

Management Control Systems before and after the Transition from a Communist to a Capitalist System: the case of Albania

Josep M. Rosanas Martí
IESE B.S., Universidad de Navarra

Enkelejda Ymeri
PAD, Universidad de Piura

Received April 20, 2018; accepted May 25, 2018.

ABSTRACT

For quite a while, in the second half of the 20th Century, Albania was considered the possibly most radical communist country, even beyond Mao's China, and was an isolated country in Europe. Then, after the fall of the Berlin wall, it evolved towards some form of western capitalism, which is where it stands now. About a quarter of a Century has passed since then, and we have examined the change with some perspective.

For this purpose, we did a field study of a number of firms in Albania through in-depth interviews with managers, before and after the change took place.

After some considerations about the communist systems and the Marxian theory underlying them, we present the main results of the interviews realized in Albania with people that were managers during the socialist period, and people that are managers now. We then compare the results and analyze the differences to draw some conclusions about management control systems that can be generalized under the two systems.

KEYWORDS

Management Control, Economic Systems, Mission, Indicators, Formal Control, Informal Control, Budgeting.

1. Introduction

Undoubtedly, the World substantially changed after “the fall of the Berlin wall”, which is the informal expression to indicate the end of most communist regimes. For quite a while, in the second half of the 20th Century, Albania was considered the possibly most radical communist country, even beyond Mao’s China, and was an isolated country in Europe. Then, after the fall of the Berlin wall, it evolved towards some form of western capitalism, which is where it stands now (Bezemer, 2009; Blejer et al., 1992).

This change took place with some turmoil, but no bloodshed, and was (and still is) a fascinating story by itself. Not surprisingly, from a management point of view, and, more specifically, from the point of view of management control, it becomes very interesting to study the way things changed there. Management Control Systems (i.e., the systems that have to do with planning, establishing goals, evaluating performance, and so on) are an essential tool in management, and are the main objective of our inquiry. That is, in brief, how firms were managed in the communist regime, and how are they being managed today, mainly from the point of view of control systems, i.e., the way objectives for the firm (and for its subunits) are established, how is their accomplishment evaluated and what consequences it has for the compensation of managers. About a quarter of a Century has passed since then, and now may be a good time to examine the change with some perspective.

For this purpose, we did a field study of a number of firms in Albania through in-depth interviews with managers, before and after the change took place. The essential questions that we intended to ask had to do with

- To what extent there were then / are now non-economic or non-monetary motives.
- To what extent there were then /are now informal controls and, if yes, to what extent they predominated over formal ones.
- What role does ideology played in this change of economic system?
- To what extent one system of management was tougher, stricter, tighter than the other, and, thus, how much management discretion did they have
- To what extent people were “happier” or “unhappier” then than they are now

These are, of course, complex questions and the answers are not easy (Luthans and Riolli, 1997). Comparing two situations that have happened one after the other is always difficult; and, besides, the whole world changed considerably during this time, having an undoubted influence in what happened in Albania. Our objective, then, is a first,

qualitative approximation to the regime change, and its effect on the welfare of the population of Albania.

2. Capitalist Systems vs. Communist Systems

Communist countries have allegedly attempted to implement Marx's proposals for a new society. However, it is not difficult to see that what was actually done was different in different countries. The Soviet Union started at the beginning with a libertarian approach and all firms were nationalized and managed by local committees, until Lenin established the New Economic Policy (NEP) in 1922, giving priority to industry, and allowing for some small private firms while the big ones, mainly in the heavy industries and banking, were owned and run by the government. A Central Planning Board made all the important decisions in the economy, interacting with the managers of the firms, but with a top down approach. It was a capitalism of state, as Lenin himself declared, run by "democratic centralism". Within what used to be the Soviet Union, we can find Bolshevism, Leninism, Stalinism, Trotskyism; and later, in other countries, Maoism, Western Communism, and even later Eurocommunism. The "standard", though, was the NEP evolution under Stalinism: central planning, tough management, and very little private initiative (Schnytzer, 1982; Persson, 2010).

Countries other than Russia, which became communist after World War II, took different ways to communism. Poland, for instance, followed (allegedly) the theory of Lange (1938), who became the minister of the economy and attempted to put into practice his theory, but had to adapt it to reality. Hungary ended up with what was called "goulash communism". Czechoslovakia was possibly the most advanced communist country, and Romania had towards the end a special, Ceaucescu brand of communism. China had its own brand of communism as well, and gave priority to the agriculture in a decentralized way to feed its people; and, then, made a disastrous move in the "Cultural Revolution". Thus, one cannot say that there is a Marxist way of running a country's economy, except for the fact that all of them had a central planning in the spirit of the NEP of Lenin, and of the Stalinist brand of communism that became the international "standard", but implemented in very different ways.

Actually, Marxist analysis, establishes a way of analyzing and diagnosing social and economic problems, but has in abstract very few proposals with respect to how to run the economy.

In this context, Albania was rather singular (Albania, a Patrimony of European values, *Several authors*, 2000). Towards the end of the communist regime, it was a unique country, with practically no alliance with anybody else in the world, and considered by its leaders as the only “correct” place in terms of implementation of communism.

It was only in 1912 that Albania became independent after four centuries of domination by the Ottoman Empire. Then came World War I, and in the between wars period it was first a Republic, then a (democratic) monarchy, and invaded in 1939 by Italy. After a brief period of a partly liberated Albania, it was occupied by Germany in September 1943, after fascist Italy’s surrender. It was finally liberated on the 29 of November 1944.

During all those years, the Albanian movements that finally succeeded in liberating the country had been forming and organizing. First as National Liberation Army, then as a National Liberation Front, that later became Democratic Front.

When communism took over (late 40’s – early 50’s) it first had a close relationship with neighboring Yugoslavia, which had its own brand of communism (“Titoism”, for Josip Broz, “Tito”, the Yugoslavian leader). Soon, however, Albania broke relations with that country when Yugoslavia broke with Moscow’s Stalinist regime, and negotiated to receive American aid (which no other communist country wanted to negotiate at that time) in 1949 and early 50’s. Then, the Soviet Union became the supporter of Albania for a while, and the 60’s saw a reconstruction of the country until the radical leader of Albania, Enver Hoxha, after the death of Stalin, decided that the Soviet Union was becoming too “liberal” and broke diplomatic relations between the two countries, turning to China exclusively for aid and technological help. The 1976 Constitution approved that Albania would not have any type of relationship with the two big powers (USA and USSR).

3. Marxian economics and management

Lange’s theory mentioned before (Lange, 1938) was not really applied in practice, not even in Poland. The decentralized way of allocating resources through a price mechanism that Lange suggested, with prices determined by a central planning board acting as an auctioneer, was not even given a chance. The “democratic centralism” and the “central planning” of the economies was much more the rule, based on Stalinist principles.

One basic theoretical underpinning of Marxist theory is the “law of value”. The “law of value”, to be distinguished from the “labor theory of value” proceeding from classical economists like Malthus and Ricardo. It states at the same time something “factual” that

happens in capitalist economies and a normative idea of what it should be. What should be is that the exchange of commodities in monetary terms should be the proportion of the socially necessary work, or time spent in producing the commodities. Thus, if commodity A requires 100 hours of socially necessary labor, and commodity B requires only 20, the price of A should be five times that of B.

The empirical “fact” that Marx observed in capitalistic economies was that this did not happen; rather there was a “surplus value” that went beyond the socially necessary labor and that the capitalists took for themselves at the expense of the workers.

The consequence of this law is that in a communist economy, prices should be established by the Central Planning Board based on such criterion (and therefore, not based on Lange’s theory of CPB becoming an “auctioneer” to take into account the demand and supply considerations).

If private property is, in practical terms, abolished, then “capital” is owned and allocated by the state. Therefore, it does not make sense for firms to have profits, and if there are, they should be turned over to the state again. All funds generated by operations (including a possible fair amount of depreciation) should be turned over to the state, except for reinvestment purposes, since the state is the one who provides the funds for investment. The state will invest only in products considered “necessary”: “From each person according to his capacity, to each person according to his needs.” is a classical principle. Therefore, the CPB will make all product decisions (those products that are necessary) and, in the case of industrial products, provide the necessary capital. Salaries are also set by the CPB, and should be enough to satisfy workers’ needs.

Thus, improving the economic welfare of a country, what is needed is investment, mainly (in the Stalinist model) in the heavy industries

Interestingly, and because of the previous analysis, Marxism and some aspects of Taylorism become quite close. Taylor’s scientific management principles can be summarized as: (i) to substitute the intuition or “rules of thumb” of the workers by science and planning, (ii) to make production and management decisions based on empirical observation and measurement rather than tradition or whimsy or bargaining power and (iii) the belief that management is a reflective, evidence-based profession. (Kelly, 2016). Plants in a Stalinist economy had to be managed according to this idea. They could not control products, product mix or prices, and, hence, the essential variable to be controlled was production.

In a country that was rather backward and had many needs, increasing production was something crucial for the needs of the people. Capital was obtained from loans from first Yugoslavia, then the USSR, and later on China. In the 50's and 60's, Albania saw a substantial economic growth based on those principles.

Albania, possibly due to its isolation, has been understudied, and its management practices in special, with only a few exceptions (Papajorgji and Alikaj, 2015 and 2016; Nientied and Shutina, 2017)

4. Methodology and results

To examine the issues enunciated above, we undertook an empirical (clinical) study in Albania. As stated above, we meant this to be the beginning of a more in-depth study that may take place subsequently and of which we will indicate the research questions we believe are still unanswered.

The field study developed in Albania was carried out on the premise of finding in the reality of the practice of the companies in communist Albania and in Albania at the present time the source of treatment of the diverse subjects on the implementation of the Systems of Direction and Control in the companies.

We believe this field study is a special contribution to the development of the fields of management and control in the companies, because the evolution of business practice in the former communist countries of Eastern Europe represents an unprecedented change in world economic history. We refer to the process of transition from a political, economic and social system that was dictatorial, centralized and with public ownership to a democratic and free market system. The Albanian experience, being a unique case because of the extreme communist position the country adopted offers the opportunity to study the evolution of the Management and Control Systems in companies subject to an even more profound change in comparison with that of the rest of the countries of the former communist bloc. Albania is the country that implemented in a more radical way than the rest of the former communist countries the ideological, political, economic and social principles of the social - communism of Marx, Engels and, later, Lenin and Stalin. The Albanian company has experienced a "natural shock" that is also unprecedented.

5. Description of the Field Study

The field study has been carried out using a qualitative methodology: that of narrative analysis or content analysis. The study aims to find common themes and features in the

information gathered from interviews with different people. The first part of the findings corresponds to the 1980-1990 period and is based on people who held management positions in their respective companies during the aforementioned period of time and have therefore been protagonists of the events described. The second group of testimonies corresponds to executives of different levels of Albanian companies in recent times (2014/15).

The selection of participants was based on intentional sampling. Two groups of people who collaborated with the study were selected. A first group was that of people who in the 80s held senior management positions in state companies. It was sought that these companies were representative, in terms of the economic activity of Albania, during the aforementioned period of time. Five interviews were held: one with a former senior manager of the industrial sector, one with a former senior manager of the agricultural sector, one with a former senior manager of the oil and mining sector and two with former senior managers of the service sector (Exhibit 1).

With respect to the information corresponding to the current period (XXI Century), contact was made with executives of two of the companies whose former managers of the period before the 1990s were interviewed in the first part of the field study, and who are still in operation. In the same way, six other companies that started the activity after the 90s were selected and managers from different levels of command were interviewed. The aforementioned companies are from the manufacturing, mass consumption, retail, services and industrial sectors. In total, eight interviews were conducted with current company managers (Exhibit 1)

The interviews were in depth, in direct contact with the interviewees. In order to safeguard the narrative structure of the interview, we began by trying to make the interviewee aware of the purpose of our inquiry. Next, we used an interview guide (see Exhibit 3), which allowed the exploration of all relevant aspects of the investigation, without forgetting any of them, and without letting the interview deviate from the objective. Simultaneously, free narration was encouraged and, on occasion, he was encouraged to continue with sub-questions. The guide used for interviews with executives of current Albanian companies was the same as that used for interviews with former executives of Albanian companies in the period before the 1990s. The purpose of this was to highlight the same aspects or generic issues of the Control Systems, although with naturally different contents, to facilitate the subsequent comparative analysis.

The interviews were conducted in the natural environment of the interviewees, in Albania and in the Albanian language. The conversations were recorded, subsequently, faithfully transcribed in the Albanian language and translated into Spanish. The place where the interviews took place was reserved in the case of the interviewees' former executives of the companies in activity during the period of the 1980s, in order to promote their spontaneous expression. On the other hand, the managers of the companies of the current period were interviewed within the environment of their own companies, for convenience and by indication and of themselves. The interview schedules, in both cases, were chosen by the interviewees. The average duration of the interview with executives of state companies from the period 1980-1990 was 64 minutes and the average duration of the interview with managers of Albanian companies at present was 62 minutes.

The interviews were made by one of the authors of the present article, (E. Ymery), who is Albanian by birth and by family origin, and lived in Albania until 1994. The Albanian language handling and the idiosyncratic knowledge of the environment allowed for an adequate first contact and fluid development of the interview.

A "bottom-up" analysis was carried out, that is, data and specific statements were collected and then grouped or collapsed into categories of treated topics. For this, the transcripts of the interviews were summarized, highlighting the statements about each of the topics and subtopics considered in the initial interview guide. Naturally, subjects that came out spontaneously during the same were also summarized.

From the summary of the interviews, the statements, main concepts (codes) of the interviewees were extracted and grouped. The codes were translated and grouped in seven major topics of the interviews made to company managers. A few significant statements of the interviewees are shown, translated into English, as Exhibit 3.

6. The Management and Control Practices in the Albanian company before the change of the political, economic and social system of the 90's.

6.1. Planning and establishment of objectives

In the period before the 1990s, the planning process in Albania was complex and centralized, combining the short and long-term needs of the whole country and applying the principle of "relying on our own strengths", consistently with the political moment. The established economic objectives openly supported political and ideological

objectives, expressed above in the summary analysis of Marxist economics. The last ones were permanently communicated, to each one of the social and business tissues by the structures of the ALP, via political work. At company level, the objectives transmitted were mainly economic. The annual goals were established by the central governing bodies and were expressed in physical units. The pricing policy was the responsibility of the central planning bodies.

6.2. Governance Structure of the Organization: The Role of the ALP

In each company, there were two parallel structures: the ALP and the administrative, nomenclature of the central bodies of the ALP and Government, respectively. Formally, the first was above the second. Theoretically, the double formal structure was given to create constructive opposition in the company. In practice, the relationship between both structures could go from one of a support nature and mutual support, to a conflictive relationship, depending on the personal and professional competence of the people in charge.

The structure of the company was functional, with no Board of Directors. This function was fulfilled by the base organization of the ALP. Managers should have the consent of the ALP when making decisions. Each minimum productive unit had a responsible professional, a technologist specialist to follow the technical standards and an economist to measure and monitor the yields.

A functional area of special relevance and part of the administrative structure, but not the ALP, was Kuadri (the personnel area), name that comes from the word for high-level professionals. The Kuadri's boss had to be necessarily a member of the ALP. It was the set of people that was responsible for implementing formal training policies, career line, performance evaluation and maintaining the professional and personal record of managers and employees.

6.3. Preparation of the Budget or Annual Plan

The annual plan of the company included the economic objectives drawn up on the basis of the five-year plan, whose political, social and economic guidelines and objectives were formulated by the structure of the Albanian Labor Party (ALP), publicly communicated at the ALP Congresses and approved by the one-party parliament of the time. Subsequently, the guidelines passed to the State Planning Commission (the highest

planning body), which was responsible for elaborating in detail the five-year plan to be executed, and from this, the plan was passed to the respective Ministries. The last ones were in charge of cutting the five-year plan into annual plans. These were sent to the Executive Committees at the departmental level, to reach finally each company.

The elaboration of the annual plan in each company began with the communication by the hierarchy of the ALP and Government of the expected production figures, established in a central manner based on the needs at the national level. The process followed with the discussion at the base to achieve the improvement of the initial goals and the elaboration of the Project Plan. This process was witnessed directly by the ALP and company's top managers. The role of the ALP was that of the motivation of the masses so that reserves are not maintained at the time of the elaboration of the Project Plan.

The Project Plan was passed to the ALP base organization of each company, to be subsequently sent to the local executive government, where it was consolidated with the Project Plan of all other companies, organizations and / or local institutions. Finally, the Project Plan was sent to the Central Government. The submitted Project Plan could be returned for adjustments, either by the local or by the central government, so that it responds to central demands of the ALP and the State. The Project Plan was integrated at the country level, was approved by the government, the Party and the Parliament and was raised to the level of law.

The approved plan returned to the companies to be disaggregated to the basic units of production and / or service. Often the figures that were returned did not coincide with the Plan Project sent. The figures reported could undergo no modifications, since they combined in an integrated way the needs of the whole country. The motto was "The fulfillment of the Plan is obligation, achieving more than budgeted is an honor".

6.4. Execution of the Annual Plan or Budget

The management structures and the ALP were deeply involved in the process of implementing the Plan. The base organization of the ALP led the process. The fulfillment of the economic goals had fundamental relevance when treated as a means of compliance with the major political and ideological objectives. These objectives had as a background the intention to demonstrate of the superiority of the socialist system over Western imperialist capitalism and against the "revisionism" of the communist countries of Eastern Europe.

The execution was accompanied by much "political work" to achieve the motivation of the people. The ALP's role was one of "vigilance" regarding the progressive fulfillment of goals. The role of the management structure is reduced to the detailed disaggregation of the Plan and to its execution to the minimum detail. The achievement of the goals of the Plan was mandatory. The administrative and directive structure and structure of the ALP closely followed the progress with monthly, weekly and, depending on the nature of the work, even on a daily basis.

The main indicators of compliance with the goals had to do with the volume produced, the costs, the quality, the investment plan. Qualitative indicators were also specified for service companies. All the indicators were economic. In case of non-compliance with the goals, the causes were analyzed and classified as objective and subjective. Non-compliance due to subjective causes had negative consequences of different magnitude. In the cases of inflated progress reports, the consequences were serious, and if it involved managers, even more so.

6.5. The internal organs in charge of control

The company was controlled very closely by formal instances of local and central government. The purpose of these controls was to diagnose the progress of the plan and, at the same time, safeguard the proper use of state resources.

The "customer" companies also exercised control, since they could give notice to the local and central control bodies of the eventual non-compliance of the supplies, which risked the advance of that "customer company".

The staff department or "Kuadri" seconded the control that the base organization of the ALP exercised over people, their behavior and their performance.

The economic department of the company had an informative role to the hierarchies of management and the ALP, making available to them the reports of the achievements vs. what was planned.

6.6. Motivation, Evaluation and Compensation

In order to motivate people, a mixture of persuasion and coercion was used permanently. Persuasion predominated in the goal-setting phase and had to do with the needs of the country, the need of a work well-done to be useful for the citizens, and so on, while coercion predominated in the execution phase. This phase was characterized by very close

monitoring and detailed analysis. Compliance or noncompliance could be due to “objective” causes – all causes unrelated with people’s performance, such as conditions of supply of raw material, level of execution of investments, etc. Alternatively, causes could be “subjective”, i.e., causes that had to do with what people did or did not do well, or “objective” and “subjective” at the same time. Non-compliance due to subjective causes did not deserve any consideration (at least formally).

Special attention was paid to the managers. In a physical individual file was recorded the scores of evaluations, achievements, failures, the level of convergence of the person with the "Party line" and incidences at work and those of a personal nature. The monitoring of the workers was done through the implementation of piecework where possible. The standard yields were, in general, well studied technically.

There was a formal system of rewards and punishments in which stimuli and/or moral prizes predominated. The material stimuli were very small and were used, mainly, for the lower hierarchical levels (workers and workers). Under the slogans of "the class struggle", "rapprochement with the masses", "struggle against bourgeois customs", the ratio of the lowest salary to the highest was 1:2. Promotion policies and evaluation criteria incorporated the achievement of economic goals, as well as other criteria of political and ideological convergence.

The negative stimulus prevailed in the formal system of the Albanian company. Greater pressure was exerted on the managers, with regard to the, generally better motivational quality of the same. With the economic difficulties experienced in the 80s, the negative stimuli began to lose strength.

6.7. Management Style and Organizational Culture

The predominant business culture was to try to fulfill a personal profile of "format", in which people should fit. It was a restrictive culture and pressure to maintain the behavior of each person within what was accepted by the "socialist moral." In this same framework, the organs of the ALP insisted on the fight against economic and social differences between people.

7. Management and Control Practices in the Albanian company after the change of the political, economic and social system of the 1990's.

7.1. Planning and establishment of objectives.

The process of firm planning (no longer depending on central planning) by companies currently in Albania is done therefore in a decentralized manner. This incorporates the influence of external variables of the sector, market, macroeconomic and political situation of the country, etc. Even in the public enterprise, planning is decentralized, but based on a sectoral strategy at the national level, prepared by the central government. The current planning process involves substantially less resources and time. Albanian companies inherit a widespread culture of planning, regardless of size.

7.2. The Government Structure of the Organization

In all the companies interviewed, the Shareholders' Meeting is responsible for medium and long-term decisions. In addition, companies have the Board of Directors, composed of the CEO and the main managers. It is this instance that leads the execution of the annual objectives established by the Shareholders' Meeting.

The organizational structure is functional. All the companies interviewed had the Audit Department, which reports directly to the Shareholders' Meeting. This department, in addition to fulfilling an audit role of the economic and financial aspects of the company, in several of them extends its functions to aspects of implementation of processes, rules, regulations and, sometimes, on the quality of the management of the responsible people.

7.3. Preparation of Budget or annual Plan

The use of the budget as a planning tool is widespread in the (relatively big) companies interviewed. Budgets are prepared during the second half of the year. In large companies, the budget preparation process starts with the creation of an ad-hoc working group, while in small companies it is the economic department that prepares the budget, after compiling data from the other departments.

The approval of the budget is made by the Board of Directors and the Shareholders' Meeting. The boards can make adjustments based on the growth needs and / or incorporation of variables / external premises that have not been taken into account in the elaboration process.

The approved budget is communicated back and disaggregated by each area. Sometimes, disaggregated budget targets are printed in a special brochure. More or less the standard procedures that take place in any western firm.

7.4. The Execution of the Annual Plan or Budget

In the Albanian companies interviewed in the current period, the main mechanism of execution and compliance with the budget is very close monitoring through the formal compilation of progress in performance forms. There is a certain flexibility to revise the annual goals, at the request of the responsible manager and in case the assumptions of the budget have not been taken place. The fulfillment of the objectives is considered by the managers much easier than in the period before the 90s by the fact of having the necessary resources to do so.

7.5. The internal organs in charge of control.

In the Albanian companies currently interviewed there is a functional department in charge of control. In large companies the aforementioned department has a more informative role and the functional areas are empowered to negotiate the objectives and report the performance directly in the Board of Directors. In a service company, the personnel department was directly involved in controlling the level of service by employees.

The Audit Department mentioned above exercises control over the implementation of processes, rules, regulations and even the quality of the management of people. On the latter, it reports directly to the Board of Directors.

7.6. Motivation, Evaluation and Compensation

The most common forms of motivation in the Albanian business firm today is extrinsic in the form of rewards and punishments. The implementation of them is varied. In the public company there are very few stimuli and material rewards, due to lack of economic capacity and management style inherited from the previous period, which had a strong tendency not to "pamper the managers". Private companies implement without exception economic awards of different nature to encourage compliance with the goals.

The recruitment processes, sometimes, are long and consider not only the technical capacity, but also the personal quality and the degree of “fit” with the way of doing things of the organization, its essential mission and culture..

A very close monitoring of performance and results obtained, incidents occurred, reprimands, congratulations, etc. is exercised. They are formally registered in individual files. However, close monitoring is not perceived, generally, as coercion; on the contrary, it is perceived as a means to maintain order, discipline and promote compliance.

In two firms, "self-management" schemes were implemented to motivate people to achieve better results. The degree of success of this practice was not clear or uniform.

7.7. Management Style and Organizational Culture

The current management style is more democratic than it used to be- It features, delegation of functions, participation to establish the objectives and involvement in monitoring them. However, the culture of very close monitoring of execution is still predominant in the company. In the public company a more autocratic style of work is appreciated and, in general, there is a more expectant and demanding trend towards managers, while less material rewards are being used

8. Discussion: Assessment of what is common and what is different in the practice of Management in Albanese firms

8.1. Planning and Establishment of Objectives

The process of centralized planning of the socialist stage of Albania implied complexity because of the fact of having to combine the short term with the medium and long term objectives, of a political, ideological and economic nature and at the country level. These same objectives, in each of the aforementioned fields, represented the premise of the planning process in each of the organizations or companies of the time.

The first relevant aspect to mention follows from this: the sense of mission with which the planning process in the company was impregnated. Regardless of the content of the mission, the permanent communication and the work of the ALP structures to break down the objectives, make them understandable and follow up their implementation equipped the process of establishing objectives with an outstanding sense of mission, at least before the economic crisis of the 80s hit the country. People in companies and government bodies, to a large extent, shared the ideals of collective welfare, and not only economic,

that the regime professed. It was the unifying power of shared mission that made it possible to execute such a complex process of planning the economic, political, social and cultural activity of a whole country and according to collective needs. A sign of the unifying power of shared mission is the same generalized decline in the productivity of Albanian companies and the same system in the 1980s, a period in which the belief of people that welfare ideals could be reached via the political and economic model proposed economic was vanishing.

In the current practice of Albanian companies, it is difficult to impregnate the planning and other control processes with a sense of mission. Generally, the agglutinating elements of the people around what the Albanian company of today intends to do, are of a lower hierarchy. They appeal mainly to extrinsic and perhaps intrinsic motives, with clear emphasis on the former.

The second aspect to be derived is the level of predictability of the results to be achieved that careful planning makes possible. In fact, the effectiveness (independently of the efficiency) of the achievement of the goals established was clear in the previous system. Today, in the public service company interviewed, we have seen inconsistencies and some incoherence when implementing the development plans of the company. Unclear objectives and little planning of how to achieve them have dramatically reduced the effectiveness of execution.

The companies of today in Albania (those interviewed at least) inherit a generalized culture of planning. In conditions of an environment with high levels of uncertainty, this culture supports the achievement of the established strategic goals. But, comparatively, planning in companies today requires much less time, effort and resources for the same fact that only covers each company separately. The planning process is of course conditioned by the external conditions of the company, as premises to the plan. At the same time, they have to make decisions they did not have to do before (products, prices, and so on) which make the planning process more complex.

8.2. Preparation of the Budget or Annual Plan

The preparation of the Annual Plan in the Albanian companies during the socialist period was crucial, because the Plan of each company was a link in the chain of plans of each and every one of the organizations at the national level. All plans were then integrated

into the master Plan, whose approval was formalized by the Parliament. The Plan had the status of law and its compliance was mandatory.

The process of preparing the Plan was rigorous and participatory. The Plan - Projects in each company began with the communication of the expectations of figures of the central organs of the ALP and the State. The figures to be achieved were widely and formally discussed, in meetings, in each of the productive units. Successively, the discussion of the figures and of the possibilities of improvement of the same ones via improvement in the processes, savings and increase of the effort of the people, continued in an orderly manner in the production units from bottom to top, until reaching the economic department and, finally, obtain the approval of the Director of the company. The final seal to the Project Plan was placed by the organization of the company's ALP.

The broad discussion of the goals to achieve in the plan was intended to ensure that the people that executed the plans, the figures and the goals were the authors of the plans, and, thus, assumed a strong commitment to compliance. The process itself was consistent with the importance of the subsequent achievement of these figures. While the establishment of the goals was done in a technical way, without exaggerated revolutionary enthusiasm or pressure, the process served to generate the desired commitment with the achievement of these goals.

To the extent that the economic demands were increasing as a result of the increase in the needs of the population, and to the extent that "the machinery" of the economic model started to show strong inefficiencies and the inability to be self-sustaining. Then, participation in the process of Preparation of the Project Plan became a process that, although formally well executed, really forced people to report the figures desired by the central organs of Government and Party. The decrease of material resources and investments that followed was supposed to be overcome with ever greater effort issued by people and, above all, by managers. The lack of realism and technical support of the required figures ended up reducing the commitment to achieve them. The requirement to achieve them when it was impossible ended up in generating demotivation.

In the interviews carried out, the former director of the Metallurgical Corporation emphasized how difficult it was to achieve the results required during the Albanian socialist period, compared to the achievement of the results at present, when the necessary material and investment resources are available. and proportional to the achievement of the goals.

In the Albanian companies at present, at least in the interviewed ones, they also use, to a certain extent, the participatory budget. Certainly, the participation in the elaboration of the budget is better appreciated in the larger companies than in the smaller companies in turnover. This is due to the fact that the management and the economics department of the larger companies are further away from the market and the customers and need the departments in contact with them to draw up a coherent budget. In smaller companies, the budget is drawn up in the economic department, approved by the Board of Directors, and simply communicated to the executing departments. Likewise, during the interviews, it became clear that there was a greater participation of the lowest levels of the organization in the establishment of the sales figure and much less, or very little in the sizing of the resources to reach them.

A second element to derive from the interviews in the process of preparing the Plan or Budget is the presence of senior managers and their direct involvement in them. In the socialist Albanian enterprise, the elaboration of the Plan was doubly guarded: on the one hand by the managers and, on the other, by the structures of the ALP. This high level of involvement was consistent with the need to have a realistic and demanding plan at the same time. The presence of the highest executives of the company and the Party fulfilled a motivating function as well.

The "vigilance" in the elaboration of the Plan, especially by the Party structures, was accompanied by a dense "political work" and propaganda of struggle against comfort and conformity, for the infusion of the process with the revolutionary spirit of the working class and so on. The elaboration of the Plan was the key moment: from there emanated the demands of later execution. As mentioned above, from the moment that the directive presence began to be forced to support unrealistic plans and goals demanded by "the people up there" (the ALP organs and the local and central governments), the motivating function of such presence decreased further and further.

In the current company in Albania, the direct involvement of managers or their intense presence in the budgetary process was not always detected. Budgets, although present in each of the companies interviewed, generally represented a compilation of figures from the different levels without, necessarily coming from a broad discussion about them. The commitment to the achievement of the goals is achieved mainly through incentives.

8.3. The execution of the Annual Plan (or Budget)

Close monitoring of the implementation of the Plan or Budget characterized and characterizes today the Albanian companies today. The culture of planning, the tight monitoring seems to be inherited from the companies of the socialist period. Monitoring generally involves the disaggregation of the goals included in the Plan or Budget in goals for each productive unit, monthly reviews of results at the departmental level, weekly monitoring with work plans at the level of the lowest units of execution

However, by the very nature of a centrally planned state economy, the monitoring of compliance with the Plan was extremely narrow in the socialist Albanian enterprise. Compliance with the figures in the Plan was considered an obligation. Negligence could be interpreted as an act against the interests of the Party and the nation and have serious professional and even personal consequences.

The execution of the Plan in the socialist enterprise did not contemplate any flexibility, at least in the words of the former executives interviewed. The absence of flexibility was a consequence of the need for the concatenation of the results or activities of each organization or company with the rest of them, in the way that the economic and social "machinery" will work.

The substantial difference with the today companies in Albania, although the culture of close monitoring persists, is that the latter is combined with greater flexibility and possible revision of the goals established according to the attainment or not of the assumptions of investments in the company, market performance, macroeconomic and social conditions, etc. The combination of close monitoring with some flexibility in achieving the economic and service goals in today's companies creates better conditions for achieving the medium and long-term objectives of the company. Likewise, monitoring and flexibility at the same time are better ingredients for learning and motivation of people towards the achievement of goals. It should be mentioned that not in all the companies interviewed existed both ingredients at the time of the execution of the budgets, at least according to the interviewees.

The process of implementing the Plan in the socialist Albania company was heavily safeguarded by the management structure but, above all, by the structure of the ALP. The execution, in a similar way to the aforementioned control processes, required to continue building in people the sense of mission. Therefore, an intense political, ideological and training work was developed to make people internalize the need to comply with the

requirements of the Plan. The main leitmotiv in the formal meetings of "political work", as they were called, was the need and demand to watch over the interests of all, over their own, and the interests and political and ideological ambitions of the socialist regime that embodied (at least theoretically) the search for the welfare of the whole town. With the passing of time and in practice, when the capacity of the political, economic and social organization then in force to achieve the desired welfare was not proven, the mission became little credible and motivating.

Thus, depending on who were the people that formed the Kuadri, this process could be functional or dysfunctional. It could be functional in the sense of the why's and avoiding exploitation; dysfunctional because of fanaticism and too demanding unreasonable things.

8.4. The Structure of the Organization Governance

In the context of the Governance Structure, we can observe the double role or mandate that is required of the formal structure of the organization, of course, that rests on the managers. This double function lies in (i) organizing the work so that it is executed with the efficiency and effectiveness required, and (ii) motivating people towards the achievement of the first two objectives in a sustainable manner.

In the Albanian company of the socialist regime there was a double formal structure: the ALP and the administrative management or the organization. The first had a higher hierarchy function: the function of ensuring that the sense of purpose of the work and the issuance of an increasing effort on the part of the people were kept alive. This went through the task of ideological formation and personal education of all the members, including the managers themselves, both of the structure of the ALP, as of the administrative management.

The formal administrative management fulfilled the functions of planning and executing the economic results of the company, mainly in terms of output. The unfolding of these two functions shows the relevance that the regime gave to the motivating and educating function of the members in an organization.

In the current company in Albania both functions, the administrator and the management and motivation of people, are entrusted to the same formal structure, in the same way it happens in the Western world. In the interviews it was possible to appreciate that the focus of the managers was the fulfilment of the goals and objectives of the company and

it was typical to highlight only the efforts of technical and administrative training of the people for that purpose.

The practice of control systems of socialist Albania rises another interesting issue about the formal structure and the real structure in the companies of that period. Of the two parallel structures in each organization - that of the ALP and the administrative or management - formally, the first was above. In practice, the leadership was softened by personal and professional quality, both of the secretary of the ALP organization and of the managers. On paper, the double formal structure, that of the Party and the administrative one, was intended to create constructive opposition and thus guarantee the progress of the work. In practice, the relationship between the two structures could vary from one of a conflictive nature to a relationship of mutual support, depending on the quality of the people who formed them. This clearly showed the existence of the informal organization even in a dictatorial economic and political system strongly dominated by formal systems.

8.5. The Control Organs

Parallel to the "reinforced" formal structure, the formal organs of control were also duplicated in the Albanian companies in the socialist period. The control exercised was very strict and was exercised not only on the economic and management results, but also on the people.

Local governments exercised periodic control and, besides, the central government bodies in charge of economic and managerial control did so. These formal control bodies were not part of the company.

Within the company, the ALP organization and the managers exercised control over people, both based on the progress reports of the plan from the economic department. The "Kuadri" seconded the control that the ALP exercised over people, their behavior and performance. The participation and involvement of the party and hierarchy in the process of controlling the management and the people was total.

In the current practice of Albanian companies, those in charge of formal control are the economic departments, which provide information to the Board of Directors and the shareholders. In parallel and with a direct report to the Board of Directors, in all the companies interviewed, the Audit department is in charge of management control, and examines the compliance of the processes and procedures by the people, aspects of

regulation, etc. The direct reports of this department to the Board of Directors are essential for evaluating people's performance. There is some involvement of the company's top management in the management control and people's performance, but only to a lesser extent. The control exercised is mostly indirect, based on formal systems such as measurement by economic results and incentives.

8.6. Motivation, Evaluation and Retribution of People

To motivate people towards the achievement of the objectives and goals established by the State and the Party, in the Albanian enterprise of the socialist regime a mixture of persuasion and coercion was used, permanently. Persuasion predominated in the goal-setting phase, while coercion predominated in the execution phase. It has already been mentioned that the "political and ideological work", carried out in systematically programmed meetings, was a means of motivational support to give the work of each person the appropriate relevance, face to the achievement of the economic results.

The evaluation process was systematic and rigorous. This involved detailed analyzes of the level of fulfillment of the goals, assessment of the causes of eventual non-fulfillment, establishment of responsibilities and the distribution of the respective awards and punishments. Coherently with the appeal to collective transcendence, moral prizes predominated.

It was characteristic of the regime to exercise greater pressure and control over professionals and intellectuals, in general, and over managers, in particular. The ratio of the lowest salary to the highest salary did not exceed 1 to 2. The directors submitted to the demagogic pressure to "merge with the masses", "to fight against the bourgeois mystic psychology" and "to feed with the revolutionary spirit of the working class". One of the interviewees said that the cases of punishment were not very frequent, because the Party took care not to apply them to professionals or managers and not in a massive way, "but when they occurred, they generated fear".

An integral part of the evaluation process was the level of convergence of the person, and specially the managers, with the "Party line". The evaluation of the workers and / or employees was done by the direct managers.

However, in the realm of formal systems and the restrictive means of work and life, such as the so-called dictatorship of the proletariat installed in Albania, was the set of informal relations between the people in the Albanian companies that represented a layer of

protection and damping of the effects of the formal system on them. The formal structures in the companies, be they of the Party or of management, were not only fully aware of their existence, but made use of the "spontaneous system" of relations "not tot harm" the people who should not be harmed. One of the interviewees gave the example of the manager who was not paid his salary because of not meeting the economic goals for reasons unrelated to his own management and that months later, discreetly, was given a compensation in the form of a bonus. These apparent inconsistencies were the product of the effort not to antagonize the managers and, at the same time, not to take away the authority of the formal systems.

Albanian companies currently use, without exception, economic awards of different nature to encourage compliance with the goals. In general, there is also a very close monitoring of the performance of people on a departmental basis. Performance monitoring, at least in the words of one of the interviewees, was not perceived as coercive; on the contrary, it was perceived as a means to maintain order, discipline and foster compliance.

8.7. Management Style and Organizational Culture

The predominant culture in companies before the 1990s was a total focus on achieving economic results (output), which were seen as a means to collective welfare. People, individually, were seen as means to achieve the collective good

For this, the person was forced to fit into preconceived "formats" of personal profile. The source of these formats was the ideological influence of the Party and its desire to create the stereotype of the revolutionary man, permanently pushed towards a transcendence imposed from the outside. On one occasion, one of the former managers interviewed expressed that they were educated to be ashamed to think about themselves, before thinking about collective interests. The regime permanently appealed to a kind of collective transcendence, in which the person, individually, was almost invisible.

In general, it was a restrictive culture for people, a pressure to maintain the behavior of each person within the accepted by the "socialist moral." The expressions and behaviors other than that were labeled liberals, bourgeois or, at the other extreme, conservatives. Part of the same culture was the fight against economic and social differences between people.

The current reality of the culture of the Albanian company does not say anything about the care and protection of the person. Similarly, today, people in general are considered a means for the organization to achieve its economic goals.

9. Appreciation of the Evolution of Management and Control in the Albanian Company from Period to Period

The assessment of the Management and control practices which has been exposed and analyzed in this paper, will not take into account the political and ideological issues that naturally surround the issues about different social, economic and political systems, like those that took place in Albania. The spirit of the study has always been to draw consequences of some observations, contrast, assess and contribute to the theory and implementation of the Management and Control Systems of organizations.

What we intended to achieve with this work is to highlight practices of control and management systems in companies, whose mention and treatment are considered relevant to take steps towards an adequate understanding of them. Returning to those topics, as we do below, has as a purpose the vindication of the classic vision on the systems of management and control, far from the purely statistical considerations.

In fact, regardless of the more or less adverse environment in which companies or organizations developed their activity, there are aspects of their management control that remain valid in time and worthy of being highlighted and not be "despised" for having belonged to periods of this or that political, ideological or socio - economic environment. An important reason for being able to deal with the various topics in this chapter are the experiences gathered in the interviews with the former directors of companies of the socialist period in Albania; This, with no intent of undervaluing the information revealed by company managers today. In our view, the interviewees, former managers of the 90's, speak with a better perspective and a more realistic appreciation of what happened at that time, thanks to the time elapsed and thanks to the quality of former managers in contrast with current managers.

9.1. Summary ideas to highlight:

It is the sense of mission in the management of the company that mobilizes people. But the quality of the mission must be taken care of. A mission that appeals to a collective transcendence, as before in Albania, or that which reigns today, based on extrinsic

individualism, takes away authenticity and motivating power from it. The way to motivate people is not coherent with the motivational reality of human people: many do not move for extrinsic reasons only, or for transcendent reasons only.

Careful planning and the participation of executors in it supports the achievement of strategic goals. Planning that increases the level of predictability of the results and the participation of the people commits them to their achievement. The culture of planning inherited from the socialist Albanian company is proof of the practical value of this element of management. The socialist Albania and in conditions of an external environment to the stable company, the planning functioned as a process that unifies the needs of all the companies, organizations and institutions at the country level. At present, in conditions of external environment to the changing company, the planning, combined with the flexibility in the execution, equal conjugates the efforts of the people in a same direction.

The monitoring in combination with the flexibility in executing what is planned also supports the achievement of the goals but above all in achieving them in an increasingly efficient way. The lack of flexibility emphasized the achievement of economic goals above all in the socialist Albania company. But, achieving the results, that is to say, the achievement of effectiveness does not guarantee, as in fact did not guarantee, the achievement of the same objective through time and in an increasingly efficient way, a process that supports the achievement of medium-term objectives. and long-term organization and its longevity. In other words, it is important not only to achieve the results, but also how they are achieved, whether each time is more efficient or not. And, what is more important to bear in mind, how does the relentless attempt to achieve the results impact on the people in the organization?

The management and control in a company means to exercise the decision-making functions and the motivating functions by the managers. The structure of the Albanian company before 90 was split into the administrative structure and structure of the organization of the ALP. The second, formally, had a higher hierarchy and exercised motivating / educating functions towards people, and the former exercised mainly decision-making functions. The unfolding of these functions, reflected even in the formal structure, shows the relevance of the motivating and educating function of the members in an organization to mobilize them towards the direction required by the organization.

Of course, *the mere existence of formal structures and systems does not guarantee their proper use of them at all.*

Formal management and control systems are necessarily accompanied by informal ones.

Both systems, formal and informal, naturally lie side by side in every organization of human beings. Informal systems are based on the spontaneous interactions of people in the organization and have the task, in principle, to soften the possible negative effects of formal systems on themselves. The existence of informal systems and structures is evident in the Albanian company today, as it was in the company of the socialist period.

Management and control should not only be exercised on the results, but also, and above all, on the people. Moreover, there is no way to exercise control over the results without doing so on people (Merchant, 1985). When the types and content of control over people are not made explicit, being aware of their existence and exercise by managers, there is a risk that the control type executed on the results requires a rigid, implicit type of control over people, which can be perfectly counterproductive and not consistent with the nature of human persons in an organization.

10. Conclusions

It is clear that the business practices in Albania, before the 90s and after, took place in very different historical, socio - economic, ideological and political contexts and no doubt opposites. Albania went, in a matter of a decade, from a totally planned economy to a free market one. The change was unprecedented.

That is why the study of business practices in terms of control systems before and after arouse legitimate interest. In the common and in the different of these practices we find a revealing source of issues of Control Systems and the management of companies that far from going out of style, are more effective than ever

The study of the experience of the Albanian companies during and after the stage of the socialist regime shows that, independently of the formal political, economic and social environment in which the organizations carry out their activity, the Management and Control Systems are elements of direction always present and necessary to organize and direct the efforts of the people towards the fulfillment of the purpose. Both elements are complementary. The tools of control systems represent the formal part of the control and the management control has to do with all the rest of the spontaneous managerial activity (not foreseen in the formal systems) that necessarily complements the former.

Both elements, coherently combined, have the ability to drive the “hearts and minds” of people towards the fulfillment of the mission of the organization. The lack of coherence between these two managerial elements causes the motivation efforts of people to fail to do what the organization requires to be done. And the successes and failures in the implementation of both management practices are not exclusive, neither of the organizations or companies in a planned economy, nor of those that operate in a free market.

REFERENCES

Betti, G. (2018) Local Poverty and Inequality in Albania. *Eastern European Economics*. May/Jun, Vol. 56 Issue 3, 223-245

Bezemer, D. J. (2009). *On the Eagle's Wings: The Albanian Economy in Transition*. New York: Nova Science Publishers, Inc.

Blejer, M. I.; Mecagni, M.; Sahay, R.; Hides, R.; Johnston, B.; Nagy, P.; Peoer, R. (1992), *Albania: From isolation toward reform*, Washington DC, WA: International Monetary Fund.

Kelly, D. (2016). Perceptions of Taylorism and a Marxist scientific manager *Journal of Management History*, 22(3), 298-319.

Lange, O. (1938) *On the Economic Theory of Socialism*, Minneapolis, MI: The University of Minnesota Press.

Luthans, F and Riolli, L. (1997). Albania and the Bora Company: Lessons learned before the recent chaos, *Academy of Management Executive*, 11(3), 61-72.

Merchant, K. (1985). *Control in Business Organizations*, Boston: Pittman Publishing.

Nientied, P. and Shutina, D. (2017) High performance work practices in Albania, *Journal of Human Resource Management*, 20 (2) 12-20.

Papajorgji, E., Alikaj, G. (2015) Privatization in Albania in numbers, *Academic Journal of Business, Administration, Law and Social Sciences*, 1(3), November, 41-46.

Papajorgji, E., Alikaj, G. (2016) The function and content of the enterprise during communism in Albania, *Academic Journal of Business, Administration, Law and Social Sciences*, 2(1), March, 55-59.

Persson, K.G. (2010). *An Economic History of Europe: Knowledge, Institutions, and Growth*. Cambridge: Cambridge University Press.

Schnytzer, A.; (1982), *Stalinist economic strategy in practice - The case of Albania*, New York, NY: Oxford University Press.

Several authors (2000), *Albania a patrimony of European values - Guide of Albanian history and Albanian cultural heritage*, Tirana, TIR: Seda & Field

EXHIBIT 1

Data of the interviewees

	Nr.	Position	Period	Enterprise	Industry
Before the 1990s	1	Former Maintenance technical manager	1980-1990	Metallurgical Elbasan	Manufacturing
	2	Former Secretary General in the Ministry of Energy and Industry	1980-1990	Ministry of Energy and Industry	Central Government
	3	Chief agronomist	1980-1990	Agrarian Cooperative of Krutje	Agriculture
	4	Former General Manager	1985-1994	Water Supply Company of the city of Tirana	Services
	5	Former General Manager	1985 – 1990	Water Supply Company of agricultural area of Lushnjë	Agriculture
After the 1990s	1	Associate General Manager	2014	UKT (Ujësjetllës dhe Kanalizime Tiranë - Supply and Collection Company of Tirana)	Services
	2	General Manager	2014	Firm in the Catering Business	Services
	3	Human Resource Manager	2014	AGNA Group	Commerce
	4	Product Portfolio Manager	2014	EUROSIG- Insurance Group	Services
	5	Technical Manager	2014	Planta de Acero de Elbasan de la Kurum Albania	Manufacturing
	6	General Manager	2014	Delta Group	Commerce
	7	Financ. Manager	2014	Doniana-Shoe Manufacturer	Manufacturing
	8	General Manager	2014	SHAGA Design & Furniture	Manufacturing

EXIBIT 2

Some of the most significant statements of the interviewees

Before the 90s

"We, the engineers, provided figures based on technical considerations ... in which there is no place for a "Party slogans "... but you should be very careful to affirm this."

"... when the crisis began there were problems ... but still nothing was forgiven; ... Party meetings were held once a month. I did not report whether I had lived or not well or had gone to the movies or not; I reported how I had made the plan every day. "

"The punishment for the violation of work discipline or technical discipline were clearly foreseen in the work code. The boss had power to soften them a bit by arguing a bit when he wanted to. If he did not want... he did not... "

"The Party covered the aspect of mobilization, of the spirit of the working class, of the struggle against the concept of comfort, of the struggle against reserves to... exploit the reserves (of effort on the part of the people) to the maximum possible."

"The poor Manager, when he could not fulfill his plan due to lack of materials or machinery, for example, was called to the Ministry and they took action: they did not pay him his salary. Being without a salary at that time was difficult. What would the Minister do? He would give him extra some financial compensation ... the purpose was to mobilize people, not to harm them. "

Kuadri "was in charge of education (of workers and people in general), it even took care of problems and family discussions. If the wife complained, you were in trouble (laugh). You could complain to the Director or the "kuadri". "

"... you had to have reliability (e.g., for management positions) ... both as a family background, as moral figure and technical preparation. They would not put just anyone, but you did not have to be a member of the Party. "

"If the engineer abused (e.g., inflated the figures) was a serious matter. ... you were fired, ... you had nowhere to go! These were extreme cases. Before this happened, the Party and the unions would be involved. They were rare cases, but they were scary, and they happened..."

After the 90s

"It is not that there is no possibility on the side of the economic capacity of the company (to deliver economic incentives), but (the General Director of the state company) does not want to pamper the managers too much ... there are department managers who really work a lot."

"We do not work with papers (it refers to diplomas, moral recognitions only) ... we give recognition with words of gratitude for a job well done and, generally, in the form of bonuses, lunches we make together ... We are above all practical."

Decision making today is faster; "It is done, or it is not done". Then, the system was slower; "It was the system like that, besides that everyone wanted to do things by the book... we all fooled each other and the people up there.."

"... today if you do not work ... you are fired in an hour ... you feel more motivated but because of positive and negative incentives because you have to take care of yourself to take care of the work, because there is not much".

"The economic objectives are increased every year ... For example, currently we have reached 90% of the goal of the period, but it is better to achieve 90% of that goal than 100% of a lower goal."

"... each form (e.g., of motivating) has its positive and negative sides, but the trend is positive ... (the person) is more interested in looking for a market, in looking for clients ... in not focusing so much on the work schedule ... Here they keep the phone 24 hours a day; in the house too. If a customer calls you at night and tells you that he needs something and wants your quotation, the manager gives it to him from home. In general, they are more incentivized."

"... now, here (in Albania.) we follow the culture of "I am the owner ... and you must work; if you want to stay and, if not, go "... Really workers and employees do not realize how exploited they are, he cannot do the figures..."

EXHIBIT 3

Interview Guide

Question 1

- 1) How were the goals and objectives of your organization or firm determined?
- 2) How often were these goals reviewed / revised?
- 3) What nature did they have? Economic and not economic?
- 4) Who formulated / formulated the tactics to achieve the goals and objectives of the organization?
- 5) How were they communicated to managers and people in their organization?
- 6) What were / are the control mechanisms designed to guide your organization towards the fulfillment of the goals and objectives set?
- 7) How effective was / is each of them?
- 8) How efficient?
- 9) What were / are the indicators determined to be able to measure the compliance with goals and objectives?
- 10) Were there / are there positive incentives? Negative incentives? The material incentives? The non-material? In what proportion?
- 11) Were there / are there responsibility centers in your organization? What kind?
- 12) Who was / is the person or internal body in charge of exercising control?
- 13) What was / is your responsibility?
- 14) What relationship did / do you have with those controlled, formally and informally?
- 15) How were the actual results evaluated / evaluated?
- 17) When the results were not reached / achieved, why did this happen? Due to external factors? Which? Because of internal factors? Which?
- 18) How were the results of the evaluation used / used in relation to people responsible for them?
- 19) What measures were taken / taken in the case of not achieving the results?
- 20) Was the scope or improvement of the expected results rewarded? In what way?
- 21) Were they trying / trying to harmonize the interests of the organization with those of the people individually? How?
- 22) How did the style of senior management influence / influence the process of planning and control in your organization?
- 23) How did the existing culture influence / influence your organization?