



ESTONIAN BUSINESS
SCHOOL

ANNUAL REPORT

OF RESEARCH ACTIVITIES IN 2000

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TALLINN
2001

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INTRODUCTION

In 2000 the Higher Education Quality Assessment Centre of Estonia has invited an international commission to evaluate economy and business administration research at five Estonian institutions: the Faculty of Economics and Business Administration of the Tallinn Technical University, the Estonian Institute of Economics, the Faculty of Economics and Business Administration of the Tartu University, the Faculty of Economics and Social Sciences of the Estonian Agricultural University, and the Estonian Business School. The commission consisted of four experts:

Prof. Wladimir Andreff, L'Université de Paris 1 Panthéon Sorbonne
Prof. Margarida Proença, University of Minho, Portugal
Prof. Wim Meeusen, University of Antwerp, Belgium
Prof. Rasto Ovin, University of Maribor, Slovenia

The experts have decided that regardless of its youth, EBS has already reached a 'satisfactory' level. This positive grade proves that EBS is a university-level study and research centre. On the other hand, such an official recognition opens for us several new possibilities.

Before the visit of the commission, we were asked to write a self-evaluation report. This was done by Sirje Keevallik (Learned Secretary) and Olav Aarna (Rector). Putting together the required report forced us to analyse the situation in management research and to consider our strengths and weaknesses. That is why a considerable part of the self-evaluation report is included in the present Annual Report.

On the other hand, research activities at EBS cover a wider range than management of different organisations. This is valid for the Centre for Baltic Studies, the Chair of Applied Mathematics and Informatics, and the PhD students. Therefore, these research activities in the year of 2000 are summarised separately.

Sirje Keevallik
Editor
Learned Secretary of EBS

SELF-EVALUATION REPORT OF MANAGEMENT RESEARCH 1996-2000

RESEARCH TOPICS

Research in a business school should be regarded first of all as a foundation of quality education. "Research is not seen as an end in itself, but as a means of qualifying the faculty and ensuring that the knowledge and skills taught in programmes are broad-based, relevant, up-to-date and forward-looking" (*EFMD. The Dynamic Model for Quality Development. Guidance Notes on the Quality Criteria.*) On the other hand, research at a business school is normally less academic and more applied than at a classical university. This concerns first of all management research, as its primary object is management practice. During the last decade, development of applied research in this field has been especially important in Estonia, as the country needs knowledge on management as well as solutions to different problems of organisation and management.

In the 1990s Estonia was in the process of rapid change. Economic stabilisation after introducing the national currency in 1992, large-scale privatisation of former state-owned companies and institutional development of the public sector have been relatively radical compared to many other transition societies. Companies in the Estonian business environment had to learn how to deal with new challenges resulting from Estonian integration into the European Union and from the new context of developing international competitiveness. Therefore management research during the period of 1996-2000 has been concentrated around exploring the changes in both macro- and microenvironments and problems of management in different types of organisations, particularly in the context of societies in transition.

In their research efforts, the faculty of EBS has had both the opportunity and the challenge to deal with the situation, where representatives of business circles and the public sector are sharing with students their experience of being a part of these radical changes. This provides an opportunity to use first-hand sources for identifying key problems of management in the transition process. It is, however, also a challenge to develop the research methodology and research techniques that enable one the tracking of rapid changes and to co-operate with our partners by using action-learning and action-research approaches in order to

transform tacit knowledge to explicit knowledge. EBS has applied research concepts that link the research process to the practical problem-solving needs of our clients and other co-operation partners.

The Concept of Research

The concept of research at EBS is based on a model typical for most business schools. This model relies equally on three basic missions of a management-oriented university: **teaching, research, and consulting**. These three domains form multiple interactions and influence each other in several ways. It is generally accepted that for a university it is not expedient to develop these domains separately or emphasise only one of them. On the other hand, their integration generates synergy and motivates people of different capabilities for better results.

Therefore, we have formulated the concept of research at EBS as follows:

EBS, as a leading management-oriented university in the field of business administration, public administration, and information technology management, offering opportunities for acquiring academic degrees and business training, considers the promotion of management research as an important part of its mission and focuses on the analysis of special features of the business and public organisations management and the information technology application in the transition society as a tool to offer research-based practical solutions and recommendations for increasing efficiency of management in these organisations.

The Main Topic, Main Tasks, and Subtopics

The main research topic at EBS is **Management of Organisations in Transition Societies**. The research within the frames of the main topic is conducted by **Professor Madis Habakuk**.

The main research tasks related to this topic are:

1. To investigate special features of the management of business and public sector organisations in transition societies in the context of changes in the macro-environment and on the political scene.

2. To influence the formation of the social and economic policy of the Estonian state and to facilitate the improvement of their legal basis.
3. To consult business and public organisations in the field of organisation and management.

The main topic is divided into the following subtopics reflecting the academic profile of EBS and its mission in the Estonian society:

1. Management of business organisations

Madis Habakuk (Head)
Ruth Alas
Jaan Alver
Lehte Alver
Tiit Elenurm (since 2000)
Jaan Ennulo
Lembit Tüürpuu
Anu Virovere (since 1998)
Raoul Üksvärav (since 1999)

2. Management of organisations in public sector

Arno Almann (Head)
Tõnu Kaarelson (since 1999)
Juhan Sillaste (since 1999)
Monika Salu (since 1997)

3. Management of educational system

Olav Aarna (Head, since 2000)
Madis Habakuk
Madis Lepik
Peeter Lorents (since 1999)

In management of business organisations, research priorities have been extracted from the changing needs of Estonian business organisations and their international partners. Defining the needs of these organisations in external consultations and human resource development has actually been one of the important research topics.

Research in public organisations management has matched the logic of reforms in the Estonian public sector and simultaneously influenced these reforms at varying levels of the Estonian parliament (Riigikogu), regional development, and local self-government. The interplay between social security and regional development has been one of the research priorities in this domain.

Management of the educational system as the research subtopic reflects the involvement of EBS in the process of shaping the development strategy of the Estonian educational system in the context of the learning society as an overall aim and, especially, the role of private sector in these developments. It also focuses on the methodology of curriculum development in EBS itself and on identifying suitable organisational and management solutions for business schools in different stages of their development.

The structure of subtopics does not infer any isolation between research projects. Many projects, especially if they assume participation of students and involvement of EBS partners in the business community or public sector institutions, actually contribute to several subtopics. In fact, research that facilitates the exchange of ideas between the Estonian public and private sectors is considered an important priority at EBS, especially in the context of Estonian integration to the European Union and promoting the competitiveness of Estonia at the global marketplace of the new economy.

Research Dynamics

Management has been a central key word in EBS since its foundation. The President of EBS, Madis Habakuk, has been an outstanding specialist in management problems during the last three decades. The topic of his PhD thesis defended in 1969 at Tallinn Polytechnical Institute (now Tallinn Technical University) was “Problems of Formalising Individual and Group Decision-Making”. Madis Habakuk was the first in the world to assess loyalty in management according to psychometric and sociometric measures. He has been a pioneer in consulting in Estonia since the 1960s. In the 1980s he worked as a management consultant, advising companies in Ethiopia, Switzerland, Cuba, Poland, Hungary, and Czechoslovakia. He has used his theoretical and practical knowledge in creating EBS and he has been the leader who has encouraged younger colleagues to go in for management research. The core of the research group consists of Assoc. Prof. Ruth Alas (fundamentals of management), Prof. Jaan Alver and Assoc. Prof. Lehte Alver (accounting), Prof. Jaan Ennulo, Prof. Lembit Türrpuu, and Assoc. Prof. Anu Virovere (value orientations and business ethics). Later, Prof. Raoul Üksväära and Prof. Tiit Elenurm joined the group. Both are prominent specialists in management research, thereby contributing their experience in practice and theory.

From the above, it may be concluded that dividing the main topic into subtopics is somewhat conditional because the findings of management science may be applied to all areas of human activities. The formation of new subtopics aside from the existing topic – management in business – represents a natural progression of affairs when new people with somewhat different interests joined EBS, thus extending the academic profile of the faculty.

Accordingly, the subtopic of management of organisations in the public sector is lead by Prof. Arno Almann whose main research fields are the theory of law and legal regulation of public administration, public administration and civil service, and local self-government. In 1999, Dr. Juhan Sillaste joined EBS. This has allowed us to integrate the issues of regional socio-economical development and social security into the context of public sector management. Human resource management is a good example of implementing approaches, developed in the business sector, for public sector needs.

Professor Olav Aarna has been the Rector of EBS since March 2000. During the 1990s, in his previous employment as the Rector of Tallinn Technical University, he was one of the leading individuals responsible for shaping education and research policy in Estonia. He has constantly promoted educational research and has had a major impact on increasing the role of private and not-for-profit (“third”) sector in the development of the educational system in Estonia. Together with Madis Habakuk, a leading specialist in privatisation of education, they form a strong, new research team, capable of implementing new ideas in education management.

RESEARCH RESULTS AND THEIR APPLICATION

In this chapter, because of the applied nature of management research, major research results in Management of Organisations in Transition Societies, obtained at EBS during the period 1996-2000, are summarised along with major applications of these results in restructuring, strategic planning, and improving management practices of different organisations in Estonian business and public sector. Descriptions of major projects within the framework of research subtopics are also presented.

Management of Business Organisations

Major research results in Management of Business Organisations:

- Major trends in the development of a socio-economic environment of a society in transition have been identified;
- Major trends in the development of business organisations, their internal micro-environment and management culture have been identified;
- Comparative analysis of the management consciousness (value system) of the future managers (management students) in the societies in transition and in the old democracies has been performed;
- The progress of accounting reform in Estonia has been analysed and compared with the same processes in other Baltic States.

Major applications in Management of Business Organisations:

- Deeper understanding of the changes in macro- and micro-environments of Estonian business organisations has been used in developing adequate development strategies for a number of local companies;
- Research findings have been incorporated into the Executive MBA, Corporate MBA and other study programmes as well as used in different in-company training programmes;
- Consulting services offered by EBS faculty to our business partners are based on research findings in the field;
- Estonian business legislation and accounting regulations have been brought into logical correlation and discrepancies between Estonian legislative acts and EU requirements have been identified.

Major projects in Management of Business Organisations:

- 1) Project “Company Strategy: The Studies and Consultations”
(Madis Habakuk)

Research goals:

1. To identify major trends in economic and social development in Estonia and in Europe;
2. To identify major trends in strategic management in successful business organisations;
3. To elaborate new methodologies for developing general and functional strategies of business organisations.

Methodologies used: scenario development, environmental scanning, expert estimates, comparative analysis.

Research results:

Strategies have been developed to minimise currency and exchange risk that were earlier identified as the main threats of operating in a volatile economic environment of currency board arrangement.

The other important area has been corporate governance. It was concluded that major micro-economic problems of the last years had to do with the inadequate structures of corporate governance in a situation where 'insiders' enjoyed considerable advantages over the outside investors. It was concluded that Estonia will develop along the trend of continental universal banking dominated model rather than anglo-saxon market based model.

Application:

The new ideas concerning the strategic development of companies were implemented in the Executive MBA programme of EBS and used in the development of a number of Master's theses.

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- Lõhmus, P., Pajula, H., Pöder, K., Riitel, U. (1996). *The basics to formulate the state economic strategy for 1997-2007*. EV Haridusministerium, 59 pp. (in Estonian)
- Nilisk, O. (1998). *Environmental scanning and 5-year price projections of district heating company "Tallinna Soojus"*, Master's theses (supervisor M. Habakuk)

2) Project “The Research and Consulting of the Functional Management and Management Methods” (Madis Habakuk and Ruth Alas)

Research goals:

1. To identify major trends in functional management and management methods in the world’s successful business and consulting companies;
2. To identify development and consulting needs of Estonian business organisations in functional management ;
3. To identify the employees’ attitudes to organisational changes in Estonian business organisations;
4. To adopt the intellectual capital approach in the management of Estonian business organisations.

Results:

To identify specific factors, affecting employees’ willingness to participate in the implementation of organisational changes, the team has developed special methodology.

Research was carried out in 41 different Estonian companies. The companies represented were from different areas and locations from all over Estonia. The only pre-condition was that the organisation was or had recently been implementing changes. It was not difficult to find such companies, because most Estonian organisations and companies are in a perpetual state of flux and have to implement different changes to survive in competition. An interesting development was to find out how people with a Soviet heritage participate in the process of organisational change.

An explanatory, standardised questionnaire was designed on the basis of the models and theories of different authors. Most of the questions were about the first step: preparing for change. The questionnaire consisted of several blocks: questions about informing employees, about leadership, about employee involvement and participation, about job satisfaction, and about previous changes. The entire questionnaire contained 27 items. Respondents could indicate their attitudes by choosing one of the answers ranging from “1” (strongly disagree) to “5” (strongly agree).

By using SPSS, an Explorative Component Analysis was done and two indices were received: employee satisfaction and employee participation.

Both scales consisted of nine questions and described together 43,64%. Employee satisfaction includes satisfaction with managers and with the work itself. Employee participation shows employee involvement in the change process and indicates how much information has been given to employees about current changes and company goals. The internal consistency, or Cronbach's Alpha coefficient, is 0.8256 for the satisfaction subscale and 0.8374 for the participation subscale. To find statistically significant differences, the ANOVA test was used.

The intellectual capital of different Estonian organisations was measured (Ragn-Sells Ltd, Tallinna Piimatööstus Ltd, etc.). The analysis viewed not only the implementation of the methodology of the intellectual capital but also development of the measurement techniques. A trial was held to also measure the intellectual capital in public organisations at the level of different ministries.

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- Alas, R. (1999). Cause of resistance to change. In: *Conference Proceedings: Management Department 25 years*. Turku School of Economics and Business Administration;
- Kasema, Ü. (1999). *Evaluation of company's value on the basis of waste management enterprise Ragn-Sells Eesti Ltd*. Master's theses (Supervisor Madis Habakuk).

3) Project “Management Processes and Culture in Estonia during the Transition Period: The Situation at the Turn of the Century” (Raoul Üksvärav)

Research goal:

To determine the situation of management processes and culture in Estonian corporate and business life and its roots and prospects for development. A special emphasis is placed on joint ventures and foreign-owned companies.

Results:

The investigation is company-oriented because it is expressly the operational conditions and future visions of firms and the attitudes and moods prevailing in them, that are the basis for Estonian present and future well-being. In addition, corporate operations are also affected by many environmental factors (the political scene, etc.) that are beyond their control but could not be omitted in this investigation.

The research is based on questionnaire studies of Estonian managers. As management development and managerial training is a key factor to ensure successful changes, the research results are also appropriate for management education and training.

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4) Project “Accounting Change in the Baltic States” (Jaan Alver and Lehte Alver)

Two main problems were analysed within this framework.

The Accounting Aspects of Estonian Business Law from an International Perspective (together with Lauri Reinberg and Urmas Arumäe)

The primary goal of the research consists of the in-depth analysis of Estonian accounting regulation and business legislation and the identification of differences between Estonian and international accounting practices.

A secondary goal was to systematise and bring into logical correlation Estonian business legislation and accounting regulations.

Considering the globalisation of business activity, Estonian accounting should be directed at adhering to internationally accepted principles of accounting and financial reporting. Unfortunately, not all laws and instructive materials adopted to date comply with international practices, as research showed.

The results of the research were introduced beyond Estonia at international conferences. The project has a practical value for the legislature who must bring Estonian legislative acts in line with EU requirements.

Effect of Transition to Market Economy on Financial Reporting by Enterprises in Baltic States (together with Derek Thomas Bailey from Thames Valley University, Merete Christiansen from Copenhagen Business School, Vilma Paupa from University of Latvia, and Jonas Mackevicius from University of Vilnius)

The purpose of the research was to examine the progress of accounting reform in the Baltic States. The results of the research were presented at international conferences in the UK, Norway, Austria and Denmark, and published in the *European Accounting Guide* (3rd ed., 1999).

For the state authorities in the Baltic States, accounting reform is designed to reflect the changed relationship with economic entities (i.e. state-dependent enterprises transformed into autonomous privatised enterprises), the emphasis, as before, being on reporting to state authorities. Through accounting returns, an interface is provided between the private interests of the business enterprises and the general interests of the society. For those countries that have entered into agreements of association with the EU, the accounting reform agenda has been specified into the European Commission's White Paper issued in May 1995. That agenda was devised by, and for, advanced market economies. It has been prescribed as a prerequisite for all associated countries irrespective of their varying internal conditions.

Accounting change in the Baltic States has been under way since the recovery of independence and has not necessarily been compatible with EC accounting directives.

The accounting reforms introduced since 1990 in the Baltic States have been reviewed and the extent to which progress has been made in the realisation of the EC accounting directives has been considered. Analysis is made of whether the EC accounting directives are appropriate for immediate adoption in the Baltic States, taking into consideration the structure and functioning of their economics. The nature of the barriers to accounting change are considered.

References:

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- Reinberg, L. (1999). *Annual Report of the Company*. Tallinn: Deebet. 96 p. (in Estonian)

5) Project “The Study of the Values Forming the Management Consciousness of Business Students” (Jaan Ennulo and Lembit Tüرنpuu)

The study of values has been carried out since 1996. About 1,600 respondents have been questioned at both Bachelor’s and Master’s levels, from Estonia and abroad. The international respondents are from Latvia (SSE Riga), Russia (St. Petersburg Trade Union Humanitarian Institute), Finland (Turku School of Economics), Germany (Fachhochschule Stralsund), USA (Bentley College, Fordham University), France (IUTA Lyon-1) and Japan (Hiroshima University). The same questionnaire has been used everywhere, so that the results could be comparable, and more universities (from Lithuania, Italy, Belgium etc.) are expected to become involved in the survey in the near future.

Research goals:

1. To determine the hierarchy of the values of EBS students, and to compare the results to those from other countries' students;
2. To determine the eligible hierarchy of values;
3. To determine the necessity of modifying the values, taking into account the possibilities of modification.

Results:

Ten value groups have been mapped: ethical values, values connected to organisational culture, business-ideological values, values connected to everyday life, organisational-juridical, management ideological, personal values, values connected to professional specification, and professional values.

The main results of the research are the original numbers that characterise the value orientation originating from cultural background and historical development during recent years. The main differences in the value judgements of post-socialist students and free-world representatives are brought out.

The topic was extended in the year 2000 and the influence of EBS faculty on the formation of EBS students' values was studied.

The results of this study are:

- a) The interaction of the lecturers' and students' value judgement is complicated, multi-faceted, self-regulating, and has a mutual influence depending on the lecturers' activity, communication skills, authority, course content, frequency of mutual contacts, attitudes, and internal culture of the study group. The effect is not in correlation with the extent of the difference between the lecturers' and students' value judgements as a potential. Thus, the hypothesis of the impact of the lecturers' value judgements on those of the students in the course of interaction was not confirmed.
- b) The survey conducted in three consecutive years (1997-1999) also included executives and employers of small companies, directors of rural companies, schools, and pre-school institutions in addition to business students. Distinctive tendencies can be outlined in the dynamics of Estonians' value judgements. Comparing the changes to Western European value judgements, we have to admit that we are not converging with Europe but rather distancing from it in terms of value judgements. This applies particularly to judgements on ethical

values, which are on the decrease both in absolute value and in the position of value ranking.

- c) An analogous survey conducted at the Turku School of Economics and Business Administration with the first-year business students in 1996 & 2000 has shown that the international structure of their value judgement descriptors has changed insignificantly within this four-year period, sustaining its similarity to the corresponding parameters of Western European culture. However, the sequence of descriptors has changed remarkably. The higher ranking of the values of managers' characteristic features is significant - it has moved from a rank of 8th to 1st.

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6) Project “Business Ethics as a Long-term Operation of an Organisation and Prerequisite for Successful Management” (Anu Virovere)

Since 1997, information on conflicts within Estonian organisations has been collected. Altogether, over 1,500 cases from Estonian organisations have been collected and analysed.

Research goals:

To get answer to the following questions:

1. What are the reasons that cause conflicts?
2. How are the conflicts solved?
3. How many of the conflicts happen between the employer and employee (vertical conflict) and how many between the employees who have equal positions (horizontal conflict)?
4. Which ethical principles are violated mostly?
5. What are the typical conflicts? Can we make a conclusion that a certain part of all problems are typical at certain times and in certain situations?

On the basis of the studies, written articles, conference papers and a special training programme for Estonian top-managers have been elaborated. Additionally, about 15 Master's and Bachelor's theses have been written and defended to date. These theses can be divided into the following main domains:

- Conflicts in organisations, causes and solutions;
- The need of internal marketing;
- Conflicts in the context of intellectual capital;
- The need to change management style;
- Problems connected to work ethics.

The studies show that conflicts are generally caused by the following reasons:

- Personal goals are considered more important than general (organisation) goals,
- The goals are unclear, employees are not aware of the company's mission,
- The owner and the manager is the same person,
- Estonians typically lack the ability for teamwork,
- Managers are competing between themselves,
- Friends tend to start business together.

Results:

- Managers underestimate the importance of ethical criteria – managers do not realise that a good, conflict-free working environment encourages people to work in a more committed manner, which in the end is profitable for the company;
- The human aspect is not significant – it seems that most conflicts end in two ways: an employee gets fired, or leaves the job without any opportunity to defend himself;
- Managers do not realise that the loss of an employee is a loss not only for the employee but also for the company;
- In conflicts where solutions are found, the employees' interests are still violated.

An analysis of business ethics showed that employers most frequently violated the employees' right to participation and the second most frequently violated right was that of an employees' right to job satisfaction.

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7) Project “Management Training and Consulting as Tools for Developing Knowledge Management Practices, International Transfer of New Management Ideas and Implementing the Concept of Learning Organisations in the Context of Transition Economy” (Tiit Elenurm)

Research goals:

1. To understand the relevance of new knowledge management and learning organisation concepts for transition societies.
2. To study the cultural context for the international transfer of new management methods and practices to different transition societies (Estonia and other Baltic countries, China).
3. To develop new training and consulting tools which support the implementation process of advanced management methods and practices.

The research project is in the pilot study phase. Managers participating in management training courses have been interviewed to identify their development priorities. Course feedback and training need survey questionnaires have been used for assessing the relevance of different international management knowledge representation formats (concepts, principles, methods) to Estonian companies and to identify mental models and key words which can be used as tools for transferring new management approaches.

Group-work exercises have been used in special workshops for MBA students as a method to analyse existing assumptions and future priorities for introducing knowledge management practices to some Estonian business organisations.

Results:

A survey was made among representatives of some management training centres in order to identify their vision of research topics that are essential in the near future as inputs to high quality management training. Team building, typology of companies and business situations from the strategic practices point of view, the managerial decision making process, corporate governance, problems of high-tech companies, innovation processes, corporate culture and factors of international competitiveness of Estonian companies were among research fields most directly linked to management training needs as perceived by respondents.

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8) Project “Innovative Entrepreneurship as a Factor of Increasing International Competitiveness of Estonian Companies in the Process of European Integration” (Tiit Elenurm)

Research goals:

1. To understand the factors which influence the development of new innovative business ideas at different stages of the business life cycle.
2. To develop new consulting and training tools to empower Estonian entrepreneurs for increasing their international competitiveness in the context of European integration.

The first stage of research is based on processing the results of a survey of 94 Estonian companies in 7 export-driven business sectors. Export-related training needs were studied as a part of the EU/PHARE Export Development Project. Survey questionnaires were combined with interviewing managing directors and/or export managers. This information was compared with financial data. The analysis of survey results is combined with reflections of earlier export training efforts in Estonia. The challenges of conducting internationally supported training activities aimed at export development are pointed out and applying

context-sensitive training models for the changing Estonian business environment is suggested as part of the practical application of research results.

Results:

Importance assessment of potential training fields in the general sample gives the highest priority to pricing and analysis of export costs, identifying business partners and studying their background, negotiating techniques and composing export-import contracts. There are, however, substantial differences between sectors, which can be partly explained as implications of varying internationalisation patterns in studied branches. The importance of training topics is compared with the level of knowledge and skills of staff. The biggest knowledge gaps were identified in the field of entering the European Union as a target market, practical and cost-efficient ways to conduct market research at the target market, identifying business partners, legal aspects of foreign trade and efficient use of export support schemes.

Action-oriented training programmes could be used in order to meet training challenges and to satisfy different training needs. Such programmes could be based on synergy between international consulting and training resources. It would avoid “general introductions” to the whole long list of priority topics. The survey revealed that companies, in general, have very limited information for the efficient use of domestic and international support schemes in the field of export development. The training priorities of exporting companies and potential exporters should be monitored through periodic surveys in order to perceive the dynamics of the knowledge acquisition process and new topical training issues.

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Management of Organisations in the Public Sector

EBS has been among the first organisations in Estonia to start implementation of the methods of BUSINESS ADMINISTRATION in PUBLIC ADMINISTRATION. In 1996 the Ministry of Education of the

Republic of Estonia announced a competition for the elaboration of the curriculum of graduate studies for Estonian school Principals. EBS won the right to develop the curriculum and to implement it.

Major research results in Management of Organisations in Public Sector:

- The model of a legal framework for local self-government has been proposed.
- The role of parliamentary committees and other parliamentary organs of the Riigikogu in political decision-making have been analysed and the existing shortcomings identified.
- A systematic analysis of socio-economic situation in East Virumaa has been performed and its implications on regional development investigated.
- Foundations for the optimal social security model in Estonia have been elaborated and the model's applicability has been analysed.

Major applications in the Management of Organisations in Public Sector:

- Proposals for implementing public administration reform have been presented along with expert opinions on drafts of legal documents (e.g. Administrative Coercion Act, Administrative Regulation Act).
- Recommendations for better organisation of the Parliamentary Committees' work and amendment proposals to the Riigikogu Procedure Act have been prepared for submission to Riigikogu.
- The results of the analysis of social security models are used for developing an improved social security model for Estonia.
- The results of the analysis of the situation in East Virumaa are used in drafting a strategic development plan for the region.

Major projects in the Management of Organisations in Public Sector:

1) Project "The Mechanisms of Shaping Political Decisions and the Legal Environment of Public Organisations" (A. Almann, A. Laido)

The purpose of the research is to examine the effectiveness and bases of legal foundations of public sector organisations (Riigikogu and the agencies and institutions of central government and local government), the co-operation opportunities for private sector and public sector organisations, the role of Riigikogu committees in political decision-

making, and the principles for personnel selection and evaluation proceeding from the aims of public administration reform and the broader objectives of Estonia seeking to become a full member in the European Union.

The research is conducted in two directions and captured in two subtopics:

- a) The mechanisms of shaping political decisions (the role and co-operation of Riigikogu committees and factions in political decision-making, committees' and factions' liaisons with the electorate and interest groups). Research is conducted by Anna Laido.

Methodology consists of traditional and alternative accountability models combined with empirical models, including questionnaires being distributed to the chairpersons of the committees and fractions, cabinet ministers, and administrative staff, interviews and observation of both committee and plenary meetings of the parliament. The methodology also includes a comparative analysis of parliamentary practices of different countries (e.g. Finland, Sweden, Poland, Hungary et al).

The expected findings and conclusions are the consequences of current and recent parliamentary practices to the parliamentary procedure, including amendments to the procedural acts of Parliament. The results of the research are to be presented in a Master of Public Administration thesis, entitled "The Role of Committees in Parliamentary Decision-Making" and to be defended in the spring semester of 2001 at Tartu University. The results are to be published as an article in a parliamentary and/or university bulletin.

- b) The legal environment of public organisations (the legal standing and connections between administrative organs and administrative institutions as carriers of administrative power in the context of public administration reform, the theoretical and practical problems of public administration reform and administrative law reform, the legal safeguarding of the designed administrative regulation models in a changing administrative law system). Research is conducted by Prof. Arno Almann.

Methodology includes a comparative analysis of administrative practices in different states and concrete proposals for designing and amending legislation in the field of administrative law (e.g. for the draft of Administrative Regulation Act, Administrative Coercion Act etc.).

Results are to be published as an article in the university bulletin and/or law bulletin. Research results are also to be formulated into expert opinions and presented to the Government of the Republic and Ministry of Justice, among other institutions.

References

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2) Project “Socio-economic Analysis of Transition Countries, Development of Ida-Virumaa (North-East Estonia)” (Juhan Sillaste)

Since the restoration of independence in 1991, Estonia's policies have consistently been aimed at the restoration of economic, social, political, and cultural ties with our Western neighbours. According to the Economic Freedom Index, compiled by the Heritage Foundation and Wall Street Journal, Estonia is the most Western-oriented former Soviet republic. Membership in the European Union will clearly bolster Estonia's economic development, bringing new opportunities for growth and increasing the general well-being of the population. At the same time, Estonia's rapidly developing economy and dynamic society will contribute positively toward increasing the Union's global competitiveness. The deployment of power is shifting from centrally-run countries (central governments) to regional and local authorities, and from hierarchy to networking and cross-border alliances. The European Union is more and more like a Europe of regions and local governments.

With accession to the European Union, the Estonian transport network will become part of the European transport network and will have to operate as part of the North European transport network. The common

interest of Estonia and the European Union is the existence of well-functioning transit corridors and border posts on the EU-Russia border. In this context the development of the Narva-Ivangorod bypass in co-operation with Russia will facilitate and promote trade between the latter and the European Union.

To move forward, people generally need two legs. It seems that the state and society must have something like this. One leg is connected with strong support for innovation and export, foreign investments and so on. In short, establishing good economic environment for people who are managing on their own. The other leg is needed for people who are in a plight for the shorter or longer period, who are living under circumstances they cannot influence.

The Ida-Virumaa County is a so-called *weak point of Estonia* looking for a balanced development allowing for economic, social and environmental aspects to support each other. This requires support of the County's efforts from the Central Government, in the form of well coordinated policies, financial assistance in the context of expensive social and environmental support measures, and encouragement of rapid and decisive rationalisation, restructuring and privatisation of industries to achieve economic viability.

Concurrently, the paradox is that despite the fact that there is a shortage of qualified labour, many graduates of vocational schools cannot find jobs. Professional schools and the whole educational system itself have no clear guidelines whom to teach and what specialties to offer.

The ethnic composition of the region could be seen as an opportunity, bringing together a number of different culturally-enriching factors. But it is generally being perceived as a threat, considering that between 70% and 95% of the population in the cities consists of non-Estonians. Nevertheless, the best social policy is an employment-oriented policy, which means to implement macro-economic measures aimed at supporting job creation and income generating opportunities.

The period of transition has been relatively short to make conclusive judgements on the scope of change. For Estonia and the other Baltic States, second-generation transition issues are now on the agenda.

References

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- Sillaste, J. (toim.), Golikov, J., Johannes, K., Juhkov, V., Kirch, A., Kirch, A., Klaar, M., Köster, I., Lille, R., Oone, A., Petuhhov, A., Rajas, K., Rõžkov, O., Seesmaa, T., Sillaste, H., Tuisk, T., Tõnis, L. (1999). *Ida-Virumaa eliit: seisund ja hoiakud (Eliidi kujunenemine ja seisund ning arvamusiidrid Ida-Virumaal)*. Tallinn: Hansar Uuringud . 202 lk. (in Estonian)
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3) Project “The Systems and Models of Social Security. Implementation and Development Strategies in the Republic of Estonia” (Monika Salu)

Research goals:

1. Comparative analysis of social security models;
2. Development of an optimal social security model for Estonia.

Research results:

Social security issues in different countries over different time periods and in different stages of development have been reviewed, including Estonia. Social security is defined through social and taxation policy and economical viewpoints. The concept of social security is defined in accordance with the EU Social Security Acts and the Estonian Social Security Handbook and Dictionary, worked out in the framework of the EU PHARE programme. Primarily, social security means the protection

and support rendered by the State, i.e. by the community, on the occurrence of different risks. Social security appears as the complex of the systems and models, set out to soothe different social risks in the community, at the same time comprising the social security or social guarantees, social maintenance and technical solutions (insurance, rendered services, founding etc.) as well.

Special attention has been paid to an especially actual sphere of social security — the ageing of the population. This issue has become important in connection with the general problem of the ageing process of the population in European countries. The social security that has been built up on the solidarity principle and is receivable for the destination group has reached the development stage requiring structural re-arrangements. When drafting the development plan of the Estonian social security, the practices of the other countries must not be applied without revision. The historical knowledge of different countries in the field of social security could be used only taking into consideration the Estonian national specialities.

Application:

A new (optimal) social security model for Estonia will be elaborated, based on the results of this study.

References

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Management of the Educational System

Major research results in the Management of Educational System:

- Conceptual model for an educational system, meeting the needs of a learning society has been developed, based on understanding that a learning society is a network of learning individuals and learning organisations;

- Comparative analysis of different models for financing the higher education system has been performed; it has been shown that the model adopted in many countries in transition, does not meet the necessary requirements of equal accessibility and equality;
- An efficient organisational and management model for a private higher education institution in transition society has been developed, based on general principles of management in business organisations.

Major applications in the Management of Educational System:

- A strategy for developing an educational system in Estonia has been prepared and submitted to Government; the strategy is aimed at developing a learning society in Estonia and is based on conceptual model outlined above;
- EBS as a dynamically developing institution has been established and managed, based on an organisational and management model for a private higher education institution in transition society;
- A coherent system of dynamically evolving curricula in management (business sector, public sector, and technology) on three levels of academic studies has been developed at EBS;
- EBS Group as an efficient example of private-public partnership has been developed in the field of education management;
- Schemes for financing higher education in Estonia have been proposed, meeting the requirements of equal accessibility and equality.

Major projects in the Management of the Educational System:

1) Project “Conceptual Model of the Educational System for Learning Society” (Olav Aarna)

Research goals:

1. To specify the requirements for the educational system of a learning society.
2. To develop a conceptual model of the educational system meeting the requirements of a learning society.

Research results:

Rapid changes in the social, economic, cultural, and political environment have caused paradigmatic change in the understanding of the role of education for an individual as well as for the society at large. Life-long learning has become an essential necessity for everyone and has led to a wider acceptance of the idea that a learning society is the only reasonable alternative to meet the challenges of a rapidly changing environment.

Based on the idea of a learning society as an overall aim for societies in transition, a conceptual model of an educational system, meeting the requirements of this society is developed. The model is based on the understanding that a learning society is a network of learning individuals and learning organisations. The educational system of the learning society encompasses the whole society and therefore is significantly wider and richer than the conventional educational system.

The conceptual model of an educational system consists of three basic components: a two-dimensional manifold of learning environments (real and virtual), where learning individuals and learning organisations are acting, and a support system (legislation, quality assurance, social guarantees, teacher training, educational research). Study curricula and educational institutions of three levels of formalisation (strongly formalised, weakly formalised, non-formalised) and institutionalisation (strongly institutionalised, weakly institutionalised, non-institutionalised) constitute the basis of the manifold of learning environments. The architecture of a particular educational system is determined by the educational policy makers, including the legislator.

Applications:

The conceptual model of the educational system, described above, has been used to prepare several consecutive versions (1998-2000) of Educational Strategy for Estonia and the Programme of Learning Society. These documents have been widely discussed in the Society, adopted by the Estonian Educational Forum and submitted to the Government of the Republic of Estonia.

References:

Estonian Educational Strategy, Preprint: Ministry of Education of the Republic of Estonia, 49p. (1998) (in Estonian)

Strategy for Developing Educational System in Estonia, Preprint: Ministry of Education of the Republic of Estonia & Estonian Educational Forum, 53p. (1999) (in Estonian)

O.Aarna (2000) Educational System for Learning Society. *Proceedings of the Estonian Educational Forum*, Tallinn, pp. 23-29. (in Estonian)

2) Project “Development of the Private Higher Education Sector in Estonia” (Madis Habakuk, Olav Aarna, Madis Lepik, Peeter Lorents)

Research goals:

1. To investigate the role of entrepreneurship and management of change in the development of the private higher education sector in Estonia.
2. To adopt principles of management from business organisations for a private higher education institution.
3. To adopt modern methods of curriculum design and quality assurance for a private higher education institution.

Research results:

The development of private higher education sector in Estonia has basically been a spontaneous process, which has led to the proliferation of small institutions and the deterioration of academic quality. The Ministry of Education has had relatively little power to influence the processes in the establishment phase. Quality assurance mechanisms, including the accreditation of study programmes and higher education institutions, and the evaluation of research and development activities, are evolving gradually.

The evolving private higher education sector and fierce competition in the higher education market in Estonia have contributed to the development of entrepreneurship in education and the introduction of methods and principles of management from business organisations to private higher education institutions and also to some public universities.

Curriculum design and development, as well as internal quality assurance systems, are relatively new concepts in Estonian higher education, including the private higher education sector. Gradually, Total Quality Management and ISO9000 approaches are accepted and are becoming part of the organisation culture.

Applications:

New principles of management and a flexible organisational structure have been implemented into the organisational culture at EBS. These include management by objectives and results, using programmes and projects as means for strategic planning of development and its implementation. As a result, EBS has been the most dynamically developing private higher education institution in Estonia during the nineties.

Management research and management consulting as the backbone of EBS' academic profile has been used to gradually widen the profile of study programmes offered and guarantees continuous curriculum development process. Bachelor's, Master's and Doctoral level programmes in Business Administration have been the core of EBS' educational offerings. Taking advantage of the same core curriculum, programmes in entrepreneurship, office management, public administration and IT management have been developed and subsequently implemented.

An efficient system of quality assurance has been developed and implemented at EBS. The system includes regular feedback from students, assessment of teaching materials, quality awards etc.

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- M.Habakuk (1998) The developments of Estonian Economic Education 1995-2000. *Problems of Reforming Economic Education*, Moscow, 1998.
- M.Habakuk (1999) Research and case development in relation to customers' need and curriculum. *7th CEEMAN Annual Conference*, Budapest, 1999.

M.Habakuk (2000) University Management in the Conditions of a Society in Transition. Estonian case, *Preprints of the International Conference "University Management in the 21st century"*, Moskva, 2000

Aarna O. (1999) Evaluation practices and management of change: the Estonian experience. In: *Science Evaluation and its Management*. IOS Press, pp.211-217.

3) Project "Financing of Higher Education in Transition Societies" (Olav Aarna, Madis Habakuk)

Research goals:

1. To analyse different models of higher education financing from the standpoint of social fairness and accessibility,
2. To find ways to attract private capital for educational needs.

Research results:

Comparative analysis of different models for financing the higher education system has been performed, using a conceptual scheme of educational finance management. It has been shown that the model adopted in Estonia and many other Central and Eastern European countries in transition, does not meet the necessary requirements of equal accessibility and equality. Introduction of tuition fees, covering about 30% of the direct study costs, along with the system of individual study grants and loans has been proposed as a means to overcome these problems.

An educational voucher has been used as a means of budgeting educational institutions at the primary and secondary levels in Estonia during the nineties. This has not been the case for higher education institutions. Different models of educational vouchers (US, UK) as a means of budgeting higher education institutions have been analysed. A model applicable to a transitional society has been proposed. This model combines elements of state order and educational vouchers.

Education is by its very nature public and private good at the same time. Therefore the problem of balancing public and private investments into the educational system arises. The proper balance depends on the level and form of education under consideration.

Applications:

The idea of an educational voucher is gaining popularity among politicians and the general public in Estonia. Heated debates around introducing tuition fees in all higher education institutions regardless of their owner (public or private) are underway.

EBS has been promoting two projects to facilitate private investment in education. The development of the idea started in 1993 and is still an ongoing project. Major results to date are:

- In 1995, a joint stock company for the ownership and development of educational facilities (IMANTA HARIDUSKESKUS Ltd.), was created by the Estonian Government and EBS. This company rents rooms for different education organisations, including EBS.
- In 1999 the EBS GROUP as an educational corporation was created. Under the umbrella of EBS GROUP there are two types of organisations. The vertical line consists of High School - University - Executive Training and the horizontal one offers support services: EBS Print publishes teaching materials, IMANTA HARIDUSKESKUS Ltd develops and maintains facilities, Development Fond provides outstanding students with scholarships and supports scientific research. According to available data, there are no existing analogies to that type of organisation in education.

References:

- O.Aarna (2000) Legislative Reform Programme in Estonia. *Communication to the Annual meeting of the Committee of Higher Education and Research*, Council of Europe, Strasbourg, 3p.
- O.Aarna (2000) Comparative Analysis of the Models for Financing Higher Education. *Communication to the Advisory Board to the Minister of Education of the Republic of Estonia*, Tallinn, 10p. (in Estonian)
- O.Aarna (1996) The State Order for the Institutions of Higher Education – Its Essence and Amount. *EBS Review*, No. 4, p. 9-12
- A.Kallakmaa-Kapsta (2000) Financing Local Governements. *EBS Review*, No. 11, pp.43-44.

RESEARCH AND DEVELOPMENT GRANTS

In 1997, EBS received a research grant from the **Estonian Science Foundation** (Grant No 2794). The topic of the Grant was “The Accounting Aspects of Estonian Business Law from International Perspective”. The Grant holder was Professor Jaan Alver.

Three grants were received from **PHARE**:

In 1997 “Developing of EBS Homepage” (19,000 EEK);

In 1997-1998 “Setting up Distance Learning Supporting Centre” (together with Tallinn Technical University and Tallinn Pedagogical University) (30,000 EEK);

In 1998 “EBS Information System for Student Registry” (40,000 EEK).

Open Estonia Foundation has financed the following projects:

In 1997 – to publish textbooks (70,000 EEK);

In 2000 – to organise an international conference “Public Administration and Changing Europe” (101,150 EEK).

In 1997 the Chair of Economics carried out a contract “The basics to formulate the state economic strategy for 1997-2007”. The contractors were H. Pajula, P. Lõhmus, K. Põder and U. Riitel. This research was financed by the **Estonian Ministry of Education** (180,000 EEK).

Two more grants were received from **Estonian Ministry of Education**:

In 1999 to subsidise the library (50,000 EEK);

In 2000 for developing the curriculum of IT Administration (100,000 EEK).

In 1998 **Soros Foundation** supported Ruth Alas with 1,000 EEK for writing two chapters for the book *Career Management*.

In 1998 Dr. Tiia Karing spent 3 months in the USA using the **CIES/USIA Fulbright Research Grant**.

In 1999 Ruth Alas spent two months in Spain for studies at IESE in International Faculty Development Programme. This was financed by the **Government of Spain** (440,000 Pta).

ACTIVITIES RELATED TO RESEARCH AND DEVELOPMENT

Conferences at EBS

There is a tradition that EBS organises at least one international seminar or conference a year.

Starting with a half a day local meeting in 1995, these seminars have developed into true international conferences that last for two days and are attended by more than a hundred participants from several countries.

The topics at these events have varied, depending on the needs and trends in Estonian society:

Entrepreneurship in Education: Problems and Directions of Development, May 5, 1995;

The Integration Problems of Private and Public Higher Education in Estonia, May 9, 1996;

Privatisation in Education. Tallinn, May 8, 1997;

University Management in the 21st Century – Problems and Trends. International Workshop, Tallinn, May 15, 1998;

Creating a Sense of Business Ethics in Estonia. International Seminar, Tallinn, May 25-26, 1999;

Public Administration and Changing Europe. International Seminar, Tallinn, May 19-20 2000.

EBS Periodicals

Since 1995, the journal of EBS, **EBS Review**, is published regularly twice a year. In 1995-1996 the journal was published in Estonian and in English, and since 1997 is published only in English. The journal publishes research papers as well as analytical overviews and chronicles.

To date, 11 issues of this journal have been published. Several issues have been dedicated to particular topics:

- No 3 Finance and Banking
- No 4 Education / Accounting and Finance
- No 5 Estonia in Transition
- No 6 Privatisation
- No 7 Management
- No 9 Business Ethics
- No 10 European Union
- No 11 Changing Europe and Public Administration Reform

Preprints

EBS has started to publish preprints under the common title **Publications of EBS**. These publications are of limited distribution. At the moment the following preprints have been issued:

- Pajula, H.** (1997). Modelling wages in the small open economy: An application of the Granger-Engle two-step estimation procedure to Swedish manufacturing wages.
- Moorlat, O.** (1997). Some problems of the legal protection of industrial property and the conflicts on the Internet.
- Raim, J.** (1998). The price differences between Estonia and developed countries and opportunities for arbitrage 1991-1996.
- Made, V.** (1998). Estonian banking and currency reform loan of 1927: A case study of the Estonian economic co-operation with the League of Nations.

COOPERATION WITH ESTONIAN UNIVERSITIES AND RESEARCH ORGANISATIONS

In 1997-1998 a common project was carried out together with Tallinn Technical University and Tallinn Pedagogical University. The title of the project was "Setting up a Distance Learning Supporting Centre".

To promote cooperation between universities of different profiles, the City of Tallinn, and the Estonian industry: EBS, Tallinn Technical University, Tallinn Pedagogical University, Estonian Academy of Music, Estonian Academy of Fine Arts, the City of Tallinn, and Estonian Association of Employees and Industry established a Foundation of Universities in Tallinn in 1999.

PARTICIPATION IN INTERNATIONAL PROJECTS

In 1995-1997 the project “The accounting reform agenda: An EU perspective” was carried out by EBS, the Latvian University, Vilnius University, and Thames Valley University. The project was financed by PHARE ACE.

Led by Professor L. Tüرنpuu, a long-term research project was started in 1996 entitled “A Study of the Values Forming the Management Consciousness of Business Students”. This research is going on within a network of many business schools in the USA, Finland, Russia, Latvia, Norway, France, Japan, and elsewhere.

DOCTORAL AND MASTER’S THESES DEFENDED DURING THE PERIOD 1996-2000

Outside of EBS

Doctoral thesis:

Arno Almann. Local self-government in Estonia: Theoretical principles and evolution of legal organisation. Tallinn Technical University, 1999.

Master’s theses defended at EBS

1996:

Märt Volmer. Estonia and the World Trade Organization: Perspectives on the Development of Estonian Trade in Services in the Framework of the General Agreement on Trade in Services. (Supervisor P. Kolbre)

1997:

Riina Aasa. Estonian Export Policy in Comparison with Export Policies of High-Performing Asian Economies (HPAEs). (Supervisor P. Lõhmus)

Indrek Enden. Corporate Strategy of Standard Ltd. (Supervisor E. Laur)

- Jaan Liik.** Implementation of Total Quality Management Principles in Corporate Environment. (Supervisor A. Liivrand)
- Agu Vahur.** Philips Baltic Human Resources Management Strategy. (Supervisor T. Randma)
- Ave Melsas.** Possibilities to Use Non-Proportional Reinsurance Methods on Examples of Baltic Insurance Company. (Supervisor M. Klaar)
- Ruth Alas.** Career Planning in EBS. (Supervisor J. Ennulo)
- Jana Raudvere.** Project's Costs Controlling. (Supervisor A. Kriström)
- Alar-Ants Smirnov.** Financial Management in Baltcom. (Supervisor P. Tammert)

1998:

- Olev Nilisk.** Environmental Scanning and 5-year Price Projections of District Heating Company "Tallinna Soojus". (Supervisor M. Habakuk)
- Boris-Christoph Lemke.** Cross-Cultural Competence in International Management: Demand, Definition and Measurement. (Supervisor M. Habakuk)
- Olav Vilborn.** Strategic Plan C-Gates Lithuania. (Supervisor R. Jucevicius)
- Kiira Kure.** Conflict Resolution from Human Resources Prospective. (Supervisor A. Virovere)
- Eva Truuverk.** The Bank Cards and Consumer Cards Possibilities and Development Analysis. (Supervisor Ü. Kannelmäe)
- Ando Lääne.** Activity Based Costing in Widget Company. (Supervisor J. Alver)
- Mari Naarits.** The Valuation of a Company. (Supervisor L. Alver)
- Reet Johannson.** Strategic Options for Small Advertising Agencies in the Context of Estonian Advertising Market – Based on the Development of Agency "Image". (Supervisor S. Bork)

1999:

- Meeli Puusepp.** Cash Versus Accrual Based Accounting and Analysis. (Supervisor J. Alver)
- Katrin Kaurit.** The Effectiveness of Teamwork and a Method of Measuring It. (Supervisor M. Tiidelepp)
- Juta Tikk.** Distance Education and Economy of Education. (Supervisor S. Krönström-Hanschmidt)
- Ülo Kasema.** Evaluation of Company's Value on the Basis of Waste Management Enterprise Ragn-Sells Eesti AS. (Supervisor M. Habakuk)
- Peeter Ugand.** Evaluation of Labour Market Performances and Policies. (Supervisor E. Listra)

- Erika Saks.** Business Ethics Program for Estonian Business Students. (Supervisor A.Virovere)
- Riina Rohelaan.** Measuring the Value of Human Capital in a Medium Size Company: Case study of Tallinna Piimatööstuse AS. (Supervisor R.Alas)
- Tiina Pahka.** Forming of Personnel Strategy based on Nordika Insurance Company. (Supervisor A.Virovere)
- Harti Pedak.** Analysis of the Intellectual Capital and Measurement the Intellectual Performance in Estonian Public Sector. (Supervisor R.Laaksoo-Manninen)
- 2000:
- Riho Alas.** Internationalization and International Business Operations of Estonian Companies. (Supervisor Volker von Sengbusch)
- Kristjan Luha.** Strategic Management of Consumer Based Brand Equity. (Supervisor Ülo Tartu)
- Madis Maripuu.** Implementing Electronic Commerce for Enterprises and Organisations in Estonia. (Supervisor Peeter Lorents)
- Ivo Kollo.** The Influence of the Development of Information and Communication Technology on Service Management (case study of AS Vipex). (Supervisor Raoul Üksvärav)
- Ene Raja.** Profitable Customer Management Strategy in Global and Estonian Telecommunication Market. (Supervisor William Moody)
- Kristel Usai.** Prudential Regulation of Banks and Their Impact on International Level and in Estonia. (Supervisor Kristjan Kitvel)

Doctoral Theses Under Preparation

Urmas Arumäe (b. 1957)

Topic: Comparative Analysis of Legal and Institutional Environment in the Core Members of the EU from the Perspective of Private and Public Law.

Monika Salu (b. 1968)

Topic: The Coherent Impact between the Undertake of the Optimal Level of Social Insurance System and the Conduce of Economic Development: Case – Republic of Estonia.

Advisors: Professor Mihhail Bronštejn and Professor Raoul Üksvärav

Krista Tuulik (b. 1970)

Topic: Organisational Culture and its Dependence on the Core Investor.

Advisor: Professor Raoul Üksvärav

Ruth Alas (b. 1960)

Topic: Management of Organisational Changes in the Conditions of Transitional Economy.

Advisors: Professor Anthony Buono (Bentley College), Professor Raoul Üksvärav

Diana Lorents (b. 1969)

Topic: The Functional Structure of Estonian Television and Mechanisms of Management.

Advisor: Professor Leo Mõtus

German Kesa (b. 1964)

Topic: Optimisation of the Defence Management System.

Advisor: Professor Peeter Lorents

CONCLUSIONS

Summarising the development of management research at EBS during the first twelve years of its history, the following three periods can be distinguished:

The first period (1988-95) can be regarded as the period of teaching business school. During this period major emphasis has been put on the development of curricula, compilation of teaching materials, writing textbooks and overviews, and conceptualisation of the modern ideas and trends in management research in the context of dramatic changes of social and economic environment in Estonia.

The second period (1996-00) can be regarded as the period of recognising the crucial role of management research for a business school. In a sense, the activities of this period are an essential continuation of those of the previous period. Equipped with solid experience in teaching, the faculty members had more time and motivation to pursue their scientific interests. Many EMBA graduates were eager to continue their research. Thus, the programme of doctorate studies was launched. This has also been the period, where the Centre for Baltic Studies has been established and several outstanding researchers joined EBS, forming the nuclei for several research groups.

According to our assessment, EBS is at the moment stepping into the third period of its development – the period of full-fledged business school with management research constituting the core of its mission. Dynamism has always been the most important key word at EBS. Keeping in mind the rapid development of research activities during the recent years, considerable progress of internationally relevant in-depth investigations in management and related areas can be expected from EBS in the nearest future.

RESEARCH ACTIVITIES AT THE CENTRE FOR BALTIC STUDIES

WORKING GROUP OF INFORMATION TECHNOLOGY

Topic: Research in logic for re-configurable computing (applications of program synthesis)

Head of the WG: **Professor Enn Tõugu**

Expansion of re-configurable computing (RC) poses new problems for researchers. In particular, the specification process of software/hardware configurations must be made user-friendlier in order to become widely accepted by practitioners. A logic has been proposed for representing the semantics of re-configurable systems in terms of their primitive building blocks. This logic has been successfully used for writing high-level specifications for synthesis of programs from pre-programmed components. A promising area of usage of the logic is in the high-level synthesis of RC hardware/software configurations from specifications of computational tasks. This logic is expressive enough for describing, first, the structure of hierarchical configurations and, second, data flow both on signal and object level. The control of computations is represented in it by means of predefined control primitives. The set of control primitives is easily extendable. The logic is intended for usage 1) as a semantic language of high-level textual or visual specifications, 2) as a tool for automatic synthesis of software/hardware configurations.

Our experience shows that any language of logic is unsuitable as a specification language for end-users who specify the computational tasks. The goal here is to provide a simple logical language as a semantic language for representing precise meaning of visual and textual specifications. A user-friendly specification language (even a graphical language) can be used on top of this logical language under the assumption that the translation into the latter is straightforward and easily understandable for the users.

The second intended usage of the logic is the functional design of configurations for computational tasks specified in the language of the logic. The design process is highly automatic and it is, in essence, a kind of the deductive synthesis of algorithms. We use a constructive logic, where realisations of axioms are functional and control elements (programs or hardware macros, e.g. relatively placed macros) of a RC platform. This kind of synthesis can be used, first of all, in domain-oriented RC systems. An absolute requirement to the logic for synthesis

is the high efficiency of its automatic usage (i.e. the efficiency of proof search). We are well aware of tradeoffs between the expressiveness and efficiency of automatic usage of logic, and have chosen in some sense minimal logic, which is still universal, i.e. enables us (theoretically) to specify any computable function. This gives the efficiency of search needed in the synthesis process.

These investigations were partly financed by KTH (Royal Technical University of Sweden).

Partners: M. Matskin (NTNU, Trondheim), J. Penjam (TTU, Tallinn).

WORKING GROUP OF SOCIO-ECONOMIC PROCESSES

Topic: Socio-economic analysis of transition countries, development of Ida-Virumaa (North-East Estonia)

Head of the WG: Dr. Juhan Sillaste

Estonia makes a particularly interesting case in that it has opted for far more liberal free market policies than other newly independent states from the former Soviet Union. From the viewpoint of general economic policies, we can state that during transition (1989-1998) Estonia has introduced liberal foreign trade (first custom tariffs were introduced in 1999), an annually balanced state budget, flat personal and corporate income taxes, subsidy-free agriculture (first subsidies in 1998), and a currency board system. This created a completely new environment for business activities and is considered to be the start of serious economic reforms in Estonia.

2000 Index of Economic Freedom shows that five compared EU-applicant countries had occupied quite high position in the global ranks list. Estonia is one of most high-ranking countries among FSU states and countries around the Baltic Sea.

The Estonian pre-transition labour market can be identified as a “overcrowded”. The highest rate of employment in USSR and so-called “socialist camp” belonged to Estonia. Since the beginning of the 1990s Estonia aggressively pursued transition by opening markets, decentralising wage setting, and significant labour market reform. Conditions to retain unemployment compensation have been very strict and the unemployment benefit paid in Estonia is very low. (Only 7% of the national average wage to compare with 44% in Slovenia - 1998). But the participation rate among transition countries in 1998 was the highest in Estonia.

Why? During the 1990s a process of “normalising” of the labour market took place and only during recent years we can discover the real labour market tensions typical to EU members.

Fast rising unemployment (especially among young people living in Ida-Virumaa cities populated mostly by Russians) will transform to a source of instability for the whole Estonia. Thus, we are facing a serious and growing need to study possible security risks connected with socio-economic processes and political attitudes around Ida-Virumaa.

Last years after 1989 the term of geopolitics is more and more used to describe the European circumstances and conflicts. Geopolitical thinking plays an important role in science and politics, especially in Russia, Germany and Poland. It means that the problem of Estonian and generally Baltic reaction to this must be investigated and discussed in comparison with changes in geopolitical thinking in their neighbour states and the real behaviour of governments.

Examination of current Russian TV programmes and media content demonstrates how intensively hardships of the transition period in Estonia (and other Baltic States) are used by some groups of Russian politicians and how anti-Estonian that content has become. In the Foreign Policy Concept, Russia has made an open claim to the need to dominate its neighbours for the first time after the fall of the Soviet Union. That is why research work must cover these aspects of socio-economic development and widen to the field of ways of achievement more favourable environment for further progress inside and outside the country.

These investigations were partly financed by the Ida-Virumaa County and Grant of the Ministry of Defence No 531/0012.

Partners: Institute for Socio-economic Analysis of Estonia, Institute for European Studies, Institute for Russia and CIS, Association of Estonian Cities.

WORKING GROUP ON SECURITY AND SOCIAL STABILITY

Topic: **Logical constructions in the texts of natural language**
Head of the WG: **Professor Peeter Lorents**

In 2000 the subtopic “Extraction of logical constructions from the texts of natural language” was investigated with the aim to elaborate the tools

of detecting logical constructions in the texts of natural language and to present them in the form of the expressions of predicate calculus.

A heuristic procedure of transformation has been elaborated that enables one to transform step by step the logical constructions in a natural language into terms and formulas of predicate calculus. The procedure comprises seven different steps. The sequence of the steps and the number of their application can be decided by the user. The task of the four steps is to perform necessary complementations, reductions, and substitutions in the initial text presented in the natural language. These operations are necessary to establish the accordance between the structure of the text and the composition of logical terms and formulas. The other three steps foresee the extraction, classification, and positioning of the parts of texts that appear in the role of logical symbols. As a result, the initial text presented in the natural language takes the form of a logical expression (term, formula).

ENVIRONMENTAL ISSUES

Topic: Relationships between temperature and snow-cover in spring Dr. Sirje Keevallik

A combination of intensive insolation and high surface albedo has a significant influence on the spring radiation budget of certain areas with strong inter-annual variability of snow cover extent. Due to hydrological processes that take place during snowmelt there exist relationships between late winter snow cover and spring temperature regime. These relationships are investigated for two cases: a 34-year period (1962-1995) at Tiirikoja Meteorological Station and a 19-year period (1972-1990) over large areas in the Baltic Sea region.

The complete surface energy budget does not involve only the effects of the changing surface albedo. Many other thermodynamic and dynamic processes take place when snow cover changes, but significant lag correlation between antecedent snow cover and subsequent temperature anomalies proves that in certain conditions there exists a signal of snow influence on the spring temperature regime. It is highly probable that this influence involves also the cooling effect of melting snow.

Comparison of the relationship between preceding snow cover and following temperature in different spatial scales can be performed for the square where Estonia is situated (55-60 N, 20-30 E). Such a comparison shows that snow cover in February and March at Tiirikoja is a good predictor for temperature in March and April. The same cannot be said

for the large area around this site: in both cases temperature anomaly in March or April correlated better with the temperature anomaly in the preceding months than with the respective snow cover extent.

Nevertheless, for the northern part of the BALTEX region, the influence of March snow cover on the temperature regime in April seems to be significant and snow cover extent can serve as a predictor for long-term weather forecast. The regressions obtained can be of some use at modelling snow feedback in climate models.

This investigation was mostly financed by Tartu Observatory. EBS covered the expenses of participation in the International Radiation Symposium in St Petersburg where the paper was presented and accepted for publication in the book “Current Problems in Atmospheric Radiation”, A. Deepak Publishing, Virginia, USA.

Partners: BALTEX (the Baltic Sea Experiment with Germany, Denmark, Sweden, Finland, Estonia, Russia, Latvia, Lithuania, Belarus, and Poland as participants)

BUSINESS ETHICS

Project Manager Mari Kooskora has participated in the topic “Business Ethics as a Long-term Operation of an Organisation and Prerequisite for Successful Management” lead by **Associate Professor Anu Virovere**.

With the research about ethical decision-making Mari Kooskora wanted to give an overview of the current situation in Estonia by gathering and analysing the conflict-cases which have been revealed in Estonian mass media over three (August–October) months last year. 169 separate cases were found and analysed and the result showed that each one could be easily connected to the lacking of ethical knowledge and right values.

Conflicts occur when it is not clear which goals or values take precedence - those of the individual, the organisation, or society. Ethical issues appear when an individual or an organisation has to choose among several actions that must be evaluated as right or wrong, ethical or unethical and ethical decision-making can often lead to an ethical conflict.

A decision-maker in Estonia is faced with many ethical conflicts, due to the fact that the main goal of every entrepreneur is self-interest and profit maximisation.

It was found that the most common field of ethical conflict in Estonia is avoidance of social responsibility and the grounds for conflicts are basically individual interests as driving force, unclear official obligations, gaps in legislation, etc.

Partners: Bentley College, Kingston University, University of Hull, Bolton Business School, University of Baltimore, Handelshogeschool Antwerpen, Lappeenranta University, School of Business Pacific Lutheran University, SSE Riga

GRANTS

- Open Estonia Foundation No E00-3.01-03-02-04 – 101 150.- EEK – for organisation of the international conference “**Public Administration and Changing Europe**”.
- The Ministry of Defence No 531/0012 – 152 994.- EEK (for 2000-2001) – research grant “**The mechanisms and dynamics of the formation of public opinion and mentality in Russia concerning Estonia and the Baltic States (Psychological war against Estonia and other Baltic States)**”.
- The Ministry of Defence No 532/0012 – 224 438.- EEK (for 2000-2001) – research grant “**The security risks in the socio-economical state of Ida-Virumaa**”.

CHAIR OF APPLIED MATHEMATICS AND INFORMATICS

Professor Toomas Täht has continued research in the frames of the topic “Mathematical Modelling of Energy Consumption”. He has developed identification algorithm for mathematical model with peak-normal distribution and implemented the software solution for identification and computer simulation.

The peak-normal distribution consists of normal component and peak component, which is a mixture of positive and negative peaks. These peaks are approximated by log-normal distribution. The peak-normal distribution has 8 parameters. It is quite complicated to find the actual values of these parameters and in some cases it is even impossible. At the moment, the algorithm, developed by Toomas Täht, covers a large part of parameter space.

Partner: Tallinn Technical University

Lecturer Indrek Kaldo has investigated the solution methods for optimisation problems with incomplete information.

Dealing with real-life problems one can meet a considerable number of incorrectly formulated problems. Almost all realistic problems are to be solved under conditions of incomplete information: all criteria of effectiveness and restrictions may turn out to be not exactly determined or even stochastic. The reason is that the resources, their expenses in case of the application of different technological formulas describing the relationships between variables cannot be considered to be uniquely determined.

Unfortunately it is impossible to estimate the effectiveness of a process or system by means of only one criterion. In many cases several criteria or target functions are necessary and it is impossible to replace one with another one. In this case one cannot speak about an optimal solution and it is necessary to find a compromise.

Currently the initial basic mission of the research work is:

- To analyse different approximations (deterministic, non-deterministic, multi-criterion methods of optimal strategies) and to investigate how to take into consideration the stochastic character of parameters, variables, and relationships and other possible uncertainties.
- To investigate the stability of the optimal solution.
- To derive new effective computational methods of solving optimisation tasks with incomplete information.

Partner: Tallinn Technical University

DOCTORAL STUDENTS

Monika Salu. The Systems and Models of Social Security. Implementations and Development Strategies in the Republic of Estonia.

The objectives and results of this investigation are given under the sub-topic **Management of Organisations in Public Sector in the Self-evaluation Report of Management Research 1996-2000.**

Krista Tuulik. Organisational Culture and its Reliance from Main Investor.

The main problems of this investigation are: What happens if a company owned by foreigners buys the company? How must act and behave the bought one? Must they adapt to the concept of organisational culture of new owners or keep their own culture and management tradition?

Investigations in the sphere of organisational and management culture and its depending on ownership's cultural background are up to nowadays not very clear. Actually, it has not been an important point of interest. Usually some speculative rules are found and there is a tendency of confronting east and west rules.

In order to liquidate the existing information deficit and to get a more justified knowledge about matters involved, a research was conducted in the Swedish owned companies in Estonia operating in different fields: service, financial, and production sectors. The companies where the research was carried out were mostly of Swedish ownership. The other important factor was that the ownership was acquired by buying up Estonian capital based ownership.

A questionnaire with 29 questions was prepared where the main emphasis was put on observing the activities related to organisational and management culture: self satisfaction of the employees, their wishes and fears, the speed of making decisions, main reasons of overtaking, etc.

The preliminary analysis shows that the economic situation in the company before acquiring was normal rather good than bad. The main problems were the shortage of investing possibilities and sales and marketing questions. Practically all the answers pointed out that the amount of reports and reporting has grown due to the need of effective

control. Some of the answers point out that the new owners do not take into consideration local legislation, but the majority states the opposite version. The employees think there have not been any changes or, on the contrary, all the changes are in the positive directions. Employees are waiting for new educational programmes, for promotions and the raise of their salaries. From the side of personnel management the expectations are quite high. One of the reasons of buying shares in Baltic companies and investing in this region has been mainly cheap labour and knowledge about the market.

Ruth Alas. Employee Participation in Organisational Change Process.

The objectives and results of this investigation are given under the sub-topic **Management of Business Organisations** in the **Self-evaluation Report of Management Research 1996-2000**.

Ants Kraus. Correlation and co-movements between financial ratios (for Estonian firms).

The number of financial ratios one can compute from financial statements is obviously very high. The ratios in each category overlap in the information they provide. The useful step in examining this issue is to compute the correlation and co-movements between various ratios in each category. The second step was examining the correlation and co-movements of representative ratios across different categories. We got empirical evidence to both within category and between category correlation of finance ratios for Estonian firms. This evidence is consistent with a smaller set of ratios being able to capture much of the information contained in the numerous financial ratios that can be calculated. For example there was suggested a set of financial ratios to the managers containing seven ratios across different categories with a low correlation.

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- Sillaste, J. Na rönke truda – estkaja konkurentsija. *Molode Estonii*, 16.06.2000.
- Sillaste, J. Vladimir Putin läbi raamatute. *Eesti Päevaleht*, 3. november 2000.
- Sillaste, J. Sverhinteresnoi izni v novom godu ne predviditsja. *Molode Estonii*, 30. detsember 2000.
- Sillaste, J. Utšenje - svet v kontse tunnelja dlinoju v izn. *Molode Estonii*, 23. november 2000.
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PRESENTATIONS AT CONFERENCES

INTERNATIONAL

- Aarna, O. Is it possible to measure the quality of educational activities?
Quality Assurance Forum, 30 November, Tallinn.
- Alas, R. Why do employees resist changes in Estonian organisations?
International Conference Human Resources Management – an Important Factor of European Integration, 17-19 May 2000, Varna, Bulgaria.
- Alas, R. Employees' attitudes to organisational changes in companies with different size. *Conference RENT XIV Research in Entrepreneurship and Small Business, 23-24 November 2000, Praha.*
- Alas, R. Employee's willingness to participate in implementation of organisational change, *International Human Resource Management Conference, Cyprus, 16-17 November 2000.*
- Almann, A. Public administration reform and administrative law reform. *Public Administration and Changing Europe, Tallinn, 19-20 May 2000.*
- Kaarelson, T. The state of human resource management in Estonian public and business sector. *International Human Resource Management Conference. Cyprus, 16-17 November 2000.*
- Kallakmaa-Kapsta, A. Financing of local governments. *Public Administration and Changing Europe, Tallinn, 19-20 May 2000.*
- Keevallik, S., Rajasalu, R. Winds at the 500 hPa isobaric level over Estonia. *XXV General Assembly of EGS, Nice, France, 25-29 April 2000.*
- Keevallik, S. Relationships between temperature and snow cover in spring. *International Radiation Symposium, St Petersburg, Russia, 25-29 July 2000.*
- Ploom, A. The effectiveness of the public sector and the development of democracy with the help of infotechnology. *Public Administration and Changing Europe, Tallinn, 19-20 May 2000.*
- Podolski, L. *9th International Conference on Functional Grammar, Madrid, Spain, 20-23 September 2000.*
- Pruvli, E., Bonhaus, D. Marketing communications in tourism and co-operation with the media in Eastern Europe. *Travel Media Showcase in Atlantic City, June 10-15, 2000, New Jersey, AC, USA.*

- Sillaste, J. What do we need and why are we worried? *International Conference "Geopolitics around the Baltic Sea. An attempt at Russian-Baltic dialogue"*, Tallinn, 31 March – 2 April 2000.
- Sillaste, J. Estonia: Some aspects of competitiveness, structural changes and employment. *The 2nd Workshop in the Framework of the Project "Monitoring Preparations of Transition Countries for EU-Accession"*, Prague, 1–4 June 2000.
- Sillaste, J. Estonia: Geopolitical Aspects, Introduction. *3rd Geo-Political Colloquium, 13-15 March 2000, Garmisch Partenkirchen, George C. Marshall European Centre for Security Studies.*
- Virovere, A. Personal resources and ethics in public service. *Public Administration and Changing Europe, Tallinn, 19-20 May 2000.*
- Virovere, A., Kooskora, M. Ethical analyses of business leadership in action / Based on the study of conflicts in Estonian companies, *EBEN 13th Annual Conference, Cambridge, UK, 11-14 September 2000.*
- Virovere, A. Training and development of human resources in Estonia: Challenges and opportunities. *International Human Resource Management Conference, Cyprus, 16–17 November 2000.*

IN ESTONIA

- Alas, R. Organisatsiooniliste muudatuste vastuseisu põhjused Eesti ettevõtetes. *Kaasaegsed suundumused Eesti juhtimisteaduses, 4.-5. mai 2000.*
- Alver, J. Comparative Analysis of Some Basic Terms in the Estonian Accounting Act and International Accounting Standards. *Accounting and Taxation Problems, Tallinn Technical University, 8-9 September 2000, Tallinn.*
- Alver, L. International Accounting Standards versus Estonian Accounting Regulations *Accounting and Taxation Problems, Tallinn Technical University, 8-9 September 2000, Tallinn.*
- Kallakmaa-Kapsta, A. Participation in the panel discussion *The Future of the Higher Education: Price and Quality* in the frames of the German-Estonian Academic Week *Academica IV, Tartu, 11 September 2000.*
- Lorents, P. Eesti piirivalve arenguprobleemidest. Mineviku, oleviku ja tuleviku aspektid. *Eesti piirivalve 78. ja taasloodud piirivalve 10. aastapäev, Tallinn, 19. oktoober 2000.*
- Lorents, P. Kohustuslik kaitsevääteenistus – kohustusliku koolihariduse loomulik osa. *Eesti noored – riigi tulevik, Tallinn, 10. veebruar 2000.*

- Sillaste, J. Ida-Virumaa arengutendentsid: võimalustest tegelikkuseni. *Ida-Virumaa arengufoorum, Jõhvi, 24. november 2000.*
- Sillaste, J. Noorte tööhõiveprobleemid Ida-Virumaal. *Projektkonverents "Hea mõte väärib väljaütlemist ja elluviimist", Illuka, 3. märts 2000.*
- Sillaste, J. Noor hakkaja inimene integreerivas taustsüsteemis. *Noortekonverents "Noorte roll integratsiooniprotsesside arengus teel Euroopa Liitu", Jõhvi, 5. veebruar 2000.*
- Täht, T. Kompuuteriseeritud matemaatikaõpetus – Mida me õigupoolest õpetame? *Eesti matemaatikute suvekool, Hiiumaa, 26.-28. juuni 2000.*

CONFERENCES ORGANISED AT EBS

Student Conference

May 4, 2000

The conference was the final phase of the contest of student research papers. The winners presented their papers:

The 3rd and 4th year students.

The 1st prize - Merle Siimsen. Bankruptcy Prediction Models
(Supervisor Jaan Alver)

The 2nd prize - Karin Lember. Majandusliku lisandväärtuse loomisel
põhinev juhtimissüsteem ja selle juurutamine Hansapanga
Grupis (Supervisor Lauri Reinberg)

The 3rd prize – Martin Valler. Intellektuaalse ja emotsionaalse kapitali
roll ettevõtte turuväärtuse moodustamisel (Supervisor Anu
Virovere)

The 3rd prize – Indrek Lepsoo. AS ERA Pank pankrot, selle võimalikud
põhjused ja riskid (Supervisor Angelika Kallakmaa-Kapsta)

The 1st and 2nd year students

The 1st prize – Argo Ohvril. Reklaamipsühholoogilised rakendused
printreklaamis (Supervisor Jaan Ennulo)

The 2nd prize – Aet Kiisla, Kait Mutli and Liis Friedenthal.
Juhtimisprobleemid Kiili koolis (Supervisor Tõnu Kaarelson)

The 3rd prize – Jüri Tirmaste. Kommunikatsioon ja interaktsioon
(Supervisor Jaan Ennulo)

International Seminar “Public Administration And Changing Europe”

May 19 and 20, 2000

Friday May 19

Topic: THE CHANGING EUROPE AND EXPERIENCES OF PA REFORM

10:00 Opening

10:00 – 10:15 Prof. Olav Aarna, Rector of EBS

10:15 – 10:30 Tunne Kelam, Deputy Chairman of Riigikogu
Mall Hellam, Executive Director of Open Estonia Foundation

10:30 – 13:30 I Session (led by Prof. Olav Aarna)

10:30 – 11:00 Mihkel Pärnoja, Minister of Economic Affairs of Estonian Republic - The Economic Development and Administrative Capacity of a State

11:00 – 11:30 Coffee break

11:30 – 12:00 Henrik Hololei, Director of European Integration Department, State Chancellery of Estonia - Changes in Europe and its Impact on Estonia Joining EU

12:30 – 13:00 Ants Leemets, Vice-Mayor of Tallinn City Council - The Model of PA Reform in Tallinn

13:00 – 13:30 Andres Ploom, Head of the Working Group, EBS-CBS - The Effectiveness of Public Sector and Development of Democracy with the Help of IT

13:30 – 14:30 Lunch

14:30 - 16:30 - II Session (led by Prof. Arno Almann)

14:30 – 14:50 Väino Sarnet, Director of the Office of Public Administration, State Chancellery of Estonia - The Programme and Implementation of Public Administration (PA) reform in Estonia

14:50 – 15:10 Vladimir Chysky, Public Administration Reform Department, Czech Republic - The Aims and Objectives of PA Reform in Czech Republic

15:10 – 15:30 Dalia Gineitiene, Dept. of Public Administration, Kaunas University of Technology, Lithuania - Interaction Between Local Government and the Third Sector

15:30 – 15:50 Ludmilla Malikova, Expert, Public Administration

Board, Slovakia - Administrative Reform in Slovakia, Problems and Perspectives

15:50 – 16:15 Luca Brusati, Bocconi University, Italy - Meeting the Challenge of Public Sector Reform: A Managerial Perspective

Saturday, May 20

Topic: THE POSSIBILITIES AND PERSPECTIVES OF PUBLIC SECTOR

10:00 – 12:00 III Session (led by Prof. Arno Almann)

10:00 – 10:30 Raivo Vare, Chairman of the Board of Pakterminal - Expectations on Co-operation of Public and Private Sector

10:30 – 11:00 Mall Hellam, Executive Director of Open Estonia Foundation - Public Administrative Reform and the Third Sector

11:00 – 11:30 Taavi Veskimägi, Head of Department of Central Government, Ministry of Finances - Streamlining State Functions

11:30 – 12:00 The EBS student research team - Proposals for Implementation of PA Reform based on research of EBS students

12:00 – 12:45 Lunch

12:45 – 14:45 IV Session (led by Prof. Olav Aarna)

12:45 – 13:15 Prof. Arno Almann, Head of the Chair of Law and Public Administration, EBS - PA Reform and Administrative Law Reform

13:15 – 13:45 Angelika Kallakmaa-Kapsta, Chair of Economic Theory, EBS - Financing of Local Governments

13:45 – 14:15 Sulev Lääne, Senior Adviser to the Legal Chancellor of Estonia - PA Reform in Regional and Local Authorities

14:15 – 14:45 Harry Roots, Vice Principal of Estonian Public Service Academy - The Culture of Management in Estonian Administration

14:45 – 15:15 Anu Virovere, Chair of Social Sciences, EBS - Personal Resources and Ethics in Public Service

Alumni Conference

December 1, 2000

EMOTIONS VERSUS INTELLECT.

IS THE 21st CENTURY MANAGER READY FOR IT?

Rector's welcoming speech.

Olav Aarna, Rector of EBS

What is emotional intelligence?

Anu Virovere, Assoc. Professor of EBS

Emotionality in management and at negotiations.

Neeme Jõgi, Manager of Tallinn Dairy

Manager's influence on organisational development.

Kiira Kure, Human Resource Manager of Coca-Cola Beverages of Estonia; Graduate of EMBA programme of EBS

Women - better leaders?

Talis Bachmann, The Institute of Law, Professor of the Chair of Psychology

Panel discussion. The 21st century manager, who leads whom?

Anu Virovere

Panel: Talis Bachmann, Neeme Jõgi, Kiira Kure, Arle Mölder, Ülle Pihlak, Monika Salu, Guido Sammelseig



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