.43	1.00	0.502	0.351

Respondents were next asked to rank the three CG mechanisms that most affect firm performance (*i.e. 1 = most important*; *3 = third most important*). Table 4 presents the aggregated scores, which resulted from giving 3 points to the most important criterion, 2 points to the one considered in second, and 1 point to the one identified as third most important.

Table 4. Benefits provided by the implementation of CG mechanisms [n=37]

	Points
CEO's power over the supervisory/administrative board	48
CEO's reward	11
Composition and size of the supervisory/administrative board	35
Degree of ownership concentration	23
Implementation of corporate social responsibility practices	1
Number of independent members in the supervisory/administrative board	13
Quality of company's regulations	39
Stronger shareholders' rights	40
Taking into consideration the rights of the other stakeholders	5
Transparency and disclosure of the company's information	8
Other	0
Total	223

The final ranking was the following: (1) *CEO's power over the supervisory/administrative board* (with 48 points); (2) *stronger shareholders' right* (40 points); and (3) *quality of company's regulations* (39 points). The next subsection analyses the respondents' answers regarding shareholders' rights. It is interesting to note that *Corporate Social Responsibility*, *other stakeholders' rights* and *transparency issues* were given almost null importance so far as CG benefits go, possibly indicating a relative lack of relative importance attributed to such issues.

5.3. Shareholders' and (other) stakeholders' rights

This part of the survey sought to analyze the level of implementation of shareholders' rights. Based on a Likert scale ranging from 1 to 5 (1 = *bad*; 2 = *somewhat*; 3 = *moderate*; 4 = *sufficient*; 5 = *good)*, Table 5 shows that there is a good level of shareholders' rights implementation in terms of *ownership right over the share*, *the right to information* and *the right to take dividends*. Other rights, such as *participation in the decision-making and control processes* and *the right to appeal* were classified as sufficiently implemented.

Table 5. Level of implementation of shareholders' rights

Shareholders' rights	Mean	Median	Standard Deviation	Coefficient of Variation
Ownership right over the share	4.32	5.00	1.002	0.232
Participation in the decision-making and control processes	4.22	4.00	1.004	0.238
Right to appeal	3.73	4.00	1.146	0.307
Right to information	4.30	5.00	0.968	0.225
Right to take dividends	4.35	5.00	1.006	0.231

With regard to the shareholders' access to information, the panelists responded as shown in Table 6.

Based on Table 6, shareholders are able to consult a broad variety of documents produced by the company. More specifically, the *financial balance* (22.14%), *annual reports* (19.85%), *periodic data on the outcomes of the company* (18.32%), the *list of members of the supervisory board* (16.79%), *information on the executive director and key managers* and *list of shareholders* (both with 11.45%). It is worth noting, however, that this finding should be seen in accordance with the specific legislation that regulates the activity of this group of companies in Albania, which imposes legal requirements to inform the shareholders.

Table 6. Shareholders' access to information [n=37]

	Documents	%
Company's information that can be used freely by shareholders	Annual reports	19.85
	Financial balance	22.14
	Information on the executive director and key managers	11.45
	List of shareholders	11.45
	List of members of the supervisory board	16.79
	Periodic data on the outcomes of the company	18.32
	Total	100.00

The next question aimed to analyze the companies' recognition of other stakeholders' rights, based on a Likert scale ranging from 1 to 5 (1 = *inadequate level*; 2 = *somewhat*; 3 = *intermediate level*; 4 = *good*; 5 = *very good*). In general, the panel members considered their recognition of the rights of those (other) stakeholders to be *Good* (Table 7). This is an interesting result, in particular given the apparent lack of importance attributed to these other stakeholders in terms of CG benefits mentioned before.

Table 7. Level of recognition of other stakeholders of the company

Other stakeholders	Mean	Median	Standard Deviation	Coefficient of variation
Creditors	4.22	4.00	0.821	0.195
Employees	4.22	4.00	0.917	0.217
Local community	3.86	4.00	1.004	0.260
Suppliers	4.27	4.00	0.769	0.180

5.4. Degree of transparency and disclosure of the information

The next question aimed to determine the level of transparency and disclosure revealed by Albanian JSCs. Based on a Likert scale from 1 to 5 (1 = *not important*; 3 = *moderately important*; 5 = *decisively important*), respondents were asked to express how important is the publication of certain business documents. Table 8 presents the results.

Table 8. Publications considered important from a strategic perspective

Documents	Mean	Median	Standard Deviation	Coefficient of Variation
Annual report	4.46	5.00	0.869	0.195
CEO's and other employees' remuneration	2.59	3.00	1.301	0.502
Company policies regarding its business	4.11	4.00	0.809	0.197
Company statutes	3.41	3.00	1.301	0.382
Financial balance sheets	4.32	5.00	0.915	0.212
Information about the supervisory board members and executive director	3.43	3.00	1.068	0.311
Information on the audit conducted by the company	3.97	4.00	1.190	0.300
Information on the share transactions	3.62	4.00	1.421	0.393
Organizational chart of the company	4.08	4.00	1.038	0.254
Quarterly reports	3.70	4.00	1.222	0.330
Supervisory board's member remuneration	2.38	2.00	1.139	0.479

According to the respondents, the publication of the *annual report* and *financial balance sheets* are seen as very important (median score of 5), followed by *company policies regarding the business*, *information on company audits*, *information on the share transactions*, *the company's organizational chart*, and *quarterly reports* (all with median scores of 4). The remaining items assumed moderate importance (*i.e. CEO's and other employees' remuneration*, *company statutes*, and *information about the supervisory board members and executive director*).

5.5. Role and responsibilities of the supervisory/administrative board

Through the next question, we attempted to provide general information about the companies' supervisory and administrative dimension. Table 9 provides a general overview of the results.

Table 9. Dimension and composition of the supervisory/administrative board [n=37]

	Number	%
Number of members of the supervisory/administrative board	3-5	62.2
	6	21.6
	7–15	16.2
	Total	100.0

As can be seen, administrative boards have a relatively small number of members in their composition. In particular, 62.2% of the panel members indicated their company boards have 3-5 members; 28% indicated 6 members; and the reminder 16.2% indicated that the board has from 7 to 15 members in its composition.

Grounded on a Likert scale ranging from 1 to 3 (1 = *limited or no understanding*; 3 = *complete understanding*), the next question shed light on the board's level of understanding of some important business issues (Table 10).

Table 10. Board's level of understanding of some important business issues

Issues	Mean	Median	Standard Deviation	Coefficient of Variation
Company's current strategy	2.73	3.00	0.450	0.165
Company's financial position	2.78	3.00	0.479	0.172
Dynamics of the company's industry	2.43	3.00	0.603	0.249
Risks faced by the company	2.46	3.00	0.650	0.264
Value created by the company	2.57	3.00	0.603	0.235

As shown in Table 10, the respondents revealed a complete level of recognition of some important business issues (all median scores are 3.00).

5.6. Law obligation and implementation

The objective of this section was to obtain important information in terms of law enforcement issues (Table 11).

Table 11. Capacity of regulatory institutions to implement legislation [n=37]

Evaluation	%
Completely inappropriate	0.0
Low	13.6
Good	67.5
Very good	18.9
Total	100.0

Based on the data presented in Table 11, we can easily see that although some panelists classified the role of regulatory institutions in the implementation of the legislation as *very good* (18.9%) or *low* (13.6%), most of the respondents consider this role to be somewhere in between (67.5%). There were no negative evaluations, and the distribution of responses regarding the evaluation of the court proceedings in which the company may have been involved is consistent with this result (Table 12).

Table 12. Evaluation of the court proceedings in which the company was involved [n=37]

Evaluation	(%)
Costly	25.9
Effective	3.7
Less than appropriate	14.8
Too long	51.9
With significant impact	3.7
Total	100.0

The results presented in Table 12 indicate that the respondents considered the court proceeding to be *too long* (51.9% of cases), *costly* (25.9% of cases) and *less than appropriate* (14.8% of cases). Only few of them consider those procedures as *effective* (3.7%) and *with significant impact* (3.7%).

6. Discussion and final remarks

CG is becoming popular even in small economies. Improving CG implementation is considered fundamental to ensure macroeconomic benefits, namely in terms of trade liberalization and privatization of former state-owned companies. CG is also seen as an important factor in attracting foreign investment, considered crucial for economic development. For transition economies such as Albania, it is important to choose CG practices that fit well under the respective legislation, history and culture. As such, our study aimed to understand the current state of CG practices implementation in Albanian JSCs. Given this main objective, we explored the application of the Delphi technique in this particular context. For that purpose, a panel of Albanian CEOs was asked to evaluate the current state of CG implementation in the country. As previously stated, we know of no prior work using the Delphi technique to analyze the current state of implementation of CG mechanisms in this country.

The analysis of our results shows that the panel's overall assessment of CG knowledge is considered good, but its actual implementation in Albanian JSCs is not at the same level. More specifically, the survey shows that, in general, the recognition of *shareholders' basic rights* (*e.g.* the right to participate in general meetings, the right to be informed on the company's strategic issues, the right to obtain dividends) is at relatively good level. In addition, the panel members revealed a good knowledge about *the rights of other stakeholders*, such as employees, creditors and suppliers, however, did not consider these other stakeholders, or crucially Corporate Social Responsibility as an important positive result of CG application. Furthermore, it should be noted that this issue was treated based on Albanian legislation, rather than international standards and practices, because the statutes and other regulation of Albanian JSCs are typically grounded on Albanian legislation.

Our results can be associated to a concentrated ownership structure, and the prevailing view is that the implementation of the shareholders' rights is in line with the recognition of these rights. Nevertheless, there is room for improvements and there is need for better awareness of other stakeholders and the role they can play in improving governance; as well as the impact they can have in strengthening the company transparency. Indeed, *transparency and disclosure* of information were two elements still far below expected levels. Although there has been significant progress towards increasing the information produced and published by JSCs, it is important to note that it is still difficult to assess the quality and price information reflected in investors' behavior. As such, there is a generalized opinion that JSCs should prepare their financial statements in accordance with international financial reporting standards.

Despite the progress achieved, there is still more to be done. Legislation will help Albanian JSCs to move faster towards a free market economy and to attract powerful investors outside the region. Furthermore, the need for Albania to be part of the European Union will be a good incentive to adopt and improve international practices.

There are several potentially fruitful research opportunities on CG in Albanian firms. In particular, a deeper understanding of the historical evolution of CG, laws and regulations, and the context-specific challenges and opportunities in the country, will allow researchers to identify further research questions and to develop research models that are more sensitive to the Albanian context. Such deeper understanding can also help practitioners, both local and foreign, in combining Western expertise and local knowledge and improving governance in this promising yet challenging economy (Rajagopalan & Zhang, 2008). Highlighting the Albanian situation can be the basis of a comparison between ex-socialist countries in the region, and will help us to understand the peculiar transformations that managers are facing in this dynamic and complex environment.

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