Ukrainian and Norwegian experiences from the Retraining and Social Adaptation Project for Ukrainian military service members and their families

Collection of articles

Anatoli Bourmistrov
Olga Iermolenko

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<th>Sammendrag: Denne samlingen av artikler er et resultat av arbeidet med prosjektet &quot;Omskolering og sosial tilpasning av militære officerer og deres familieledlemmer i Ukraina&quot;. I 2018 feiret prosjektet sitt 15-årsjubileum, og i skrivende stund, har det hjulpet mer enn 10.000 militærtjeneste-medlemmer og deres familieledlemmer å få omskolering og tilpasse seg det civile livet.</th>
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Anatoli Bourmistrov, Professor, Ph.D.
Olga Iermolenko, Researcher, Ph.D.

Bodø – 2019

Nord University Business School
High North Center for Business and Governance
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Foreword

This collection of articles is the result of the work carried out through the project, “Retraining and social adaptation of military officers and their family members in Ukraine”. In 2018, the project celebrated its 15th anniversary, and, at the time of writing, it has helped more than 10,000 military service members and family members retrain and adapt for civilian life. To summarize some of the work that has been done within the framework of the project, this book is based on two conferences held for project participants.

The first part is based on the work done at the conference, “Universities of Ukraine as subjects of anti-corruption activity of the state” on September 30th 2016 in Kyiv, where there were many good and fruitful suggestions on how to improve the work against corruption. Some of these suggestions can be found in this book. In addition, the conference was a catalyst for further work on internal control for Ukrainian universities and also led to a successful project application to the Norwegian Centre for International Cooperation in Education (SIU) for the development of an online course, “Internal Control and the COSO Framework: Application to the university sector”. This project is now ongoing, with the course itself under development as a joint project between Nord University, Taras Shevchenko National University of Kyiv, Ternopil National Economic University and Yuriy Fedkovych Chernivtsi National University.

The second part is a collection of articles on various topics by Norwegian and Ukrainian lecturers involved in the project. This is based on the conference, ”Norwegian-Ukrainian cooperation: education, research and business”, in L’viv in May 2017. The aim is to share the experiences of the project’s lecturers, as well as to provide useful advice to the partners and other interested parties. This includes advice for the application process for EU projects, in this case with the example of the Horizon 2020 program, experience and working methods for the psychological adaptation of the participants in the project, as well as the experiences of the Norwegian lecturers in the
program. Psychological support has become an even more important area for the participants, since an increasing number of them have been involved in the conflict in Eastern Ukraine. More than 400,000 service personnel have experienced the conflict zone in Eastern Ukraine. We also have the perspectives of our Norwegian lecturers on working with the groups in Ukraine. They share some of their experiences of lecturing for project participants with a different cultural background and often with language as a barrier.

Bodø,

March 2019
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Modern Ukraine belongs to the group of countries, in which corruption is a social phenomenon, which penetrates deeply into all walks of society. It is obvious that it is not evenly presented in different spheres, but its influence in the political, economic, moral and psychological context of Ukrainian society should be taken into consideration. The most thorough appraisal of it is given in the latest research carried out by Transparency International, “People and Corruption: Europe and Central Asia 2016”. Their research ascertained the following:

- 56% of the Ukrainian population regards corruption as one of the most serious problems of this country;
- 64% of Ukrainians consider Ukrainian Parliament deputies to be corrupt;
- 86% of the Ukrainian population thinks that all efforts made by branches of authority to fight the corruption are completely ineffective;
- More than 57% of Ukrainians think that the richest part of society very often influences governmental decisions, to serve their personal interests;
- 38% of Ukrainian households had to pay bribes during the last 12 months to obtain social services such as elementary, secondary and professional education;
- The Ukrainian Red Cross Society, having received 252.3 million hryvnas (approximately equivalent to 9.8 million dollars) from the Ukrainian Ministry of Health, according to the results of the check-up conducted by the State Audit Service of Ukraine, had not provided the programmed medical services;
• Only 19% of those people who had given bribes informed the authorities and the media;
• Ukraine belongs to the group of countries in which only 10 to 17% of the population regards corruption as socially unacceptable.

Corruption cannot be accepted as a tolerable phenomenon in any sphere of social activity, but its influence is the most destructive in those parts of public life which comprise the complexity of people’s everyday relations in the wider sections of society – in education, health care, social protection and the protection of major human rights.

In Ukrainian society, the very right to education, especially higher education, is one of the utmost priorities of many families. As Pylypenko and Pryvalov (2000; pp. 74-80) indicated, parents do their best to give their children a good professional education, a wide cultural background and, as a result, to provide them with a favorable starting point to achieve their life goals.

At the same time, constant changes, uncertain social ideals, professional standards and regulations, the essential loss of rationality in social governing, the imbalance in the activity of state governing institutions, and the underdevelopment of civil society provide constant opportunities for the development of corruption, academic environment self-organization on false moral principles, and the mass deviant behavior of stakeholders and active participants in this sphere. There is an immense quantity of special literature devoted to the problem, but it is not the subject of our focused study in this article.

Recently, especially since the Revolution of Dignity in 2013-1014, the problem of overcoming corruption, including in academia, has received much attention from international organizations, state authorities, political parties and civic organizations; it has become the subject of constant efforts by many citizens and communities. It provoked serious interest from sociological institutions and profound researches.

In an attempt to characterize the modern academic culture in Ukrainian higher education, in connection with corruption and based on the above-mentioned researches, we will present our results for both students and lecturers, as well as for researchers.

The conducted analysis proves that different means of academic fraud constitute one of the main features of Ukrainian student youth culture, the most distinct being the fact that 67% of students enter Ukrainian higher institutions without the dominant motivation of gaining professional knowledge. In the process of study, there is a steady tendency in the majority of students to reorient from gaining knowledge to obtaining formal attributes of education (certificates). Only 14% are firmly aimed at professional work in the field of their expertise, an appalling 54% are not going to practice their profession; 76% are involved in illegitimate team activities during the examination period; 67% systematically resort to cheating as academic fraud; the majority (more than 90%) of students plagiarize; 23% indicate that there are cases in their department of marks being obtained in return for money or services.

Generalization of information from different sources provides the possibility to define the main groups of violation of academic virtue, which are evident in the activity of Ukrainian lecturers and researchers. According to Finikov (2016; pp. 21-22), “…In the
sphere of learning they are: extortion...to get money, presents or personal services from students, absence of fair mark for...plagiarized works...forced purchase of teaching and methodological literature...and different supplies at students’ costs. In the sphere of scientific research they are:...publication of scientific, teaching and methodological texts with the help of plagiarism; falsification of experimental data...including to authors’ list those people who did not contribute to results; approval of researches or dissertations which do not possess any scientific, social or practical value; giving positive reviews to the works which upon the results do not deserve such ones; getting unjustified preferences at grant assignation; unlawful abuse of the position.”

While attempting to understand just how far Ukrainian academic culture gives way to corruption development, supporting or resisting opportunities for its realization, it is important to define its main components. It is obvious that it is not only shaped by the influence of the internal practices of university life, which create collective systems of meanings and initiate internal mechanisms of autonomous self-regulation, but it also undergoes the influence of different external contexts. The external surrounding is a complex of political, economic, judicial, psychological conditions, non-related powers and incentives; it is an unstable, variable, out of system dominant factor. The culture of the academic community possesses a vivid character, which can transform in accordance with changes of university institutional models and the common-sense life of its students, lecturers, managers and employees; it is an intricate network of traditions, formalities and routines.

In this context, the conditions outlined by Ben-David (1971; pp. 184-85) seem very essential. Under them, people in pursuit of science (the majority of academic community belong there) can be involved in their research without recurrent moral crises:
“...(a) Political conditions that allow social experimentation... and that contain some methods for comprehensive institutional change... without recourse to violence.

(b) A permanent attempt to extend scientific thinking to human and social affairs in order to formulate the problems of rapid...changes caused by science and to devise... procedures for dealing with those problems.

(c) The application of the professional norms of the scientist to the social thinker, which imposes the discipline of not discarding existing tradition...

In societies where the first of these conditions is absent, there will be little chance for the development of social thought such as specified under (b) and (c)...”.

As a space for the interaction of different players, any university is shaped by reactions and participation in certain events, which frequently become the mechanism of including or excluding a person from the life of a group. Academic culture, as any other type of culture, proves itself at its utmost point in the situation of manifestation: choice.

For the political culture, this is the time of election campaigns, for the university world, such a period covers educational reforms: the adoption of legislation that will define the life of the professional community for a certain time. As emphasized by Geertz (1973), especial meaning in community life is given to events which radically redefine the conditions of group existence, after which “nothing will be as before”. It was new Law of Ukraine “On higher education” (2014) which played that distinctive role in the life of Ukrainian educational community.

The most actual materials on educational process participants’ reaction on reforms in Ukrainian higher education is presented in above-mentioned research of 2016. The main options to define value priorities, hierarchical place, interaction logic and correlation of powers in modern Ukrainian academic culture are the following:
• Total distrust among all participants – students have little trust in lecturers, and the latter ones trust the former even less; university management does not trust the teaching staff, and the teachers regard management actions with big suspicion; the Ministry doubts the sincerity of university intentions, and universities, at their turn, do not believe the ability of the Ministry to respect their institutional autonomy.

• Reforms lack consolidated understanding of their logic and essence as the result of total dissatisfaction with condition of modern higher education; the majority of academic community does not feel demand in quick and deep changes.

• Motivation to educational-scientific activity is absent or is at very low level as presented by all participants in this process.

• There is a tendency to keep excessive hierarchy of university life, domination of vertical management connections over horizontal, immaturity of “feedback system”.

• Amount and system of assets allocation is inadequate to up-to-date situation, job payment does not give possibility to concentrate on the main professional activity; systems of payment do not encourage educational perfection and scientific activity.

• There is a tendency to stick to false understanding of theoretical study priority over practical training what does not stimulate the network development with employers, market demand study, improvement of practical component of study, oriented on job placement.

• Rejection or formal imitation of introduced student-centric models of study, different up-to-date technologies and interactive study, information technologies, tutoring, mentoring, and coaching.

Total decrease of academic standards, certain deformation of higher education ethical field, what comprises all players of academic arena.
Apparently, the system of professional values, ethic norms, interrelated traditions and relations with wide social surrounding, which has been shaped inside above-mentioned system of cultural coordinates and defines the principles of interaction for extremely intricate social network which creates and supports scientific-educational activity is unable to reject academic corruption and really demonstrate zero tolerance to its manifestations. On the contrary, it creates favorable conditions for this social disease, which after infection quickly spreads in Ukrainian higher education body.

Moreover, this aspect of university culture became part of the institutional environment, where, as fairly stated by Friedland and Alford (1991; p. 243), similar “… material practices and symbolic constructs which constitute and organize the principles of individuals and organizations’ behavior” are the subject of transfer to forthcoming generations.

In our conditions, when the professional environment is unable to make an effective anti-corruptive response to society’s request for internal self-regulation, a new definition of social convention must be adopted to predict the expansion of both state and market regulation of professional activity. This includes highly authoritative measures at national level such as expansion of the legislative regulation zone to resist academic dishonesty in the Law of Ukraine “On Higher Education” (2014) and in the bill of the new Law of Ukraine “On Education”, which was finally adopted in 2017.

The first of the above-mentioned laws presents exemplary influence on the situation of academic integrity compliance at all levels of higher education management. At the level of the education system in general, it brought the following results:

- Creation of prospects of real autonomy for universities, at the cost of reducing regulation from the Ministry of Education and Science of Ukraine in the educational sphere;
• Increase in possibilities for students to influence their curricula and participate in university government;
• Creation of real mechanisms to update academic management, and the rejuvenation of teaching staff;
• Qualitative improvement of Ukrainian scientific human resources that will result in a better image of the national educational sphere both here and abroad;
• Assistance to increase management efficiency, at the cost of decentralization and the distribution of regulative and controlling functions between different structures (the Ministry of Education and Science of Ukraine and the National Agency for Quality Assurance in Higher Education).

At university level it allows:

• New and more transparent mechanisms for the election of rectors, deans and chair heads, their rotation, and prohibition from combining administrative positions, which will provide the opportunity to democratize universities’ lifestyle and management;
• Decrease of purely teaching workloads, opening up the possibility of paying greater attention to self-development and scientific research;
• Real multi-aspect autonomy, which significantly frees different resources for institutional and personal development in higher institutions for students and employees.

At the level of relations with higher education stakeholders, it offers the opportunity to:

• Involve different public, expert and other organizations to create real mechanisms for state-public management of higher education.
At the next level of regulation, meaningful factors are the different legal acts of the Ministry of Education and Science and the National Agency for Quality Assurance in Higher Education, which will affect practically the whole managing spectrum of the educational field.

The weakest link in this chain seems to be regulation at the level of national professional associations – unions of higher institutions. Their founding and programming documents should provide, as emphasized by Oleksiv (2016; p. 183), “…creation of new professional and ethical standards, which allow to shape new mentality of Ukrainian higher school representatives”. However, the involved organizations, which act in Ukraine, suggest documents, in which moral principles, ethical standards and procedures, oriented at their compliance, have only declarative status.

The situation at local university level is a little better. The new generation of their statutes, as well as their recently adopted ethical, honesty and behavior codes, have begun to determine values and regulate normative components of behavior for the majority of the academic community.

A particular aspect which can have a huge and systematic influence is the world educational community. The international university community is characterized by regular cooperation via stable communication networks, high academic mobility, constant attention to modeling and maintaining individual and team reputations and improving the mechanisms of its renovation. The need for efficient self-regulation and the ability to suggest adequate answers to society’s demands comprise its basic properties. The academic community is one of those status-professional groups which, as Saks (2015) indicated, have autonomy concerning the fact that they independently developed their charters; the processes of education and entrance and exclusion from the professional community are performed in compliance with their demands. They
possess the definite feature of high self-regulation and the collective governing of group members’ private interests.

The unity of academic culture, the high level of professional ethics, and the pursuit of deontological values and standards are achieved with the help of a developed infrastructure of international and national organizations, renewed prominence among them being given to The International Center for Academic Integrity (n.d.). Founded in 1992 as a national organization, in 2010 it was officially renamed as The International Center for Academic Integrity, which signaled the international influence and expanse of membership in this society. In 2016, its members worked in 22 countries on all continents. The center holds annual international conferences, organizes research projects, and offers mentoring services and recommendations for the analysis, assessment and construction of effective strategies to include the cultivation of academic integrity in educational practices.

Much helpful contribution into international experience exchange and research development is done by the following scientific journals as the Journal of Academic Ethics (n.d.), published since 2003 and the Journal of Academic and Business Ethics (n.d.), in publication since 2009.

In the modern conditions of the rapid development of digital society, particular attention should be paid to the global network, Globethics.net, which today unites more than 176,000 people and institutions in 200 countries, who are interested in different fields of applied ethics. It gives access to huge amount of resources in this area, especially via access to leading digital libraries in the sphere of ethics, helps to maintain cooperation in research, holding conferences, publishing on the Internet and exchanging information.

Wonderful opportunities are suggested by the subdivision of the network – a global digital library on questions on ethics (GlobeEthicsLib and GlobeTheoLib), which was
started in 2008, and today comprises 4,500,000 full text documents, making it the world leader in such libraries on ethics. Another project is now being developed: the creation of similar libraries in contiguous branches of knowledge.

Another component of the net which can be effectively used in the process of modeling a new academic culture is The Global Ethics Forum on Higher Education Ethics in Action, which took place on 23-24 June 2016 in Geneva with 165 participants from more than 55 countries worldwide (Global Ethics Forum, 2016). According to Globethics.net’s new strategy for 2016–2020, there are several crucial aspects.

They are study and research, the main functions of a modern university, management and connection between higher education and society. The tasks of consolidating public trust, overcoming social, emotional and material values’ destruction, preserving the important forming role of higher education in the conditions of emerging commercialization and financial pressure, as well as the question of the development of unethical tendencies within it, have become a subject for the attention of leaders from the higher education sector, business, politics and religious organizations all over the world. The main achievements of the forum were generalized in the book published on its results.

The first publication, “Ethics in Higher Education: Values-driven Leaders for the Future” (Singh and Stückelberger, 2017), in the digital periodical, “Education Ethics”, just started by Globethics.net, deserves special attention. This book was created by the authors from eight countries on five continents and contains four large sections: values in higher education, responsible leadership, ethical topics in higher education, open and distance education.

Concentrating attention on the most acute and actual problems of the educational sector, highlighting the importance of leadership approach, introducing to analysis little known and unexplored practices from Asia and Africa mark this work out as
unique. The promise of the publishers to move the topic of ethics in higher education to the priorities of the networks’ general strategy of the net for 2016–2020 and to invite the world research community to contribute makes this publication the most interesting in the analytical sense and pragmatically useful in the practical one for developing global academic culture.

The need to clearly define the whole spectrum of purposeful transformations of national academic culture demands that the importance of the Pan-European context be highlighted. The international conference on this problem, which was held in Bucharest as early as September 2004, was the sign of awareness that the ethical dimension is important in the process of deep transformation of both the mission and the very structure of higher education and scientific research in Europe. The adoption of the Bucharest Declaration concerning Ethical Values and Principles for Higher Education in the Europe Region (2004) was the significant result of this conference.

The participants declared that “...Universities cannot be regarded as value-free institutions. The values and ethical standards they espouse will not only have a crucial influence over the academic, cultural and political development of their academics, students and staff, but also help to shape the moral contours of society-at-large. As such, they should accept explicit responsibility and take action for promoting the highest possible ethical standards. It is not enough to espouse high ethical standards at a rhetorical level. It is crucial that such standards are respected, and put into effect, in every aspect of the work of institutions - not only through their teaching and research programmes, but also in terms of their internal governance and management and engagement with external stakeholders ...”

While defining the role of academic culture, it was emphasized, that it “...should promote actively and diligently, through mission statements, institutional charters and codes of academic conduct, those values, norms, practices, beliefs and assumptions that guide the whole institutional community towards the assertion of an ethos that is
based on the principles of respect for the dignity and for the physical and psychic integrity of human beings, lifelong learning, knowledge advancement and quality improvement, inclusive education, participatory democracy, active citizenship and non-discrimination.

The autonomy of higher education institutions, although essential for effectively discharging their historic tasks and meeting the challenges of the modern world, should not be used as an excuse for them to evade their responsibilities to wider society, acting consistently for the promotion of the public good…”

The history of creation of the Pan-European Platform on Ethics, Transparency, and Integrity in Education (ETINED) presented real understanding of the importance given in the European region to the significance of the construction of the mechanisms of academic community internal self-regulation, its value priorities and interaction logic, including all national education systems in the process.

The idea of this Council of Europe initiative originates from the Final Declaration of the Council of Europe Standing Conference of Ministers of Education on Governance and Quality Education in Helsinki (April 2013) “…to establish a pan-European platform of exchange of information and best practices on ethics and integrity in education with special attention to the fight against corruption and fraud in education and research with a view to furthering the ‘Helsinki agenda for quality education in Europe’”. Initiators underlined eloquently, “In presenting this Council of Europe Platform on Ethics, Transparency and Integrity in Education, it will be important to emphasize to all Member states that the Council of Europe wishes to enter a high-level Council of Europe conversation about potential general issues and ways forward, avoiding suggestions that issues only exist in particular member states [author’s italics]. This should be a genuinely European-wide conversation, as the relevant issues do not only affect developing and ‘transition’ societies, but can also affect ‘mature’ societies".
The preparatory work on implementing the platform, conducted during 2013–2016, allowed the drafting, thorough discussion and approval of the following fundamental documents as “Ethical principles” and “Ethical behavior of all actors in education” and the organization of the above-mentioned platform as a network of professionals from 50 countries, who are the members of the European Cultural Convention of the Council of Europe. It is proposed that the following priority actions and activities are undertaken by the platform: Ethical behavior of all actors in education; Academic integrity and plagiarism; Recognition of qualifications; Contribution to the global action against corruption; other relevant activities conducted in cooperation with other international organizations working in the fight against corruption and its destructive influence on all levels of education.

The acceptance of the validity of external factors that shape the academic culture does not negate the importance of the influence of the internal environment of an educational organization. Precisely this environment shapes the academic culture, the forms of activity of the professional corporation participants on the renovation of its life, the mutual identification of its members, elaborating solidarity and the ability to coordinate interests.

In our situation of shaping a new academic culture, the following fundamental values must be used to build it on, according to Raven (2002; pp. 190-191):

- an atmosphere of openness and honesty;
- appreciation of individual’s values and priorities;
- acceptance of different value systems;
- group discussions, which enable problems to be concentrated on, established grounds “defrosted”, and new conceptions “crystallized”;
- the support for people’s desire to unite in their orientation towards new priorities and forms of behavior.
To institutionalize this culture, the environment must encourage development, focusing on certain ethical principles, and not resort to unreasonable restrictions; involve all its members in the decision-making process; ensure responsibility for them; and provide conditions for transforming uncompensated needs into initiative and practical actions.

The effectiveness of the professional community’s self-regulation, on the basis of a “fair-play” ethos, is defined by eradication of the very possibility of chances of corruption. In order to succeed, these principles must become integral parts of all the main components of the internal environment at an educational establishment; these comprise:

- Organizing component – organization structure, hierarchy of goals, policy, interaction procedures, rules, management opportunities etc.;
- Human resources component – labour relations, “hire-fire” practices, motivation systems, traditions, staff’s professional development;
- Product component – place in educational market, policy of providing educational, scientific, methodological, consulting services, strategic planning, conducting research, development and application of new technologies, etc.;
- Financial component – expansion in the spectrum of sources of funding, financial management, investment opportunities, etc.

The implementation practice of the Law of Ukraine “On Higher Education” (2014) brings to the foreground people and groups, who, according to their ethical views, professional and social grounds, desires and volitional abilities, are able to become the leaders of the transformation process in Ukrainian higher education. Their efforts to introduce high ethical standards receive regular organizational support from the Ministry of Education and Science. There has been an initiation of national standards to comply with academic integrity for all groups of participants in educational activity.
In 2016, Ukraine approved national experts and joined ETINED activity (Smith and Hamilton, 2016a; 2016b), starting with the implementation of the four-year Strengthening of Academic Integrity in Ukraine Project (SAIUP), which is conducted with support from the Ministry of Education and Science and the Embassy of the United States in Ukraine; Ukrainian experts worked with Organization for Economic Co-operation and Development (OECD) research to resist corruption at the sector level (in higher education).

Modeling a healthy academic culture, combined with the efforts to overcome existing deformations and the accumulation of qualitatively new social capital, provoked growing interest from Ukrainian university managers, lecturers, and experienced experts in corruption resistance that have been assembled over the last 20 years. Numerous publications in this problematic field have become the subject for analyses, adaptation and application. The most prominent were the following:

- the results of the United Nations Development Program research, “Fighting Corruption in the Education Sector: Methods, Tools and Good Practices”, completed in 2011, which presented the deep-rooted context and analyzed the risks and the spectrum of anti-corruption initiatives, and the possibilities of their influence and effectiveness;
- Jacques Hallak and Muriel Poisson’s famous book, “Corrupt schools, corrupt universities: What can be done?” (2007), which, to some extent, is an encyclopedia of the world’s state of affairs and the influence of corruption on the education sector, its extent at the different stages of the
education process and the different levels of implementing and governing educational activity, suggests many valuable recommendations for managers and developers in education policy.

Analyses conducted on international and national researches and their recommendations prove that the most urgent task in forthcoming years is to involve Ukrainian universities at different levels in defining their own ethical standards and their regular comparison with the best patterns of global academic culture and existing institutional practices. One of the determinants is to reach a consensus on the definition and standards of integrity at national and local levels. Particular attention and a creative approach are necessary to develop the set of documents and approve the subjects responsible for implementing the ethical standards, procedures and practices which are able to ensure it.

Real success cannot be achieved without involving Ukrainian universities in the work of international institutional associations in the higher education and scientific sectors, which can provide conformity to their practices of internationally and professionally established ethical standards. Regular efforts will have to be applied in the development of systematic external monitoring of institutional policies on academic integrity by national organizations, which are responsible for the assurance and control of quality, accreditation and licensing, while autonomous Ukrainian universities should adopt as a norm the practice of developing constant inner assessment, as well as self-monitoring and conducting researches to increase the efficiency of strategies and policies in corruption resistance and the implementation of a healthy academic culture.

Efficient mechanisms for the self-organization and self-regulation of the academic community are being shaped in the conditions of the development of civil society. The academic community becomes more coherent, penetrated by numerous communication channels, functioning as the field of constant interaction and academic mobility. Academics should focus attention on social ideals and reputation but force
out the latent pursuit of group and individual interests disguised by loud rhetoric. Achieving the benchmark of the academic employee’s social and professional status, a public image with a focus on professional ethics and altruistic public service – these will be the indicators which will mark radical changes in Ukrainian academic culture.
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CHAPTER 2. THE THREE DIMENSIONS IN COMBATING CORRUPTION IN UKRAINE

Olaf Saxegaard

A. General characteristics of corruption

This article concerns bribery in the public sector, the most common kind of corruption. However, I will use the term ‘corruption’ throughout, given that the structural act and the criminal aspect are of the same severity as other kinds of corruption (conflict of interest, money laundering, kick-backs, nepotism, extortion, fraud, etc.). In some contexts, I also use the term ‘unethical behavior / breach of the Code of Ethics’, which, although often not an offense is still a violation of the principles of fairness in public proceedings.

Corruption can mainly be divided into two types:

1. Grand corruption (involving a significant number of bribes paid by companies to politicians, prosecutors or senior officials).
2. Petty corruption (the daily-life corruption among officials at all levels of public bureaucracy (military as well as civil servants).

(The terms ‘Grand’ and ‘Petty’ corruption are defined by Transparency International and have become a useful standard to define measures against corruption). Although the goals for grand and petty corruption are the same (“abuse of power for private gain” or “achieve illegitimate benefits due to his or her professional position”), their structures and anchoring are completely different.

Grand corruption is usually an individual-oriented transaction. One person pays:

- a politician (lobbying), to vote for an amendment or regulation, giving benefits to his business
- one prosecutor, to avoid sanctions for his criminal activities
- one official, to achieve regulatory benefits for his business

The transaction is hidden from all beyond the payer and the receiver. Such offenses have no collective (cultural) anchoring or acceptance. Despite the fact that most politicians and top officials in the public sector are involved in such individual transactions, it is still about individual cases. Grand corruption grew up during the transformation from communism to democracy in the early 1990s (Sandholtz and Taagepera, 2005) and, thus, the emergence of the oligarchy. The oligarchs built and strengthened their position by taking full control over industry by paying bribes to politicians and to prosecutors.

Thereby, they effectively reduced possibilities for fair business. And more importantly, they impoverished the middle class, which constitutes the most important factor in building new business and thereby contributing to the economic development of Ukraine (Matuszak, 2012). The pervasive grand corruption also led to a governmental culture, known as kleptocracy, especially during the presidency of Victor Yanukovych.

Historically, since the early days of the communist period, petty corruption has been culturally anchored (as a cultural issue – not a cultural value). Due to the weak public economy, the government could not afford to pay reasonable salaries to the large number of civil servants; Stalin needed a huge number of controllers (“apparatchiki”) in the bureaucracy (Rowney and Heskey, 2009). Corruption became “accepted” as a natural supplement to their income, both within the bureaucracy and in society. In the post-communist period, public officials have become even more dependent on corruption, due to the increased cost of living (especially in the three last years) combined with a minimal increase in salaries. And, through their economic dependency on corruption, employees also had to show loyalty to their leaders’ complicity in grand corruption.
Common, to grand and petty corruption, is the damaging effect on society:

- Grand corruption, through its negative influence on democratic development and business investments, destroyed the national economy and increased poverty.
- Petty corruption among a significant part of the five million civil servants has a negative impact on business investment, as it has become an obstacle – not a service – for entrepreneurship.

Petty corruption in the public sector has led to low competence (limited to minimum performance of one’s own function) and low performance among its officials. This organization of competence is optimal for corrupt activities in a bureaucracy. It results in low service quality and low branding/trust in public services. In a survey from 2015, respondents’ trust in a corruption-free public sector was between 3% and 20%, depending on the kind of service (Corruption in Ukraine, 2015). Another and even more serious consequence of petty corruption is the lack of economically sustainable services, caused by overcrowded and ineffective organizations. And (as the scope for this article), to improve the financial sustainability of services, the public sector needs to conduct major organizational and cultural changes, in line with the recommendations from the European Council, stated in their convention against corruption from 1999.

B. Combating corruption in general

To stop and prevent further grand corruption, Ukraine has established:

- A national anti-corruption bureau (NABU in 2015) to investigate and bring to court executed corruption
- A national agency for corruption prevention (NAPC in 2016), in line with recommendations from the European Council.
The main target groups for these agencies are oligarchs, prosecutors, politicians and senior officials. As a contribution to more effective investigations, NAPC has implemented an electronic system for the declaration of assets among prosecutors, senior officials and politicians. With this information, changes in their private finances will be more accessible to investigations.

In the first year, there have been several attempts by corrupt politicians to reduce the mandate of NABU, but it now seems that NABU has achieved the necessary independent platform to ensure effective investigations. Nevertheless, they struggle with their independency, because of the ordinary judicial system, mainly consisting of corrupt prosecutors. The establishment of NAPC started with the implementation of electronic asset-declarations, based on recommendations from the European Council. Due to start-up problems with this system, there is, to date, no official published strategy from NAPC on objectives or strategies for how to prevent corruption, except their support for educational activities in building knowledge and anti-corruption attitudes among the younger generation – as a long-term goal.

All major international organizations like the International Monetary Fund (IMF), World Bank (WB), United Nations (UN), the Organization for Economic Co-operation and Development (OECD) and the European Council, as well as corruption legislation in the US (Foreign Corrupt Practices Act, FCPA) and the UK with its Bribery Act, recommend the use of cultural and organizational means (development of performance) as necessary supplemental and integrated dimensions in combating petty corruption, combined with the investigation of grand corruption. Despite these recommendations, the Ukrainian Government has its sole focus on the investigation of grand corruption (and, to date, they also have problems with this combating dimension).
To achieve a lasting preventive effect, corruption must be combated in three dimensions:

1. A continued investigation and prosecution of grand corruption. The higher the pressure there is on investigations, the higher the risk of being caught, which in general has a preventive effect.

2. The imposition of new systems for public sector processes (taxation, procurement, etc.). The use of computer-based processes, to a certain extent, gives greater transparency and, thus, a higher risk among officials of being caught. Transparency by electronic processes will also strengthen the efficiency of investigating corruption. But implementing electronic systems must be followed up with organizational adaptations to ensure the necessary efficiency and processes to make behavioral changes. Otherwise, public officials will soon find ways of bypassing the systems.

3. The prevention of petty corruption in the public sector through organizational development (OD), within the frames of cultural changes. OD is a resource-intensive and demanding process, but success in OD-processing represents the only dimension that gives a lasting preventive effect, as the processing impacts the behavior of the individuals in the organization.

While investigations constitute the external dimension of combating corruption and the implementation of electronic processing systems represents organizational “top-down” processing, OD needs to be implemented as hierarchical “bottom-up” processes, which means that employees are given an equal kind of influence on both the conditions and the content of the processes. They should even have the possibility of initiating processes themselves. Only in that way will broad engagement and loyalty be created, and the employees will achieve “ownership” of the solutions of the processes – and ownership is crucial to bring about the collective reduction of corrupt behavior, also among managers.
When employees realize that their new kind of process gives them positive results, they will, to a greater extent, become loyal to the solution and adapt their behavior as a natural part of their new working culture. Corrupt behavior will inevitably be perceived as unethical behavior (as a breach of the culturally based codes of ethics).

As well as being an effective tool for changing behavior, “bottom-up” processes will also have a preventive effect on grand corruption. By improving organizational issues, the staff will more easily be able to reveal grand corruption among senior officials and, thus, have opportunities to report it (by whistle-blowing). However, reporting concerns or giving warnings by means of a whistle-blowing concept demands a good compliance-functionality and a significant change in culture. To succeed in combating corruption in Ukraine, it is important that all three dimensions can work effectively over time – and in parallel. Then they will have a reinforcing and complementary effect on each other.

C. Combating corruption through organizational measures

To process effective OD, in order to combat petty corruption, we need to understand what cultural change is about, how cultural change works as an integrated activity within OD and how to process cultural changes. After this initial description, I will describe some main prerequisites for succeeding in OD-processing (to both change the culture and improve performance) and their content.

Furthermore, I will describe how the public sector can obtain success by OD-processing, due to the fact that the huge public sector does not have sufficient knowledge-resources to run such processes themselves. In the last section, I will describe various proposals for legislative changes that should be addressed by the lawmakers of Ukraine to ensure the legal framework which will be necessary to implement the results of OD-processes.
D. What is a cultural change process about?

The core elements of a culture are its values, norms and perception of the realities (in both their internal and external environments) (Bang, 2011). Among the three core elements, firstly, the norms – the unwritten rules for behavior – constitute whether there is an acceptance of corruption or not. To change norms, it is necessary to analyze existing norms and the extent to which they affect behavior.

Normally, cultural norms grow up as a consequence of performance, decision-making, service attitudes and how these are followed up by the management (with sanctions, rewards, etc.). Furthermore, the greater the focus the organization places on the codes of ethics, the more the cultural norms will be in line with the ethical program. The compensation system has a significant impact on the development of cultural norms (by the rewarding of a certain kind of behavior). In fact, there are many compensation policies and performance-management programs that are deliberately developed in order to build a more business-oriented culture.

Descriptions of the two most important cultural norms, which especially characterize public organizations, follow:

a. Working structures in public bureaucracies in Ukraine are often designed to prevent insight and understanding among co-workers. Such structures strengthen the single official’s power and possibility to act corruptly towards the client.

b. Employees’ loyalty to management is normally much stronger than their loyalty to their services and to the society they serve (because of the culturally determined corruption).

Both characteristics concern organizational performance or the lack of it, and this negative culture can only be combated by conducting effective OD-processes. Developing a culture – and cultural norms – is often a lengthy process. It must be the
employees’ experience that behavior in line with the norms will have a positive effect for them. That is why the behavior of managers themselves is important. The management must act in accordance with the norms they want to develop, as they are the role models.

E. **How to succeed with anti-corruption as OD-processing**

Succeeding with anti-corruption projects in the public sector demands a process with full commitment to the organizational objectives. To achieve positive engagement with OD and the result of this processing, the process needs to:

1. Be democratically organized (“bottom-up”) and professionally facilitated.
2. Have a focus on business-related objectives like performance, competence, work-structures and service quality, including a focus on the codes of ethics and how to follow up these codes (the compliance function). But the correct content of a process may vary from one organization to another, depending on local conditions, type of service, complexity and number of staff.

In general – based on the situation in Ukraine – the OD-processing should be divided into two phases:

1. Processing traditional OD by focusing on performance and competence, ending up with an optimization of the work-structures. In that way, management will have the opportunity to train for change-management on harmless topics, giving more positive attitudes and acceptance among employees, which is crucial for building ownership of the solutions.
2. In a later phase, when these measures are well adopted in the organization, management can focus more directly on specific aspects of petty corruption, their adverse effects and how to protect against them.
F. The processing

In general, anti-corruption projects must be based on the following steps:

1. Achieve full commitment among management to implement OD, based on democratically oriented processes. The management needs to:
   a. Understand the mechanisms for collaborative processes.
      Since the system of labor union is underdeveloped as collaborating units in Ukraine, it will often be necessary to establish a specific collaboration unit, to ensure commitment among employees to the development processes. Members of this unit should be selected from individuals in whom colleagues have a good level of confidence.
   b. Increase the competence among management in Human Resource Management (HRM) in operationalizing the HR policy and especially in motivating for changes. To succeed, managers should understand the principles of the change management concept.
   c. Build a collaboration unit for administering and coordinating processes.
   d. Give full support and loyalty to the anti-corruption processes and act according to the principles they want to obtain. Unless they do so, they must face the choice of being fired, as the public sector cannot accept corrupt management.

2. Conduct analysis of the organization, its structure, power relations, competence, level of performance and culture. This analysis will form the basis for the design of the project.

3. Conduct a risk assessment, to know how to impact the OD-processing by integrating the focus on the most concrete and the most destructive elements of corruption.
   The most concrete topics for processing will be:
   a. Evaluate work structures and eventually reorganize these for greater transparency, by using more team-oriented structures. Effective work
structures are also recognized by the optimal delegation of responsibility. Such processing requires basic knowledge in organizational structuring, especially within service business.

b. An important obstacle to transparency is poor and narrow sector-limited competence. Developing more holistic service competence will lead to a better understanding of the service business, thus giving the possibility of revealing corruption in work structures.

c. Performance. All experience shows that strong attitudes to performance and service quality inevitably lead to less risk of corruption.

d. Developing codes of ethics and a functionality for acting in accordance with these codes (compliance) will be crucial in building a new culture. The more the employees focus on ethical dilemmas and how they deal with them, the stronger their new business culture will be.

As important as designing codes of ethics is building procedures for how to be aware of and reminded about them and how to ensure that there is a commitment to ethical behavior. For this purpose, depending on the size and complexity of the organization, a compliance function should be implemented, to control and guide on corruption issues.

e. Last, but not least, all organizations should conduct a process to implement effective routines for whistle-blowing. When an employee discovers or is concerned about corrupt issues, he or she should report the concern to a compliance function – or the top management – without any fear of retaliation. The management or the compliance officer has the responsibility for the implementation of clear and fair routines for reporting concerns and for detecting and punishing corruption. This must be performed in a way that protects both the whistle-blower and, ultimately, the person that is innocently accused. Moreover, it will be crucial for the effect that the leadership gives guidelines and thorough information about the purpose of the whistle-blowing system.
Experience from Western countries shows that whistle-blowing has been an accepted part of their business, due to good legislation and good practical implementation of routines in individual organizations.

4. A useful tool for ensuring the lasting effect of anti-corruption work (obtain a permanent change of behavior) is to establish independent agencies (maybe organized by NAPC) for certifying purposes. The ISO (International Standardization Organization) in Switzerland has come up with a new standard for preventing corruption (ISO 3700). However, although this standard will be too complex and too expensive for public organizations in Ukraine, it should not be difficult to design a light version of this standard and develop agencies with a high level of integrity to perform revisions of this certification.

Experience from Western Europe is entirely positive (except from the perspective of the complexity and high workload). The consultants are often perceived more as coaches than inspectors, having a positive impact on total productivity. The consultants are mostly well accepted by the employees of their clients and help in keeping a focus on ethics through their periodical certification processes.

G. About risk

In the main, two aspects are connected to risk:

1. Criminals will always calculate risk: how great is the risk of being caught in relation to the gains from corruption? Because of the high level of corruption in Ukraine, criminals have a very low threshold for carrying out corrupt acts. However, by combating grand corruption, the investigation methods of NABU have generated a significant higher risk for the criminals. We observe that more criminals are brought to the courts, and the introduction of electronic
declaration has also led to a higher level of nervousness, especially among politicians.

2. To reduce the enormous amount of petty corruption in the public sector (in both quantity and number of variants), many systems have been implemented for public procedures, decision-making and financial transactions. The transparent effect will lead to higher risk among officials, as their electronic signature will make internal and external control more effective.

The compensation system and the level of salaries is the highest risk factor for continuous petty corruption, as corruption represents a significant part of their income (ref. to Abraham Maslow’s (1943) Hierarchy of Need: “If you don’t have enough to cover your physical needs, neither job nor legislation matters” and no risk calculation will be conducted).

Individual organizations should address this challenge, but, today, salaries within the public sector are set by the central authorities, with no possibilities for local impact. When computer-based systems have been implemented with effective organizational adaptations, the systems will give a higher degree of transparency, and, through complementary OD-adaption, there will be a change towards more business-oriented behavior, making risk calculations irrelevant.

As an organization cannot protect against all kinds of corruption (that would be too costly), priorities must be set. After a decision on priority, ordinary OD processes must be conducted in order to achieve consensus on measures and how to use them.

When the collaboration unit works effectively, the management should also use this unit for risk assessment. As a result of organizational analysis and experience, the unit will come up with a range of activities that are exposed to corruption. From this list, they need to assess:
a. How likely is it that corruption will be committed within this topic?
b. What are the economic consequences of corruption within this topic?

H. Compliance with the codes of ethics

Compliance policies and programs have become a natural part of the anti-corruption work in private business in the last 10-15 years, especially in the big corporations. A compliance policy provides clear guidelines for the need for anti-corruption work, how the ethical guidelines have been followed up and how compliance shall be developed and organized, and it states the consequences of not complying with the ethical guidelines. The policy should also emphasize the management's commitment to the code of ethics and how to organize the compliance function.

A compliance program will describe in detail:

- How risk assessment shall be organized and conducted periodically
- How the leadership will commit to the anti-corruption work in general and compliance in particular. The leadership should:
  - Ensure ongoing awareness of compliance
  - Monitor and evaluate the effect of compliance
  - Discuss specific cases
  - Train on dilemmas
  - Search for trends and new requirements/guidelines
- The systematic analysis of anti-corruption attitudes and, ultimately, cases among partners, suppliers and intermediaries (due diligence)
- Training and communications. These are a crucial part in achieving compliance. Training programs should be mandatory for all new staff and repeated periodically for all
- Special training for particularly vulnerable jobs like purchasers, etc.
- A special focus on dilemma training in the training programs

For large service hierarchies, jobs should be set up as compliance officers.
A compliance officer will normally have the following responsibilities:

- Development and revision of internal policies
- Training employees and third parties
- Risk assessment and measures, also for external relationships
- Contractual terms
- Ongoing advice to the organization, including interpretation and understanding of internal and external requirements
- Ethics committees in management groups
- Ethics helpline. Also, for third parties
- Updates about trends and new legal requirements

A compliance officer needs to have an independent role in the organization, reporting to either the director or the board. If the organization is to be certified for their anti-corruption work, the compliance officer will be the natural point of contact for the certification agency.

I. Motivational and controlling activities

Because corruption provides a significant supplement to the income, motivating employees – and management – to eliminate their gains from corruption by changing behavior will be a big but not impossible challenge. Motivation is crucial for the effect of OD:

a. To obtain acceptance for OD
b. To achieve a real engagement through all the OD-processing
c. To end up with changed behavior as a result of the processing.

All experience shows that, if you do not achieve a motivated (committed) staff, the solutions will have limited or no effect, and the corrupt behavior will remain.
The other way of changing behavior is by using the so-called “Saakashvili-method”: firing all the staff (police officers) and replacing them. Such a solution is impossible in most other parts of the public sector, due to the need for continuous competence and performance.

However, obtaining real motivation (even without changing salary-systems/levels) can be achieved by combining motivational factors with strengthened control mechanisms. This combination may seem paradoxical, but, properly managed/facilitated, it has a good chance of working and working well too.

Science has shown that one of the most important conditions for changing culturally determined behavior is through external or internal threats to continued “business-as-usual”, like the situation we have in Ukraine today.

As already mentioned, the most important control mechanisms can be:

1. Implementing software applications for public procedures. Thus, we not only remove a lot of physical corrupt contact between the official and the client, but the electronic signature of the official will be easily verifiable.
2. Implementing whistle-blowing will be an effective kind of internal control, due to the more transparent and competent working environment
3. A more active and system-oriented use of internal control and external revision
4. Certification procedures will, besides giving better work-organization, also have a control function for the single official

Typical motivating factors are:

1. To be involved in OD-processing, and thus given the feeling of being a central part of the business, is an overall motivational factor
2. To be given greater responsibility through work-organization, changed from hierarchical to more flat structures
3. To be given better competence to ensure employees have a more holistic understanding of the business

4. More effective organization and adapted HR policies will give employees better opportunities for making a career within the organization.

### J. Actual support in combating corruption in the public sector

The public sector represents complex bureaucratic organizations, often with more complex objectives than we find in private business. To manage other people’s money, to ensure good welfare, is a demanding and detail-oriented political and administrative job.

In general, there is a significant lack of knowledge and experience in processing organizational development because of limited experience (lack of performance focus). To develop human resources (their competence, performance and ethics), in line with the objectives of the service, only by using their own knowledge base, is a major (if not impossible) challenge.

Hiring professional consultants will be out of the question because of the limited amount of this kind of resource in Ukraine and because of the high level of cost for such services.

The only way to access professional knowledge in OD and HRM at a reasonable cost is to hire professional resources from the regional universities and similar knowledge-based institutions. Such a solution has many advantages:

a. Universities are located in all counties (oblasts). Therefore, they can also be more flexible in the use of their resources.

b. In general, universities already have good relations with local government, which is important for achieving the necessary trust between client and consultant.
c. The universities possess professional knowledge with certain limitations: their practical use of the subjects in consultancy and (in general) a lack of competence in organizational culture. But these shortcomings will be easily reduced by initial training.

d. As consultants, the teachers (eventually assisted by master students) will provide the clients with greater knowledge transfer than private consultants can offer, due to their special approach as consultants.

e. Through consulting, teachers will acquire more practice in the subject and, thus, also provide better education to their future students.

f. By being used as assistants in the consultancy, students will also obtain a better picture of the public sector (as for many it will be the future workplace, also as managers), and the project can provide scope for their master thesis.

g. Consultancy provided by universities will have a cost level that public organizations can afford. This is documented by the fact that many local governments already pay for their educational services (management training, public administration, etc.).

h. The overall objective for the consultancy will be to improve interaction between the education system and local society, being beneficial for the society as a whole.

To date, pilot projects are planned, in order to develop professional consultancy in OD/HRM for anti-corruption purposes, within three universities (L'viv, Odesa and Kharkiv), each consisting of five future consultants.

They will be trained in all phases of consulting (marketing/sales, organizational analysis, management development, facilitation and evaluation), besides being given necessary technical updates within HRM and OD subjects and in anti-corruption issues.
K. Desired attention and support from the lawmakers

To follow up local OD projects and contribute to their success, it will be particularly important if central authorities could contribute with the following measures:

1) Give recommendations to the top-level management of different public services for carrying out local OD projects by using this concept.

2) Provide a strengthened regime of control and ensure support from NAPC, especially in building independent agencies to perform certification processes according to a Ukrainian light version of ISO 3700.

3) Enter into force the drafted law on “Whistle-blowing” and, through that, also ensure effective functionality for all organizations that the law shall cover.

4) Provide a clearly stated policy from the government and the local public organization on how to follow up redundant staff as a result of the OD processes, due to better organizational performance.

5) Conduct a process to change the laws for the compensation policy and salary systems for public officials, including delegating more responsibility to local governments.
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CHAPTER 3. ANTI-CORRUPTION POLICY IN THE SPHERE OF HIGHER EDUCATION

Victoriia Kolomiiets

Recent transformations in the social and economic sphere in Ukraine have raised the question regarding the presence of corruption abuses in all areas of life, including the area of higher education. Over the years and centuries, there have been corruption schemes in society. Therefore, fighting against corruption in higher education is a rather complicated task within Ukraine. However, fighting against corruption is one of the principles of building a stable and strong state. Ukraine seeks the same. Many scientists and experts in various fields of the national economy are dealing with the problems of studying corrupt practices.

Many questions remain unsolved, many questions remain debatable and many questions remain unstudied. Questions concerning the identification of new corruption schemes in the sphere of higher education, the development of effective ways of fighting corruption, and an anti-corruption policy in the sphere of higher education have become real. The goal of the research is to consider possible ways of fighting corruption and to suggest directions for an anti-corruption policy in the sphere of higher education, based on the analysis of corrupt practices in higher education.

In order for society to fight the phenomenon of corruption, it should clearly understand all the negative consequences from it or the synergistic overweight of negative consequences for society as a whole, compared to the positive results for the individual citizen. Thus, Pustovalova (2011) in her studies draws attention to the fact that the formation of legal awareness, including anti-corruption consciousness, is one of the focuses of youth policy. Young people's attitude towards corruption and their perception of corruption is the indicator of the level of legal awareness. Proper
understanding of the law and strict compliance with the law is that basis, which directly affects the dynamics of the implementation of corrupt relations in society.

The main goals of the implementation of an anti-corruption policy in the higher education system are (1) the minimization of the risk of involving the entire system and its separate components, subjects and objects, management and employees in corrupt activities; (2) the formation of people’s understanding, regardless of position, of the unacceptability of corruption in all its forms and aspects; (3) the compilation and explanation of the basic requirements of the legislation in the sphere of fighting corruption. A number of foreign countries have developed anti-corruption policies in all their higher education institutions.

Chernenko (2016) names the following reasons for corruption in the field of education:

- Imperfect legislation and gaps in the legal regulation of the education sphere.
- The disadvantages of organizational and control mechanisms.
- The presence of a number of social and economic problems, which have not been resolved for a few years.
- Lack of a consequential and systematic approach to fighting corruption in education.
- Underdevelopment of civil society institutions.
- Civil irresponsibility.
- Low level of citizens' ideology.
- Lack of transparency in the education system as whole, the lack of effectiveness in budget spending (lack of public and independent examination of decisions made).
- Lack of effective mechanisms for society to influence the education system management.
- Inability of higher education institutions to lean from other’s experiences.
I have determined the list of corrupt practices and areas of potential abuses in the sphere of higher education. The forms of corruption and economic crimes in education are:

- Diversion and embezzlement of public funds.
- Abuse of office.
- White collar fraud.
- Bribery: the taking and giving of bribes.
- Fabrication and use of false documents regarding education.
- Use of false higher education diplomas.
- Overlapping positions of state and municipal service with positions in commercial organizations.
- Payment for services, the nature of which is not defined or is questionable.
- Giving of expensive gifts, payment for transportation, entertainment services.
- Questionable payments in cash.
- Drawing up of unofficial books of accounts.
- Use of false documents.
- Entries of non-existent expenses.
- Lack of primary accounting documents.
- Corrections in the documents and statements.
- Destruction of documents and statements before previously fixed time limit.

An insufficiently developed legislative framework in the sphere of anti-corruption leads to certain difficulties in the implementation of an anti-corruption policy and the fight against corruption in the higher education institutions. Research has shown that, in the higher education system, the only document that partly regulates anti-corruption inspections is the Order of the Ministry of Education and Science, Youth and Sport of Ukraine “On the order of the special audit statements on education, the availability of a scientific degree, scientific rank of the person, authorized to perform the functions of the state or local self-government” – Order of the Ministry (2012). In other cases,
higher education institutions should use common non-core legislative acts to organize and implement their anti-corruption policy. Naturally, this situation makes it difficult to realize the full range of measures for fighting corruption in the higher education system. Similar circumstances exist in other areas of the economy of Ukraine. This is due to the short period of actualization of the problem of fighting corruption. During this short time, it is physically difficult to develop specialized laws on the fight against corruption in each specific area. Therefore, currently, it is appropriate to use the explanations of lawyers.

Ways to counteract corrupt practices and a range of measures to fight corruption in higher education should include:

- the development of a separate anti-corruption policy for each level in the sphere of higher education (the state; Ministry of Education; provincial department of higher education; higher education municipal authorities);
- the development of an anti-corruption policy in the field of higher education for public institutions, in order to minimize corruption;
- the regulatory support of work on the fight against corruption in higher education;
- the formation of a system of legislation in the fight against corruption in education (securing the powers of public institutions to ensure the functioning of the anti-corruption system);
- informing higher education institutions on the ways to fight corruption in the sphere of higher education;
- informing higher education institutions on the steps and measures for fighting corruption and preventing corruption in the sphere of higher education;
- defining the main principles of an anti-corruption policy in the sphere of higher education;
- providing all the participants of the educational process with informational assistance on potential acts of corruption in the sphere of higher education
and on the measures for preventing and combating corruption in the sphere of higher education;
- involving the institution’s employees in the implementation of anti-corruption standards and procedures;
- the formulation of an anti-corruption policy at each higher education institution, aimed at preventing and combating corrupt offenses in the activities of the educational organization;
- engaging students and their active participation in forming and implementing anti-corruption standards and procedures;
- reviewing the educational process in the institution of higher education as an essential part of the continuous system of forming anti-corruption consciousness;
- the development of an “Anti-corruption policy of the higher educational institution” section on the site of each higher educational institution, ensuring the opportunity for feedback;
- the formulation of rules that govern the issues of exchange of business gifts and signs of business hospitality;
- the formulation of standards of behavior of the employees of the institution of higher education;
- the introduction of anti-corruption provisions in the employment contracts of employees of higher education institutions;
- carrying out extensive inspections on the validity and legality of the distribution and spending of budget funds allocated for implementing government programs;
- carrying out extensive inspections on the validity and legality of state property usage, followed by a detailed analysis of the results.

Ukraine’s anti-corruption legislation does not yet include legal responsibilities of organizations to develop and adopt measures to prevent corruption. I consider it appropriate to set an obligation for institutions of higher education to formulate and
use appropriate measures to prevent corruption. The measures recommended for use in higher educational institutions must: be recommended for the departments or officials responsible for the prevention of corruption and other offenses; contain the procedure for the organization to cooperate with the law enforcement authorities; contain practical standards and procedures, aimed at the honest work of the organization; contain the standards of employees’ work aimed at preventing and resolving conflicts of interest, preventing the drawing up of unofficial books of accounts and the use of false documents.

At the legislative level, specifically for each member of the scientific and teaching staff, I suggest determining the extent of liability for corruption offenses. This will increase the individual liability of workers in the higher education sphere. The liability of the worker does not exclude the liability of the higher education institution, in which such an employee works.

Research has made it possible to determine the list of corrupt practices and the areas of possible abuse in the sphere of higher education; the levels of abuse in the sphere of higher education have been researched.

An analysis has been made of corrupt acts at the various levels of education, and the potential positive and negative consequences of the corrupt acts in the sphere of higher education have been discovered. Ways to resist corrupt practices and a set of measures to fight the corruption in the sphere of higher education have been developed. Directions for an anti-corruption policy in the sphere of higher education have been offered. It is suggested that an obligation for higher education institutions to create and adopt measures to prevent corruption, as well as the level of the liability of each member of scientific and teaching staff for corruption offenses, should be set at the legislative level.
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Order of the Ministry of Education and Science, Youth and Sport of Ukraine (2012) “On the order of a special audit statement on education, the availability of a scientific degree, scientific rank of the person, authorized to perform the functions of the state or local self-government” (In Ukrainian).

CHAPTER 4. THE ROLE OF EDUCATIONAL INSTITUTIONS IN ANTI-CORRUPTION ACTIVITIES IN UKRAINE

Viktor Soloviov

The violent crackdown on the peaceful students' demonstration protesting Ukraine's refusal to sign the Association Agreement with the EU in November 2013 and total corruption led to mass national protests and the toppling of the then President Viktor Yanukovych's regime. The proportion of students participating in revolutionary events was 13.2%, more than half of whom had come to Kyiv from other cities. This is confirmed by the results of the survey conducted by the Democratic Initiatives Foundation. For comparison, the number of students in Kyiv in 2014–2015 made up 13.4% of the total quantity of student-age youngsters.

The main priority for society after the revolution was the fight against corruption. In 2014, with the help of public organizations, new anti-corruption legislation was adopted. This included the Law on Prevention of Corruption, the Law on the National Anti-Corruption Bureau of Ukraine, the Law on Principles of State Anti-Corruption Policy (Anti-Corruption Strategy) for 2014–2017, the Law on Amendments in Certain Legislative Acts in the Area of State Anti-Corruption Policy with regard to Implementation of the EU-Ukraine Visa Liberalization Action Plan, the Law on Amendments to Certain Legislative Acts of Ukraine Regarding Identification of Final Beneficial Owners of Legal Entities and Politically Exposed Persons, etc.

This legislation led to the creation of the National Anti-Corruption Bureau, a law enforcement agency aimed at combating corruption among the state’s highest-ranking officials; the Specialized Anti-Corruption Prosecutor's Office, which monitors the bureau's activities; and the National Agency for Prevention of Corruption, a collegial body responsible for the formation and implementation of the state anti-corruption policy, verification of declarations and lifestyles of civil servants. Additionally, there
arose an advisory and consultative body under the President of Ukraine, the National Council for Anti-Corruption Policy; the selection of staff for the National Agency for Search and Return of Corrupt Assets is underway.

The National Security and Defense Council received additional powers, as it coordinates and controls the activities of executive bodies aimed at combating corruption. Likewise, prosecution agencies and the national police and security service of Ukraine take anti-corruption measures. On top of that, there is a plan to create the High Anti-Corruption Court and the National Bureau of Investigations, which will fight corruption in the bureau and the Anti-Corruption Prosecutor's Office.

According to the Register of Public Organizations, in Ukraine there are nearly 170 registered public organizations, which use the word "corruption" in their name. Almost all national channels have programs of journalistic investigations, which disclose corruption schemes and reveal the financial condition of politicians and state officials and their luxurious way of life. Despite the above-mentioned efforts, the level of corruption in Ukraine continues to remain high. According to Transparency International, in 2017, Ukraine was awarded 30 points and occupied the 130th position among 180 countries, having improved its result by only one point.

The inefficiency of anti-corruption activities is also confirmed by the research “Global Corruption Barometer” (2017). To the question “How well or badly would you say the current government is handling the following matter: ‘fighting corruption in government’?”, 46% of Ukrainians answered, “very badly” and 41% “fairly badly”. This means that 87% (net “badly” responses) of people are dissatisfied with the government’s fight against corruption in Ukraine. Only Madagascar (90%) and Yemen (91%) have worse results.

That is why the question arises: "Why have such considerable changes in the legislative and institutional provision not led to a reduction in state corruption?"
A widespread opinion among experts is that corruption is a mental trait of the population, connected with a tolerant attitude towards this negative phenomenon. In fact, there is statistical proof of this problem. According to the research of Kyiv International Institute of Sociology (2015), only 37.4% of the population consider that corruption can never be justified. Nearly a third (27.5%) notes that in most cases corruption may not be justified, and 22.3% justify corruption.

Tolerance of corruption is also confirmed by the research of Ilko Kucheriv Democratic Initiatives Foundation (2018): in the assessment of the corruption dynamics in Ukraine, compared to 2014, negative trends prevail somewhat. Specifically, according to 44% of those polled, corruption significantly or slightly grew, while only around 4% noted its decline (nearly 39% consider that it remained at the same level). A third of those who gave a bribe over the past year did so because, in their opinion, if they did not do so, their problem would not be solved, while around 40% did this to solve their problem more quickly (that is, the problem would eventually be solved, but not as quickly as desired).

On the one hand, tolerance might be explained by inefficiency of the punitive function of the state. According to official statistical data, 35 people were sentenced to imprisonment in Ukraine in 2014, 59 people in 2015, and 32 people in 2016. Only in 2017 there is a 3.4 times growth to 107 people (see Figure 1).

The statistics show an imbalance between senior people arrested and brought to justice and the rest. In 2016, the former head of the local council in Cherkasy Oblast (one of the regions in Ukraine) was sentenced to eight years in prison, the chief enlistment officer to seven and a half years, the head of a village council, the head of district tax-unit, a soldier, and a senior specialist to five years. On the other hand, ideological education of the population as a mechanism of corruption prevention plays an important role.
A high level of corruption, as well as tolerance, is also explained by the lack of political will among the country's leaders to fight this phenomenon. It is important to mention that the availability of will depends not only on a politician's or civil servant's own beliefs but also on pressure, control and the participation of the public in the adoption of policy decisions.

The problem of corruption worries Ukrainian students – although, for them, it is not the main problem. According to Volosevych et al. (2015; p. 57), representatives of Ukrainian youth are concerned first about the threat of war and terrorism (56%), with economic instability in second place at 52%, and corruption and the fact that the law does not exist for officials and wealthy people in third place at 47%.

![Figure 1. Fight against corruption in Ukraine – positive dynamics](image-url)
Overall, youth is not indifferent to cases of corruption and is ready to act as a whistle-blower. When questioned about voluntary participation in public initiatives on combating corruption (by informing the media, prosecutor’s office, police about respective cases) over the last 12 months, 5% of respondents answered that they had taken part in such activities; although 55% had not taken part, they showed interest; 36% thought such public activities were not engaging, and 3% spoke against such actions.

However, only 18% of the polled students wished to join voluntary activities aimed at improving the governance system, fighting against corruption, updating public service and promoting reforms, and only 4% had such experience. Answering the question of what prevents them from more active participation in public work, 33% of the polled young people noted that they worked a lot and did not have enough time; 20% of respondents said they did not believe that their participation could change anything, and 7% showed that nothing prevented them from being engaged in the public work.

Consequently, students do not, in fact, take part in public anti-corruption activities. Therefore, the significance of the role of educational institutions in educating active, honest, politically conscious, highly moral, patriotic members of society is extremely high. Currently, the educational paradigm in the world is undergoing fundamental changes. Due to the expanded opportunities in access to information, educational institutions should mentor students not only in their future profession but also in the understanding of processes, laws and principles of functioning of the world, state and society.

The role of educational institutions in anti-corruption activities can be singled out into the following areas:
developmental - forming zero tolerance to corruption, cultivating human decency, teaching ethical norms, figuring out life values. Larssen (2017; p. 43) considers that "A person who has not built up consciousness and thought over his/her values, hesitates and makes wrong decisions more often". In 2015, the Strategy of National Patriotic Education of Children and Youth for 2016–2020 was adopted; it is aimed at the formation of a citizen as a highly moral personality, honoring Ukrainian traditions, spiritual values, having corresponding knowledge and skills, capable of realizing his/her potential in the conditions of a modern society, embracing European values, ready to perform the duty of protection of the motherland. Unfortunately, the strategy mentions nothing about the moral values of a person, the ethics of behavior in society, the importance of human decency and so forth. It testifies that it is necessary for the state to take a closer look at the formation of ethical standards in society;

expert - conducting public anti-corruption examinations, aimed at showing corruptogenic factors in regulations, which promote corruption offenses. Such activities can be introduced in jurisprudence departments in the form of practical tasks. It might be useful, not only for students who will be able to enhance their knowledge of rule-making, but it could also yield a public benefit in the form of corruption prevention. Until recently, this type of examination was carried out only by three public organizations on a permanent basis and only at the central level; the involvement of educational institutions might allow this practice to be extended across the whole of Ukraine;

educational - receiving profound professional knowledge on the prevention of and fight against corruption, which can be useful for training specialists in anti-corruption agencies and public organizations. Despite the fact that
the Occupational Classification identifies such professions as an Anti-Corruption Officer and Anti-Corruption Specialist, no educational institutions in Ukraine are involved in the training of such professionals. It is important to note that, after the selection of detectives to the National Anti-Corruption Bureau, their training was performed by the National Academy of Internal Affairs. Anti-corruption activity is interdisciplinary. It includes elements of law, economics, political science, sociology, psychology, public administration and so forth. It is unquestionable that professional activity on corruption prevention needs both theoretical and practical knowledge of these disciplines. Today, as a rule, the participation of educational institutions in anti-corruption activities comes down only to the holding of conferences and the preparation of scientific publications. However, researchers’ topics are chosen based on the personal interests of the scientists or the general topicality of questions, and cooperation with state authorities is limited.

With the aim of attracting educational institutions to anti-corruption activities, it is suggested that a training course be introduced, "Preventing and countering corruption in the public administration of Ukraine, promoting human decency and introducing good governance", based on Taras Shevchenko National University of Kyiv, for example, and carrying out an informational campaign directed at the formation of zero tolerance of corruption.

Regarding the target audience, the course is an informational campaign oriented at the employees of law enforcement agencies and the public. The campaign aims to eliminate the tolerant attitude to corruption, raise the effectiveness of the system of corruption prevention, as well as the cooperation of the public with the state in countering corruption. The course is adapted for the training and advanced training of civil servants and personnel from the security and defense sectors.
The course is to fulfill the following tasks:

1. implementation of good governance principles in the public administration of Ukraine;
2. explaining why corruption is a threat to the national security of Ukraine and Ukraine’s national interests;
3. defining the most extensively spread manifestations of corruption and corruption risks in the public service;
4. analysis of anti-corruption legislation; developing specific behavior models in the case of corruption and corruption-related violation having been revealed, especially in an increased corruption risk situation;
5. forming of a negative attitude among students to any kinds of corruption, as well as forming an ability to use the received knowledge in practice / apply the received knowledge.

The anti-corruption course consists of three components: theoretical and practical lectures and tests.

In the theoretical part of the course, the students learn about: the concept and essence of good governance and corruption; people’s understanding of corruption in a historical retrospective; red tape as an environment that breeds corruption; discreet powers, closeness and other corruption risks in public administration; political corruption connected with forming and using the budget; ‘high-ranking’ and low-level corruption in procurement; corruption risks in personnel policy; corruption risks in law enforcement activity; best foreign anti-corruption practices.

The practical part is dedicated to the analysis of the current anti-corruption legislation and moral and ethical norms; responsibility/liability for corruption and corruption-linked violations; the powers of the special entities to counter corruption; legislative restrictions aimed at preventing corruption crimes; prevention and settlement of
conflict of interests; filling in the declaration on property, income, expenditure and financial obligations; involving the public in the anti-corruption efforts; whistle-blowers who reveal corruption crimes and their protection; specific behavior models in the case of corruption crimes having been revealed; behavior in high corruption-risk situations, etc.

The conducted research shows that public authorities' efforts alone are not enough to minimize corruption; civil society should play an important role in this process. Students usually take an active part in the political and social life of the country. Despite their understanding of the negative impact that corruption has on the development of the state, the share of active participants is insignificant. To motivate youth to anti-corruption activities, educational institutions should become intermediaries between them and governmental bodies. The training of professionals in this sphere is no less important, as well as the role of the education of decent, morally stable members of society, intolerant of corruption.
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This chapter assesses the general trends in scientific project management when it comes to projects funded by the European Union (EU) institutions and the projects of the EU Horizon 2020 program. The chapter starts with a short description of the terminology applied in the context of EU projects, then it describes the application of the logical framework approach (LFA). It further proceeds with the definition of common success factors, approaches to managing the workload. The final section touches upon the EU Horizon 2020 program and explains some of the major evaluation criteria that are applied when the applications are reviewed.

The latter section can be relevant to science, education, research and consulting institutions working with the EU, including Ukraine, which gained full access to the EU Horizon 2020 programme in 2015. According to the European Commission (2015), “Researchers, businesses and innovators from Ukraine will now be able to fully participate in Horizon 2020, the European Union’s research and innovation funding programme, on equal terms with EU Member States and other associated countries”.

This makes it especially relevant to look at some of the common features of EU project management, with potential lessons to be drawn by parties interested in applying for EU grants. This is also relevant to Norway; although not an EU member-state, it has the same rights as member states in terms of participation in the EU Horizon 2020 programme. According to Bourmistrov et al. (2015), “Norway is closely connected to the EU through the EEA agreement. Ukraine can benefit by learning from Norway’s experience in being a full/associate member.”
What is a “project” in EU terms?

In general, EU cooperation in education is project-based. Every EU project, if based on a grant scheme, should be divided into two phases: application and implementation. The first, unofficial, application phase relates to the period after an EU call for proposals is announced and the applicant starts preparing an application for this call. It is labelled “unofficial”, because the applicant engages in a process that may fail in the case of the application being rejected by the respective EU institution. However, in the case of a project being accepted for funding then the official part of project management starts. Thus, the second, official, implementation phase starts after a scientific grant is awarded. During the implementation phase, every project has distinct common characteristics.

First, every project has defined start and end dates. It is important for an applicant to address the issue of time management. EU rules are generally strict when it comes to project implementation and the timeline, and institutions implementing an EU project need to stick closely to the program schedule. EU rules in scientific project management are less flexible than those adopted by other similar grant institutions. Inability to meet the time requirements often results in rejected financial transfers to the grant holder. Moreover, every project outlines a specific scope and cost for the project. These elements need to be considered together during the project implementation phase. In a way, it is up to the applicant to suggest the time frame necessary to realize a project.

Setting a time frame should involve both parties: the applicant and the grant provider. The grant provider (EU institution) defines an overall project duration period (normally two to three years). Then, within a given time frame, the applicant plans certain activities that are necessary for achieving set objectives in the project. As a result, both parties agree on a time scale that suits them and meets all the necessary criteria.
Second, for any scientific EU project, it is necessary that the application offers a product that will be unique to a certain scientific area in both natural and humanitarian sciences. The product can have different forms: a tangible product (e.g. a new smartphone), a service (more efficient caring services for disabled people) or a result (a new digital calculation technique). Thus, it becomes a must for a group of scientists and researchers to investigate in their field of study and/or science and study the existing work on a subject, to be able to offer something that has not existed but has great value and which can help improve the life of society.

A thorough literature review is required at this stage of the application process. Therefore, a new product idea must be offered. Then, the applicants need to show in their application how they plan to achieve this result. The EU review commissions look at the overall feasibility of the activities necessary to meet clearly outlined objectives within a certain time frame and a clear budget. Quite often, the interdisciplinary approach is preferred, and the more scientific disciplines that participate in a project, the more positively it is assessed by the review committee. An example of such a project can be the inclusion of mathematics, sociology, new IT technologies, etc. when producing a unique project.

**Logical framework approach (LFA)**

Örtengren (2004) notes that “LFA, the Logical Framework Approach, is an instrument for objective-oriented planning of projects. The method may also be used for analysis, assessment, follow-up and evaluation of projects. What the method is used for depends on the role of its users and their needs.” The LFA consists of the following elements: programming, identification, formulation, implementation and evaluation (see Figure 1).

The financing decisions of a grant provider are located at the stages of formulation and identification, which belong to the process of proposal review and acceptance or rejection. This can be viewed as a cyclical mechanism within which every project
evolves. The approach is widely used by international organizations such as the Asian Development Bank, the World Bank, the International Monetary Fund and many others. The LFA defines the criteria for success upon which a project is assessed by the donor. Those criteria are defined in advance and they allow for progress to be checked and adjustments to be made if necessary during the project’s implementation phase.

Figure 1. Logical framework agreement

The main strength of this approach is that it considers the variety of stakeholder perspectives. Figure 2 demonstrates the importance of involving different types of stakeholders through different tools, depending on the extent of a project’s effects and results. The major mechanism applied to the most important stakeholders is formed through a partnership, in which stakeholders are viewed as nearly full partners.
Figure 2. Stakeholder engagement approach

Therefore, first the applicant in the application and then the project manager during the implementation phase need to define the different types of stakeholders in a project and describe how they plan to approach and communicate with them. This is viewed as an important element in not only scientific but also all other types of EU projects.

**Success factors in project management**

What are the success factors that define successful implementation of EU projects? First, one must allocate and invest much time in studying the announced EU call in great detail. The correct interpretation of what the call states and requires is a guarantee that the project team will produce a relevant proposal. Often EU calls for applications can be misread or misinterpreted because research teams spent too little time studying the call. Every word has a meaning in the EU calls. Thus, careful and thorough consideration of the call text is a must. The same principle also applies to the implementation phase, if a project is accepted for funding.
One can draw a list of concrete indicators of success that are applied across various projects in different disciplines (Örtengren, 2004):

- The commitment of all parties involved and the project owner’s sense of ownership and responsibility.
- Definite roles for all parties involved (division of work & responsibilities).
- Realism, realistic objectives, specific and clear goal fulfillment.
- Specific links between what is done within the framework of the project (the activities) and what will be achieved (the objectives).
- Capacity, the project group’s ability to deal with risks.
- Flexibility to adjust processes if conditions change.

Projects in which the users (beneficiaries) have participated and which have exerted an influence on the planning of the project.

For any research team that applies for an EU grant, it is necessary to ensure that stakeholders are involved and that they actively contribute to the project during project implementation. This must be presented in a convincing manner on the application form. When applying for the EU Horizon 2020 projects, one must use a standardized application, in which all sections have to be completed and the criteria met. This standardized principle is helpful, as applicants can learn over time how to work with future EU proposals. However, the biggest challenge is applying for the first time. Difficult procedural aspects and specific EU terminology complicate comprehension, for those who have no or little experience with EU projects.

Another important success factor is the need to put in place an administrative system that will serve the needs of the research team and facilitate the administrative burden of reporting to the EU bodies. Thus, every project application should allocate funding that will be used for the administrative personnel. Most often, this task is taken over by the lead applicant in a consortium consisting of partners from different countries.
Furthermore, constant monitoring of the implementation is to be carried out by the lead applicant. However, in practice, this task is to be shared to a certain extent by each member, depending on the respective work package that each partner is assigned to.

At the inception stage, it is necessary to ensure a clear division of responsibilities and requirements for each project partner. Constant communication with project partners should help to remind them to implement their agreed set of specific tasks and objectives. In turn, the division of labor should be based on realistic expectations from all involved parties. It must be remembered that any overstatement or overambitious agenda that exceeds what a project stipulates can be judged negatively. For instance, if the applicant promises to achieve more goals than the project lists, using the same amount of funding, this will be evaluated negatively by the reviewers. The logic behind this is that an overambitious agenda is likely to compromise on the quality of work undertaken. Thus, one must be realistic and sober when assessing the amount of time available for a set of necessary project tasks.

An approach that can help move gradually and successfully towards project implementation is the elaboration of small project milestones that will help constantly assess progress. They will also help to see in advance what can be changed, to ensure that all bigger milestones are reached in time. One can see this as a process in which bigger milestones are divided into pieces.

It goes without saying that one must have competent personnel and experienced researchers to manage the project. Such principles as hard work and thorough attention to every detail are a must in EU projects. If a project team has no experience with EU grant proposals and managing EU projects, it will be extremely difficult for it to win a grant. Nevertheless, there are several solutions to this. First, if project partners lack EU experience, then it can be wise to attract a partner (who can actually play a secondary role in the project), who has experience with EU projects. The partner can
provide helpful advice in both writing the proposal and implementing the actual project. Second, if the budget allows, one can also pay different consulting firms to review the proposal, as well as to assist the project team at different stages. Third, team members can also attend intensive courses and training on writing EU Horizon 2020 proposals and EU project management. Many project teams use one or several of these approaches.

Often one success factor is project sustainability. This principle implies that the project should have a legacy so that its activities are extended, the product used, etc., beyond the project’s implementation period. This must be thought of by the research team in advance and be included in the proposal, with a clear division of responsibilities among the project partners.

Last but not least, in order to ensure that a project is managed successfully, there should be a clear sense of ownership. This implies that parties negotiate who will ultimately own the created product or how the ownership will be shared. Parties should prepare a written agreement on how they see the potential use of this product and how it can be used after the project ends. The EU bodies can also be consulted by the project team, to ensure that the ownership structure is in place and in accordance with EU rules and regulations. It should be noted that, while a common and standardized approach is applied to the ownership principle, there are significant differences when it comes to EU projects in natural and social sciences.

**Evaluation criteria**

Every project application is assessed by the specially assigned EU committee and independent reviewers. Annex 1 (on the EU Horizon 2020 programme: The application process) provides details of the application process. The EU online sources provide detailed step-by-step guidance for the application process. This again needs to be studied carefully, to ensure that the process, as well as the call, is understood by the applying team. If the application fails to meet one formal requirement, the proposal
will be rejected immediately. Thus, it is necessary to check whether all the requirements are met.

When the application is submitted, the following assessment criteria apply: excellence, impact and implementation (European Commission, 2017). Each of these three dimensions has the same number of points that the applicant can obtain, and each constitutes a part on the application form. This helps the applicant to navigate the application.

When it comes to excellence, the reviewers evaluate the objectives of the proposed project and the extent to which they are in line with the goals proposed by the EU in the call. Then, they look at the extent to which the project matches the general Work Programme objectives\(^1\). After that, the evaluators assess the concept, the proposed approach, the soundness of the proposed methodology and the project’s innovativeness.

Then, the reviewers look at and assess the impact of the proposed project. This part is important, as it resonates with the need for a project to make a contribution to society, as described above. Therefore, the team should come up with a convincing impact plan. It should include a detailed description of the activities aimed at proposing measures to maximize the project’s impact.

The third evaluation criterion that is applied is implementation. The reviewers assess the feasibility of the work plan, the distribution of work packages among project partners, the deliverables and milestones. They also assess the management structure and applied procedures, as well as the consortium as a whole.

\(^{1}\) Often a call is part of a bigger EU Working Programme that includes several thematic calls that are tied together by overarching EU interests and agenda.
Annex 1

The EU Horizon 2020 programme: The application process according to the EU Commission

Submit your proposal

- If you wish to respond to a call, you must submit a proposal before the deadline. The Participant Portal has clear instructions to guide you through the process. The system is simpler than ever – no more paper! All proposals are submitted online.

Find your partners

- Many calls require a team of at least three partners. If you need help to identify a potential partner with particular competences, facilities or experience, use the partner search options.

Evaluation by experts

- Once the deadline has passed, all proposals are evaluated by a panel of independent specialists in their fields. The panel checks each proposal against a list of criteria to see if it should receive funding.

Grant agreement

- Once a proposal passes the evaluation stage (five months’ duration), applicants are informed about the outcome. The European Commission then draws up a grant agreement with each participant. The grant agreement confirms what research & innovation activities will be undertaken, the project duration, budget, rates and costs, the European Commission’s contribution, all rights and obligations and more. The time limit for signing the grant agreements is generally three months.
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CHAPTER 6. IMPROVING THE MODEL OF THE PSYCHOLOGICAL SUPPORT OF THE SERVICEMEN AND MEMBERS OF THEIR FAMILIES

Nataliia Filipchuk, Roman Greshko and Oleksandr Saienko

Today, as an educational area, retraining is becoming enormously significant not only for personal development, but also for social mobility. It is becoming the most important factor in the formation of personality and its viability in the difficult conditions of the global information society. The problem of psychological support during studying on retraining courses at higher educational institutions is related to the limited understanding of the advantages and prospects that exist in it. Psychological support for participants in the educational program is considered a multidimensional process, focused on the positive aspects and advantages of the individual, a process that promotes the establishment of faith in oneself and one’s capabilities, increasing the individual’s resistance to destabilizing external and internal factors.

To ensure that psychological support is effective, it should be systematic and purposeful, involve poly subjectivity and personal orientation to personality development, and focus on the individual participant. The traditional system of psychological support for the participants of retraining courses takes into account the andragogical approach, that is, the age characteristics of the students (the group of students is heterogeneous according to their age). The retraining group is formed of retired servicemen and their families – often young people. In addition, socio-psychological factors are considered. They relate to the integration of the participants into the educational environment of a higher educational institution.
Thus, two main ways of organizing the psychological support of participants in Chernivtsi National University are singled out:

- the identification of the patterns of the individual’s creative potential within the framework of a comprehensive program, taking into account its age peculiarities;
- the creation of conditions (general, educational, developmental principles, educational technologies, etc.) for the development of this potential.

However, with the change in the constitution of the training groups, namely the emergence of ATO (Anti-Terroristic Operation) veterans, a change in the conditions for and the ways of implementing psychological support was necessary, objectively due to the veterans’ psychological background, their motivational orientation and the significant exhaustion of their internal resources. In order to construct such conditions, it is expedient to constantly improve the appropriate means, that is, to improve the model of psychological support for servicemen and members of their families.

An integral part of implementing the Norwegian-Ukrainian project, “Retraining and Social Adaptation of Military Officers and their Family Members in Ukraine”, and conducting retraining courses at universities is a system of measures for the social and psychological adaptation of students, based on the professional, social, biological and psychological components of the retraining courses.

Professional adaptation involves familiarizing students with the content and the prospects of their chosen specialty, as well as assistance in adapting to the requirements of the educational process. Social adaptation includes adaptation of the individual to the conditions of the academic group and interaction with the teaching staff, the creation in the retraining group of a healthy moral and psychological atmosphere, and the adaptation of students to the moral and cultural environment of the university.
Biological adaptation involves consideration of the state of the health and psychological properties of a person during the process of retraining. Psychological adaptation involves taking into account the characterological features and qualities of the person in the educational process; measures for correcting the process of students’ adaptation to the conditions of the modern higher educational institution; measures aimed at developing the psychological culture of the listener; measures for forming the individual's identity, and others.

This work requires the involvement of practicing psychologists, who can:

- professionally implement various organizational forms of adaptation with the students, including individual work, group exercise psychological counseling;
- involve students in related socio-psychological projects and training that are being implemented in the Faculty of Economics;
- provide support during students’ participation in academic, cultural and public faculty- and university events.

As a part of the psychological support of the students, a team of psychologists traditionally uses test methods aimed at assessing the main characterological tendencies and personality traits, the definition of the emotional and motivational orientation of the person, a psychological assessment of the suitability of the person to the professional activity, etc.

At the stage of primary diagnosis, in the process of choosing the indicators of the motivational criteria and the methods for their detection, there were grounds for considering that the formation of the professional qualities of the students depends on their motivation to study and engage in professional activity, as well as the availability in students of those features, which are suitable for the economic profession.
Taking into account the results of the analysis, it was established that the most important area of the personality is the motivational sphere, which includes the system of value orientations, a set of needs and goals that determine the ways to develop and express its potential abilities. To determine the state of development of students’ motivation, the range of diagnostic techniques was expanded.

Traditionally, psychodiagnostic techniques are used, which can be grouped in such a way that they characterize the individual psychological properties and personal characteristics of a potential entrepreneur and the socio-psychological inclination of an individual to entrepreneurship. Accordingly, four blocks of questions were formed, each of which reflected the interaction of the respondent with the outside world or the self-assessment of personal qualities.

The first block summarizes the issue of establishing the main characterological tendencies of the individual. The properties of each trend and the level of its manifestation in the study group are given in Table 1 (Leary, 1957). The second block is devoted to the diagnosis of the type of innovative thinking and the attitude to various innovations: important features of a potential entrepreneur. To evaluate the type of innovative thinking, Kirton’s (1976) method was used. The purpose is to show the degree of conservatism inherent in respondents of this group, to determine the prevailing type of thinking of the individual, which affects his approach to decision-making, the solution of his tasks and creativity in general, which characterizes the environment in which an employee will work best.
Table 1. Characterological tendencies of the studied group

<table>
<thead>
<tr>
<th>Block</th>
<th>Characterological tendency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>(I)</td>
<td>dominance - power - despotism</td>
<td>Displays leadership features, aspiration for dominance, independence, ability to take responsibility</td>
</tr>
<tr>
<td>(II)</td>
<td>self-confidence - arrogance - self-affirmation</td>
<td>Reflects self-confidence, independence and business, in extreme expression - selfishness and obduracy</td>
</tr>
<tr>
<td>(III)</td>
<td>demanding - irreconcilability - stiffness</td>
<td>Allows the evaluation of such qualities as irritability, criticality, intolerance of partner's mistakes</td>
</tr>
<tr>
<td>(IV)</td>
<td>skepticism - stubbornness - negativism</td>
<td>Characterizes mistrust, suspicion, jealousy, insult or malice</td>
</tr>
<tr>
<td>(V)</td>
<td>compliance - gentleness - passive submission</td>
<td>Allows the evaluation of criticism of oneself, modesty, timidity, shyness</td>
</tr>
<tr>
<td>(VI)</td>
<td>trustfulness - obedience - dependence</td>
<td>Displays such qualities as respect for others, appreciation, and desire to bring joy to the partner</td>
</tr>
<tr>
<td>(VII)</td>
<td>kindness - self-sufficiency - excessive conformism</td>
<td>Characterizes the capability for mutual help, communication, goodwill, attentiveness</td>
</tr>
<tr>
<td>(VIII)</td>
<td>willingness to come to the aid - selflessness - sacrifice</td>
<td>Displays delicacy, tenderness, aspiration to care for loved ones, as well as tolerance of disadvantages and the ability to forgive.</td>
</tr>
</tbody>
</table>

* Note: the degree of severity of the characterological tendency may range from the adaptive (normative, adaptive) to the disadaptive (extreme) level of manifestation

The third block concerns the diagnosis of leadership abilities. As a component of entrepreneurial talent, effective leadership helps achieve the set goals and eliminates the obstacles and limitations associated with the formal position of the manager, thereby freeing up the potential for increased business efficiency. The fourth block is devoted to the study of predisposition to risk – the methodology of Shmelev (Lemak & Petrysche, 2012). The aim is to gain an idea of how prone the respondent is to risk, as an integral part of entrepreneurship.

Since 2016, participants in the antiterrorist operation in the east of the country have begun to participate in the retraining and social adaptation of military personnel and their families at Chernivtsi University. Thus, at the stage of primary diagnosis, the methodology used is that developed by Dubovytskaya (interest in the profession, level
of professional orientation) and the questionnaire, “Motives for choosing a profession” (to determine the level of awareness of the participants about the essence of the chosen profession, the identification of professional qualities and an objective assessment of the presence of these in themselves, interest in the profession, attitude to work in general and professional prestige, personal plans and life priorities) (Dubovytskaya, 2004).

The results obtained from the initial stage of social and psychological support necessitate the development of a plan and a program of psychological training for project participants that takes place both in school time and on specially scheduled days. Training forms reveal the potential of the students: the level and extent of their competence (social, emotional and intellectual), independence, ability to make decisions and to interact, etc.

Due to the dynamic changes in the educational space and the continuous aging of knowledge, there are fewer opportunities for the application of the traditional form of knowledge transfer. Like any educational process, the training has its tasks. Among those set by us, we can distinguish the following:

- acquisition of new professional skills by the participants of the training;
- mastering of new technologies in the professional field;
- reduction of external influence (manifestations of unfriendly behavior, peculiarities of inadequate response, etc.);
- changing the point of view regarding the problem;
- changing the view of the learning process;
- increasing the ability of participants to have a positive attitude towards themselves and their lives;
- search for effective methods for solving urgent problems, by uniting in the work of various specialists who influence the solution of these problems.
Training rules were implemented, which provided a favorable atmosphere for studying in the training group: the appreciation of time; politeness; positivity; taking part in conversations; voluntary activity; confidentiality; feedback, etc. The rules were adopted at the beginning of the training by all members of the group and needed to allow everyone to: work in comfortable conditions; receive information politely and express thoughts frankly to bring the training closer to real life; to be confident in the confidentiality of information shared within the group.

The training contained widely used methods, aimed at stimulating the formation of professionally important qualities and the interaction of participants. All of them are united under the name, “interactive techniques”, and provide for the interaction and personal activity of participants during a dynamic learning process. An interactive movement occurs between external and internal object – between individual people and inside individuals. The activity that occurs in the person him/herself leads to changes in his/her views, thoughts, and behavior. In our opinion, the method of training is the best way to organize studying for an adult audience, which is in line with the fundamentals of our andragogical approach to teaching the participants.

During the educational retraining semester in 2014–2015, when there were no ATO participants in the groups, a developed model and a set of training exercises were used, aimed at identifying the individual’s patterns of creative potential, taking into account age peculiarities, and also creating conditions for the development of this potential.

Among the main elements of the training were the following:

1. Psychological training, “Crisis as new opportunities”, during which the following issues were raised and discussed – ways of changing professional identity; search for internal resources; investment in yourself – self-development and motivation.
2. Psychological training seminar, “Paradoxical theory of change”, during which these issues were raised and discussed – feelings with which we block energy, and the path to change.

3. Psychological seminar, “Internal resources”, aimed at researching and disclosing internal resources using art-therapeutic (drawing) techniques and body-oriented self-regulation techniques. Also, during the workshop, in an interactive form, participants were introduced to the “BASIC Ph” (Belief, Affects, Social, Imagination, Cognition, Physiology) model for coping with stress and traumatic situations. This work is carried out using associative maps, “SORE”. The workshop has an applied character, in terms of opportunities for using methods of self-regulation and the prevention of negative stress in one’s personal and professional life.

4. Psychological training, “Internal and external resources in life and professional realization”. The purpose of the training is to broaden the participants’ perceptions of the concept of ‘resources’, ‘internal and external resources’, the peculiarities of their recognition, their creative use in personal life and professional implementation. We also aimed to actualize the concept of the ‘psychological container’ and the peculiarities of its filling, the integration and assimilation of the experience gained during the study process in the project; deep acquaintance with the participants and the creation of safe conditions for forming warm and friendly relationships in the group. The two-day training consisted of two parts.

Part 1 includes:


- Exercise: “Symbolic image”. Aim: identifying internal resources (relying on oneself, one’s partner, society, relationships) and the peculiarities of their use in everyday life. Group reflection.
- Mini lecture on the topic, “Resources”. What are resources, external and internal resources, resources as a base?

- Exercise: “Circles of proximity” (by Murray). Target: to identify the hierarchy of the values of the participants; the expansion of ideas about exhaustion and ways out of heavy (energy-intensive) relationships, the ability to rely on yourself and ‘be the author (director) of your life’. Group reflection.

- Completion of work in the group through work with the MAC (metaphorical associative cards), “Source”. Objective: updating the resources of the outside world. “Message to myself”.

- Completion of group work.

Part 2 includes:

- Introduction. Exchange of current state.
- Discussion of topics, exchange of experiences and ideas.
- Projective method: “Tree of my health”. Aim: to determine the level of energy potential and the peculiarities of the distribution of vital energy in five spheres of activity (intellectual, social contacts, sphere of spirituality, corporeality and sphere of close contacts). Group reflection.
- Optional – meditation exercises; autogenous training and body massage exercises.
- Completion of group work.

In connection with the emergence in the re-training groups of ATO participants, there was a need to supplement and improve the traditional model of psychological support in the learning process. The change in the constitution of the students’ groups in the project, “Retraining and social adaptation of servicemen and their families in Ukraine”, for 2014–2017 at the Yuriy Fedkovych Chernivtsi National University, is presented in Figure 1.
Figure. 1. Change in the constitution of the groups of students on the "Retraining and social adaptation of servicemen and their families in Ukraine" courses for 2014-2017 at the Yuriy Fedkovych Chernivtsi National University *

In the autumn semester of 2016, a complex of in-depth measures for the psychological support of servicemen, including ATO participants, was developed. During this work with the course students, participants of ATO carried out the following activities:

1. Interactive lesson, “Healing of psychological trauma“, devoted to the problem of psychotraumatization of man and ways to overcome it, and ‘healing’ from injury through various aspects of psychotherapy.

Psychotrauma is a life event or situation that affects significant aspects of human existence and leads to a deep psychological experience. The emergence of a mental trauma is considered a consequence of the incompleteness of the instinctive reaction of an organism to a traumatic event. Internal trauma can be compared to a physical injury, which a person has long been accustomed to, does not pay attention to, and does not ‘take care’ of. At the same time, the trauma has a dual nature: its destructive power is first manifested, it ‘takes away’ the person’s ability to live and enjoy life.
The other side, the paradox of an injury, is its ability to heal and transform a person. In this context, ‘injury’ refers to everything that causes unbearable mental suffering and anxiety. The work of the psychologist concerns the explanation of the dual meaning of psychotrauma (how many injuries, so many resources, with which to fight them). Injury is realized through the body, which itself ‘remembers’ everything that has happened to a person and necessarily ‘knows’ how to solve a problem. The lesson discusses the possibility of using protection mechanisms, which allow a person to stay healthy and survive in a trauma (particularly, the mechanism of dissociation).

In the conducted interactive exercise, the therapy of people who survived severe psychological trauma aimed to integrate and unify the dissociated parts of the individual. The group processed material on how the psyche reacts to complex life situations and how it internally compensates for what is lacking from the outside. The therapist showed the audience how it is possible to work with a trauma, with the help of somatic therapy trauma and dance-motor therapy, for which therapy is carried out not only through awareness of displaced problems and reflection but also through the body, which enters the therapy as it contains ‘imprints’, which worked out that it could be ‘healed’. These two methods allow one to integrate and unite parts of the human psyche that are dissociated from the trauma and, by so doing, release one from the burden.

2. Two-day post-traumatic training, "Heart of a Warrior", which included two levels: introductory - "Point of support" and first-level training, "Understanding".

The author of the training, the director of the Bodynamic Institute and the founder of a military rehab program, Ditte Marcher, has spent most of her life working with military and police officers, war veterans and refugees, helping them overcome post-traumatic stress disorder. The main trainer was Oleg Gukovskiy, a psychiatrist, psychotherapist, traumatologist, bodynist practitioner, head of the Ternopil regional
branch of the Ukrainian Union of Psychotherapists, member of the European Psychiatric Association (EPA), and a member of the Psychological Crisis Service. Co-coach, Valeriy Chobotar, a member of the ATO, the head of the Ternopil regional branch of the All-Ukrainian Federation of Free Fight and Martial Arts, one of the founders and organizers of the Chervonodibrovska Sich, was awarded the Order of the Folk’s Hero of Ukraine.

During the first day of the training – the entry level “Point of support” – participants shared their own way of returning, developing and supporting others after participating in the ATO. Work at this level was aimed at finding the forces to manage their emotions and conflicts, revealing their own abilities, using their personal experience of war for self-development, and creating a comfortable relationship with relatives and relatives.

During the second day of the training, the “Understanding” level, veterans and ATO participants, and students on retraining courses for dismissed soldiers had an opportunity to learn about the functioning of the psyche in ‘war-world’ mode (and which changes are observed) and also about the way of full return to civilian life (body and soul). In addition, the participants of the training reviewed the stages of shock and post-shock experience and their recognition (Shock-Crisis-PTSD/Grounding /PTR); the theory of the triune brain; the theory of emotions bodynamic (Emotions - Instincts - Feelings); aspects of Ego (Body, Individual, Role-Playing, Observing, Integrative), as well as their changes as a result of the war. Much of the time was devoted to bodynamic exercises for self-regulation and recovery, as well as exercises using the Soma System methodology, which is based on the methods of body-oriented psychotherapy.

As a result of the work, the participants were able to acquire the skills of psychological self-help and mutual help, as well as physical exercises to regulate their internal state, mastering anxiety and stress and strengthening their own psychological stability.
3. Individual psychological consultations with the psychotherapist were conducted within three days, in order to consolidate the effect of work on the two-day training, at the request of students. Separate counseling was related to work on unmotivated aggression in the family.

4. Psychological counseling for ATO veterans on the topic “Time of change – what is important?! What is more important?!“

5. An important professional and psychological experience for the students was participation in the simulation game, "Development of skills of interaction and decision-making in a conflict of interest". This simulation game is an interactive model of a social system that, in its internal conditions, is as close as possible to the corresponding real situation in society. In the process of reproducing such a model through participants’ playing the respective roles, a condition is created for solving the problem of the game.

Participation in the game allowed course participants:

- to create a platform for social interaction;
- to learn an adaptation in a new environment;
- to develop skills in building constructive dialogue and resolving conflict situations;
- to learn how to find common values and interests;
- to learn how to think in a non-standard way and see the situation from a new angle;
- to create a free space for sharing experiences and ideas.
In the final stage of psychological support for the initial diagnosis of project participants’ propensity for entrepreneurial activity, psychodiagnostic techniques were grouped into three blocks of questions, which assessed the main psychological characteristics of a potential entrepreneur.

The first block is devoted to the diagnosis of the level of impulsivity, purposefulness and persistence, according to Lozenkova’s method (Pashukova and Dopyra, 1996). Such a technique allows the grouping of students in the repertoire of courses. The second block concerns the diagnosis of the main trends of behavior in the group, according to Stefanson’s “Q-sorting” method (Hreben, 2008). The methodology allows the six main tendencies of human behavior in a real group to be determined: dependence, independence, sociability, non-product, acceptance of struggle and avoidance of struggle. The third block is devoted to the study of risk aversion in Tunik’s methodology, in order to gain an idea of how prone the respondent is to risk, as an integral part of entrepreneurship (Fetiskin, 2002).

The implementation of the traditional and in-depth model of psychological support of servicemen in the process of training in refresher courses gives an opportunity to make the following conclusions:

1. All stages of psychological support have had a positive psychocorrective influence on the students, forcing them to reflect on the importance of psychological work on oneself and introspection.

2. The applied psychodiagnostic techniques allowed students’ individual psychological properties and personal characteristics as potential entrepreneurs, and their socio-psychological inclination to entrepreneurship, to be revealed. Component analysis of psychological readiness for entrepreneurial activity gave grounds to conclude that, at the beginning of the retraining program, project participants were characterized by an average level of psychological readiness for running their own business. According to
the results of the initial diagnosis, appropriate work with the participants was
organized to increase their psychological readiness for entrepreneurship,
organization and the running of their own business.

3. Psychological training sessions provided an opportunity to become
acquainted with those present, to understand the world around them, to
recognize their achievements, to change their attitude towards themselves
and their new opportunities. That is, it increased the psychological readiness
of the participants to start a new round of life, creatively adapt to change and
renew an active, socially useful life.

4. In the initial stage, the positive dynamics of students were determined in
terms of predisposition to risk, the strengthening of leadership features,
which correlate more strongly with the psychological type of thinking of the
innovator rather than the adapter. This serves as a qualitative feature of the
basic psychological characteristics of a potential entrepreneur. At the same
time, the students’ high level of stress resistance and social adaptation
showed the presence of a predominant part of one of the most important
contemporary professional characteristics of a businessman or entrepreneur:
the ability to adequately respond to multicriteria decision-making and adapt
to a changing environment.

5. The results of the evaluation showed a qualitative increase in the
psychological activity of the students as a result of the measures taken,
increasing their motivation for the successful completion of professional
retraining and active job search.

6. Strengthened psychological training and psycho-counseling work with ATO
students and veterans improved the moral and psychological climate in the
training group, the psychological compatibility and group cohesiveness;
improved the indicator of individual emotional (psychological) comfort,
understanding that they have the ability to manage their own emotions and
control their mental state; consolidated the effect of the absorbing of learning
material, by switching internal resources to new areas of self-realization, and intensified the incentives for practical retraining and running their own business.
Bibliography


CHAPTER 7. COMMUNICATING ABOUT COMMUNICATION FAR AWAY FROM HOME

Bård Borch Michalsen

My mission is to teach former military officers in professional communication. I do not understand or speak their language, I do not know their culture, and I have only a slight impression of what they have experienced during times of war. Mission impossible?

During the last year I have travelled to four Ukrainian cities to teach: Chernihiv, Odesa, Melitopol and Zaporizhia. Business communication has been my main topic, but I have also given lectures in business ethics and project management.

The word ‘communication’ derives from the Latin “communicare”, which means “together” or “bringing together”. As we all know from everyday life, it is easier to communicate when we have something in common with those we are communicating with, before we start talking.

The topics for my essay are problems and challenges I have met while teaching communication, when the communication situation itself is far, far from optimal, and how I have tried to overcome these challenges, including benefits from the opportunities which the situation actually also creates.

Cross-cultural teaching

Smith (2009) declares that transnational teaching has increased significantly over recent years. These experiences are in spite of this being an under-explored territory for transformative professional development. She says (2009; p. 111) that this form of teaching “challenges the prevailing understanding of an academic role at every level. Transnational teachers are expected to work in environments, climates and classrooms which are culturally very different from their own.”
How do teachers, typically from a Western society, meet these challenges when teaching far from home, typically in a society with a much lower standard of living, etc.? Referring to Bodycott and Walker (2000), Smith points out that some academic staff see themselves as a “savior, bringing the best from the West to a developing country”, but she adds (Smith 2009; p. 112): “others see transnational teaching as a means to experience new and interesting challenges, and to have the opportunity to enhance their teaching and learning practices based on their international experiences.”

Typical problems in transnational teaching are issues around roles and relationships. Bodycott and Walker (2000; p. 88) describe the difficulties in getting their classes of students in Hong Kong to engage in critical discussion at a whole class level: “The students in our classes seemed to view us, as teachers, as the fonts of all knowledge and to accept what we told them without question.” This matches what Garson (2005; p. 323) experienced while teaching business management in Cairo, Egypt: “Critical thinking was not a priority in a class that considered me the professor and expert. My students expected me to feed them the information that they would memorize.”

Bodycott and Walker (2000; p. 85) discovered that the students in Hong Kong “responded more easily to factual-recall or direct experience questions”. Therefore, an effective strategy was shared experience. One of Garson’s strategies was to find Arabic newspapers and business magazines in English, to connect the concepts that she was teaching to the business environments in Egypt.

**Going to Ukraine**

When I went to Ukraine in the autumn of 2016, I had visited the country only once before, and then only for a very short time. Actually, I did not know much more about Ukraine than an average Norwegian does: almost nothing. Before going to Ukraine, however, I read a comprehensive guide for Norwegian teachers involved in the project, developed by the International Foundation for Social Adaption (IFSA), and some other
papers on Ukraine, mostly produced by IFSA or Nord university. Nevertheless, I did not know for sure what I was going to meet in Melitopol, the first city I visited. I did not feel as well prepared as I should have been.

Here, as in all the cities I have visited, both the local representatives and the representatives from the IFSA in Kiev impressed me: Everybody was nice, helpful and eager to make everything as easy and interesting for me as possible. I almost felt like a tourist fully taken care of. So why should the teaching situation be difficult?

- Despite some research, my knowledge of Ukraine was limited on topics such as history, politics, economy, cultural frames of reference, but also when it came to how to behave – the unwritten rules of the social game (Hofstede, 2005; p. 4): “It is the collective programming of the mind that distinguishes the members of one group or category of people from others”. The software of our minds tells us how to behave: Shall we shake hands when meeting another person, or is it a good thing to also kiss or hug? The Norwegians do not, the Italians do. Do the Ukrainians?

- I did not know much about the students. I knew that they were former military officers or the family members of such officers, but no more than this. What did they know about the subject I was supposed to teach? Would they be interested in what I was to talk about?

- I do not speak Ukrainian or Russian, and most students did not understand English. I needed an interpreter. Therefore direct, two-way communication with the students was difficult. And English is the mother tongue of neither me nor the interpreter. Nevertheless, I had to send messages to the interpreter in English. She translated them into Ukrainian and sent them further to the student, with the danger of misunderstandings and, at least of the disappearance of nuances. The students sometimes commented or asked questions in Ukrainian, which was translated into English for me by the interpreter.
• If the situation in the classroom is strange for the teacher, it is of course also strange for the students: They have to meet an exotic foreigner speaking only English. They obviously meet the teacher with two questions: “Who is he? What’s in this for me?”
• I met the classes for a short time, only for two days, so there was no time to really become acquainted with the students.

In general, the chances for success in teaching are better if the teacher knows as much as possible about the students (including the social and cultural setting), and if the teacher is able to communicate directly with the students in their language, in a secure atmosphere. My main theme is business communication. I believe that, in this subject especially, it is much easier to teach when the teacher and the students are able to understand each other when they talk and write and also know perfectly how to decode non-verbal messages, etc.

My teaching strategy

The mission was not impossible, but it was challenging. What did I do to try to overcome the problems?

• Initially, I took some time to introduce myself, my university and my country, and I emphasized that I came as a friend. I wanted to build credibility and trust before talking on the real stuff.
• While teaching, I gave examples and cases from Ukraine, for example from a master thesis comparing project management in Ukraine and Norway (Iermolenko, 2011). Beforehand, I also asked Olga Filina from IFSA if she believed that the students would understand my non-Ukrainian examples. Are Rambo and Winnie the Pooh also well-known figures in Ukraine? (Yes, they are!)
• When talking about communication, I used the actual conditions for communication in the class as a case, showing why effective communication is
always difficult, particularly when those communicating do not share language or frames of reference and cultural codes. In this way, the challenges in communicating also created possibilities for underlining my main messages. As a concrete example, I mentioned how drawing maps of the world is an act of communication, and we all tend to place ourselves in the middle of the circle and make our country bigger than it actually is. I also showed maps made in Norway and China (but, of course, I should also have found a Ukrainian-drawn map to show that the world is seen differently from Oslo, Kiev and Beijing).

- I emphasized that it is necessary to communicate clearly, concretely and easily; to ask for feedback and responses, to be sure that the message is understood.
- And therefore, I myself tried to speak easily and clearly, following the rule of KISS (Keep It Simple, Stupid, or: Keep IT Simple, Short).
- Through the interpreter, I asked the students questions, mostly regarding their own histories and experiences, hoping this could make it easier for them to connect my messages to their lives and hopes for the future.
- During the lessons and in the pauses, I tried really hard to “read the students”: What did their body language tell me?

**Did I survive? Did the students learn anything?**

As far as I know, there is no systematic evaluation of the lectures given by the Norwegian teachers in this project. However, my personal impression and the feedback from the students and their teachers indicate that my way of teaching at least to some degree succeeded, but who knows? Both the students and the teachers were behaving very, very politely, so perhaps they were also very nice when commenting on the lessons? But at least no eggs or tomatoes were thrown at me (and that would also have been some kind of communication and evaluation), so I will conclude that the mission, at least to some degree, has been accomplished.
Before going to Ukraine, I was told that the relationship between the teacher and the students still follows a somewhat Soviet kind of rule: “The teacher is the king”. I experienced that this is true to some extent but not totally: I tried hard to involve the students, and during the lessons I sensed that they were both curious and interested. After a while, they also answered questions. When starting the teaching, I told the class that, before going home, each and every one would have to stand up and summarize the lessons for 30 seconds. Everybody did that, and in such a way, after a while, I almost understood Ukrainian, at least Ukrainian body language!

But I have also made many mistakes. When starting my first teaching tour in Melitopol, I did not tell the students about the Norwegian support of Ukraine in the conflict with Russia, until the middle of the second lesson. When starting my teaching in Zaporizhia, I told them this during the first minutes of the first lesson, hoping to build a trustful ethos.

I made a more severe fault when I told one class how grateful Norwegians are to the Russians for liberating the northern part of Norway during World War II. One brave student raised his hand, telling me what I obviously should have known: Those who liberated us were not the Russians but the Soviet Army, which also included many Ukrainian soldiers and officers.

What I should do to perform better next time

During my teaching in Ukraine, I have had to deal with the classic challenges occurring when teaching abroad (Bodycott and Walker, 2000): (1) language and communication, (2) social and cultural distance and (3) the effect of hierarchy.

Already in 1967, Hilliard had produced some basic principles that are also relevant to me today, being a Norwegian teaching in Ukraine, and which I will try to implement in my further visits to Ukrainian universities (Hilliard, 1967; p. 34):
“The teacher must start by doubting his ability to communicate; nothing can be taken for granted. This is obviously true when the cultural gap is large, but it is also true when the gap is small. The teacher must be certain that concepts, values, and feelings have been communicated accurately. The only evidence he can have of his success comes from his sensitivity to the responses of his pupils; he must be an expert at detecting the cues or symptoms of misunderstanding.”

Hilliard also argues that, to be an effective teacher, it is important to understand the community; to expect adaption of learning practices; to play the role as a co-worker and to avoid forcing values on one’s pupils: “He is useful to the host country because of his skills or experience, not because of his philosophy of life” (Hilliard, 1967; p. 35).

How do I translate Hilliard’s advice and my own experiences into a plan for performing better next time I go to Ukraine? Firstly, I must learn more about Ukraine and its society, economy, culture and politics, to be able to understand the students’ “mental maps” and “software of the minds”, and to adjust the teaching and the methods to these maps and software. Secondly, I must obtain more information on the students whom I am going to meet in every city, so that the teaching may be more tailor-made. Thirdly, I should at least learn some Ukrainian words and phrases, and, fourthly, I must fearlessly invite the students to dialogue.

*Communicare!*

As for the project itself, I believe it will be a good idea, both for the teacher and the students, to make arrangements for the teacher to spend more than two days with the classes. I suggest courses lasting one or two weeks. This way the students and the teacher will get to know each other better, and the outcome of the teaching will probably be much better.
Finally, Hilliard (1967; p. 35) reminds me that human motivations tend to be universal, despite superficial differences in expression, behavior, etc.: “Approval, respect, and teacher support may be expressed differently from one culture to another, but the pupil’s need for these is the same everywhere”.

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Bibliography


CHAPTER 8. INNOVATION, ENTREPRENEURSHIP, CORPORATE SOCIAL RESPONSIBILITY: AN EXAMPLE OF THE MILITARY PERSONNEL AND FAMILY MEMBERS IN UKRAINE

Lana Berglund and Mehtap A. Eklund

The edge of changes: The Theoretical Concepts of Innovation, Entrepreneurship, and Corporate Social Responsibility

Technological changes are on everyone's lips, and we daily hear about new inventions, technologies, and ways to solve the challenges. New markets are constantly opening, and boundaries are blurry. These changes are intended to simplify processes and make our lives easier and richer. The technological developments provide every country with a basis for industrial growth and a willingness to support new initiatives. Due to new methods of communication and information, new products and services, and new tools for everyday life, society is simultaneously changing. We live in a complex and dynamic environment, where innovation and entrepreneurship together take central place for economic development. Similarly, in theory, Schumpeter (1934) introduced the character of both innovation and entrepreneur to economic theory.

In Schumpeter's innovation theory, innovation is divided into five types: “1) launch of a new product, or a new species of already known product, 2) application of new methods of production or sales of a product, 3) opening of a new market, 4) acquiring of a new sources of supply of raw material or semi-finished goods, 5) new industry structure, such as the creation or the destruction of monopoly position” (Śledzik, 2013, p. 90).

Furthermore, Schumpeter's theory considers the concepts of innovation and entrepreneurship together, and he defined the vision of entrepreneurs differently than
others. For instance, other scholars have called the entrepreneur an undertaker, philosopher, manager, organizer, or manager of production or trade (Schumpeter, 1934; Śledzik, 2013). However, Schumpeter’s entrepreneur definition “has a functional character and concerns only functions and activities related to innovation. Therefore, he preferred using innovator as the concept of an entrepreneur” (Śledzik, 2013; p. 92).

Entrepreneurial actions are the main mechanism of economic development and the disturbance of the economic system (Schumpeter, 1934). Entrepreneurship and innovation not only need funds for development but also require support from the state and the public sector. In other words, this support should come through funding, smart regulations, taxation, simplified regulations, and transparency. Regulations play a crucial role in nurturing entrepreneurship, and they require a balancing act on the part of the regulating authority. Unregulated entrepreneurship may lead to unwanted social outcomes, including unfair market practices, pervasive corruption, financial crisis, and even criminal activity. Therefore, the most urgent challenge for national governments, local authorities, policymakers, and economic stakeholders is to help and promote sustainable innovation and entrepreneurship.

Western countries, including Norway, have built an efficient system to support innovation and entrepreneurship. The concept of ‘national systems of innovation’ was developed in the 1980s by Freeman and Lundvall with the goal of analyzing the differences in economic performance among countries, which were shaped by differences in national institutions, framework conditions, values, resources and so on (Freeman, 1987). Freeman (1987) describes the national system of innovation as “the network of institutions in public and private sectors whose activities and interactions initiate, import, modify and diffuse new technologies.” Lundvall’s broad definition of the “national system of innovation, which follows from the theoretical perspective, includes all parts and aspects of the economic structure and the institutional set-up affecting learning as well as searching and exploring. The production system, the
marketing system, and the system of finance present themselves as sub-systems where learning takes place” (Lundvall, 2010; p. 12).

The Scandinavian models of innovation systems consist of four categories: technological system approaches, industrial cluster approaches, national systems of innovation, and knowledge system approaches (Lundvall, 2010). Innovation is often associated with new technologies, and technologies always exist within an economic and social system. The question is not only how to innovate in the most effective way but also how to design the new solutions that satisfy the interests of several community groups with different needs. Which policy, strategy, and structure can provide the most efficient and successful modernization should also be considered in the innovation process.

Another concept is Corporate Social Responsibility (CSR), which goes hand in hand with the concepts of innovation and entrepreneurship. It promotes a vision of business and government organizations’ accountability to a wide range of stakeholders, besides shareholders and investors. In general, its key areas of concern are environmental protection, the well-being of employees, and the community and civil society, both now and in the future.

We can argue that, in the absence of a strong national innovation system, CSR-based differentiation strategies can have a more positive impact on the competitiveness of less innovative countries. The concept of CSR is underpinned by the idea that corporations can no longer act as isolated economic entities, operating in detachment from broader society. The traditional view of competitiveness, survival, and profitability is swept away. Thus, CSR is part of a long-term process of ‘civilizing capitalism’ or reclaiming social and environmental responsibility for businesses in the global market economy (Midttun, 2013).
In addition to examining the theoretical background, this chapter aims to highlight the importance of the implementation of the three interrelated concepts – innovation, entrepreneurship, and corporate social responsibility – in the Norway-Ukraine project\(^2\) which contributes to Ukrainian development and is funded by the Norwegian Foreign Ministry (Michalsen, 2015).

**The major thing is the attitude**

"The difficulty lies not so much in developing new ideas as escaping from the old ones" - John Maynard Keynes

Innovation is a powerful and collaborative activity. In contrast to the invention, which has a long road to market, innovation has closer links to the market and consumer needs. Regarding the innovation, it does not matter whether you are in the public or private sector, you should ensure that customers or citizens receive services, products, or the support that they need. For successful innovation, it is crucial that the new product or service is used by clients and customers and fulfills their needs, so they are willing to pay for it (Kawasaki, 2012). Therefore, customers’ level of satisfaction with innovation determines its future. In simpler terms, if they are happy with the innovation, then, in the public sector, the citizens or voters vote for you at the next election or, in the private sector, the customers or clients choose only your store, service or product.

Carlson and Wilmot (2006) define the five types of values, which are customer value, company value, shareholder value, employee value and public value. Overall, the innovation should create the right value for our customers and society. In particular, public value is worth examining in detail because it is relevant to CSR, and CSR is

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\(^2\) The project is called “Retraining and Social Adaptation of Military Personnel and their Family Members in Ukraine”, the details of which are available at https://www.nord.no/en/news-events/news/Pages/education-ukrainian-officers.aspx
another concept of this chapter. Public value recognizes that enterprises have both legal and moral obligations to support their communities (Carlson and Wilmot, 2006).

A company could, for example, maximize its return at the expense of the environment, which would negatively affect overall public value. In this situation, the government sets some guidelines, rules, and regulations, such as tax regulation, standards for the environment, the facilitation of business development and entrepreneurship. Innovation should create value for all stakeholders, such as customers, shareholders, employees, the public, and the environment. In short, from the CSR viewpoint, it must satisfy the greatest needs of public value (Carlson and Wilmot, 2006). Good innovation also means good corporate citizenship, which includes supporting local and national education, public transportation and logistics, health and welfare activities, etc.

CSR is explained as a “vision of business accountability to a wide range of stakeholders, including shareholders and investors” (Carlson and Wilmot, 2006). CSR concerns social responsibility and business ethics. Its main areas of concern are eco-friendly protection and the well-being of employees, the community and civil society today and in the future.

The relationship between innovation and CSR is based on the complexity of social tasks and the synergy between innovation theory and CSR (Midttun et al., 2013). To grow in the market and satisfy their customers and the public, Scandinavian companies integrate CSR into their business strategies and business models. For instance, the Norwegian Business School (BI) has conducted a study and analyzed 343 small and medium size enterprises (SMEs) in Norway. The study aims to explore the relationship between CSR and innovation in the business models of those firms with the best growth in the last four years. The survey showed that strategic CSR and innovation are the most strongly correlated (Midttun, 2013). In short, firms focusing on the innovation process found CSR relevant and supportive. The competitive and market-oriented
business models are more connected to CSR, and this relationship has a positive effect on growth (Midttun, 2013).

What are business ethics more specifically? Economist Milton Friedman (1970) stated that “Corporate executives' responsibility is to make as much money as possible while conforming to their basic rules of the society, both those embodied in law and those embodied in ethical custom.” He also said that the only entities with responsibilities are individuals. A business cannot have responsibilities, so the question to investigate further is: “Do corporate executives remaining within the law have responsibilities in their business activities other than making money for their shareholders?” It is no longer acceptable for a business to experience economic prosperity in isolation from those managers who influenced the business by their actions. Companies around the world are struggling with the new role of meeting the needs of the present generation without compromising the needs of future generations. Organizations are being called to take responsibility for the ways their operations affect society and the natural environment. State and management have a role and a responsibility to regulate innovation processes and motivate socially responsible entrepreneurship.

The past and today in Ukraine

“Would you tell me, please, which way I ought to go from here?”

“That depends a good deal on where you want to get to,” said the Cat.

“I don’t much care where –” said Alice.

“Then it doesn’t matter which way you go,” said the Cat.

“- so long as I get SOMEWHERE,” Alice added as an explanation.

“Oh, you’re sure to do that,” said the Cat, “if you only walk long enough.”

— Lewis Carroll, Alice in Wonderland

Twenty-five years after the fall of the Soviet Union, development in the 15 post-soviet countries is still running at different levels of growth and progress. It is interesting to
see how the economy has changed since the Soviet dissolution and how some countries have managed to achieve growth in production and wealth. Is this increase in wealth and growth because of the education, investment in start-up businesses, or the changes in social attitudes and the understanding of social responsibility? The World Bank’s statistics compared the movements for real growth in the period after 1990. It can easily be seen that Scandinavian countries and many post-Soviet countries have stable development and growth plans, but the post-Soviet countries showed very varied results. These countries have growth, but Ukraine and Russia had a negative development trend (Easterly and& Fisher, 1995). Is this mainly because of the conflict between them? That would be an all too simple explanation.

In more detail, in 1991, the Soviet Union was dissolved after the military coup attempt was stopped by a protesting crowd. The Eastern European countries and several of the former Soviet republics, such as Russia, aimed at a transition into a market economy governance. The problems of transition into a market economy led to a significant decline in production in many countries, not only in Russia. Nevertheless, it has gradually improved, and higher productivity has led to strong growth in living standards in most countries. Especially, Russia has also had the great advantage of high prices for oil, gas and other commodities. However, the transformation process is not yet complete. Being in the transition stage of its development, Ukraine has problems connected to the development of an institutional framework, causing political and economic instability. One of the consequences of weak institutional governance is a significant informal sector, widely used by Ukrainian citizens to earn extra income.

The current situation is that post-socialist liberalization in Ukraine promoted markets and enhanced democratic institutions; it swept away real incomes in the public sector, tore apart social safety nets, reduced the ability of the state to enforce its laws and undermined the usual modes of sociality and representation through socialist political institutions. People fell back on fortified informal institutions such as blat and the ‘shadow economy’ to subsist. Corruption has increased. Unfortunately, it became the
symbol of the rampant socio-political disorder in the country. After the actual growth in corrupt practices, it is perhaps the second main explanatory factor behind Ukraine’s low score – the bottom quartile – in Transparency International’s Corruption Perception Index (Transparency International, 2016).

Everyone wants to live in a wealthy country and have a high quality of life. Social security and pensions are the key elements in the safety net, so they constitute the ultimate form of insurance for people of working age and beyond. In practice, these arrangements are not universal; they are dependent on income, assets, social position and family situation. Ukraine hovers around the military conflict in the east and ongoing regimes that the government is about to implement, so the situation is complicated for Ukrainians. Most of the population do not have an adequate income, and they try to survive in a changing environment, where the rules are changing at high speed. On the other hand, the people have a strong social relationship with each other, and they have national pride and a great desire to build their country into a good place for their family and future generations.

How does this affect economic development? What can the entrepreneurs and innovators do?

My students wear their military uniform

An Example of the Military Personnel and Their Family Members in Ukraine

Peace is to create - Nordahl Grieg

After discussing the historical background of Ukraine and the theoretical and economic background of innovation, entrepreneurship and CSR, the real-life example of the Norway-Ukraine Project, named ‘Retraining and social adaptation of military personnel and their family members in Ukraine’, exemplifies the implementation of these three concepts in the Ukrainian context. The project aims to develop Ukraine by educating
retired army personnel and helping them and their families to gain entrepreneurial skills and an innovative mindset, while considering CSR and ethics.

Once, they were in military operations, they lost their comrades and saw death, so it may make them stronger or they may start reconsidering their own values more. They may also believe that the world is much crueler than they believed. As soldiers, they were used to commanding and relying on their leaders. Then, the war ended. Now, they must adapt to civilian life and take care of themselves and their families. They must take off the uniform and put themselves on the school bench. In short, they must learn how to survive as civilians.

For most of the retired military in Ukraine, this transition is very difficult, and it cannot be handled without providing them with further education and helping them gain entrepreneurial and innovation skills. Although they have left the military, they still want to retain their uniform because it gives them status and a sense of belonging and security. In line with the requirements of the Norway-Ukraine project, they receive further education at the top tier of Ukrainian universities so that they can find their way in civil society and continue to lead their own lives by running their own businesses.

Military personnel generally have a mindset of ethics and social responsibility, but they lack entrepreneurial skills. Following education at the universities, they are now ready to adapt to civilian life, run their own businesses, and support their families and their country’s economic growth. The transition was challenging for them, but they are used to challenges. They are curious about development; they have many good and innovative ideas that they want to realize. In other words, there is no lack of creativity and willingness. The education provided them with courage and skills and helped them think bigger and broader. Finally, the development of Ukraine is taking place through education, ethics, innovation, entrepreneurship, and corporate social responsibility.


Teaching financial accounting is not only fun; it is also a challenge. With my educational background stemming from an Eastern European context, I was taught to practice accounting purely as a technical exercise. In such a system, the role of accounting information was circumscribed by a strict adherence to prescribed charts of accounts, supported by detailed accounting rules and instructions, and designed to meet the requirements of central planning. Inherited from the so-called “balance school”, the focus of accounting was more on bookkeeping than on the process of accounting (see e.g. Bourmistrov, 2001).

According to Athukorala and Reid (2003), these were essentially considered to be one and the same thing. Albeit entailing double-entry technique and “quasi-accrual” measurement, the informational value of such accounts was generally characterized as “very limited”, not enabling legal and economic interpretations of transactions (IMF, 2004; Athukorala and Reid, 2003; Diamond, 2002; Bourmistrov, 2001).

Not surprisingly, when, in the past, accounting heavily depended upon the politics and requirements of a centrally planned regime, it was impossible to have accounting systems, which were useful for real economic life and market economy conditions. That had direct repercussions for the system of accounting education. Indeed, there was a special focus in educational activities on how to account for various transactions, requiring us – the students of accounting – to memorize, first and foremost, a Chart of Accounts. Any refusal or failure to learn the Chart of Accounts by heart often resulted in the exam grade being “not passed”. The system of accounting education was hardly
suitable for the purpose of decision-making, and there was thus no accounting profession, in the sense understood in the Western world.

The knowledge gained at the Nord University Business School drastically altered my view of the phenomenon in question. Rather than accounting being treated as a purely technical (that is, bookkeeping) domain, it was presented as a sound decision-making tool. In this context, the main objective of accounting was declared to be the provision of financial information about the reporting unit in a systematic way. And this information was anticipated to be largely based on the needs of users.

That emphasized, the focus of educational activities shifted towards understanding, first and foremost, the fundamental assumptions (postulates) and principles upon which accounting is based. To avoid any confusion, the accounting postulates are defined as assumptions about environments in which accounting operates. When it comes to the accounting principles, they are regarded as general decision rules that govern the development of accounting techniques (Belkaoui, 1993). Both the accounting postulates and principles are summarized in Table 1, irrespective of the type of organization being studied. Notably, the difference between those two lies on the level of abstraction (Kinserdal, 2006).
### Table 1. The fundamental accounting postulates and principles

<table>
<thead>
<tr>
<th>Postulate</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>The Fundamental Accounting Postulates</strong></td>
<td></td>
</tr>
<tr>
<td>The (Separate) Entity Postulate</td>
<td>Each organization is an accounting unit, separate and distinct from its owners and other organizations.</td>
</tr>
<tr>
<td>The Going-Concern (Continuity) Postulate</td>
<td>The entity will continue its operations long enough to realize its projects, commitments, and on-going activities.</td>
</tr>
<tr>
<td>The Unit-of-Measure (Monetary) Postulate</td>
<td>Accounting is a measurement and communication process of the activities of the organization that are measurable in monetary terms.</td>
</tr>
<tr>
<td>The Accounting (Time) Period Postulate</td>
<td>An organization should disclose its financial reports periodically.</td>
</tr>
<tr>
<td>The (Historical) Cost Principle</td>
<td>The acquisition (historical) cost is an appropriate valuation basis for recognition of the acquisition of all goods and services, etc.</td>
</tr>
<tr>
<td>The Accrual Principle</td>
<td>Transactions and events are recognized when they occur, irrespective of when cash is received or paid.</td>
</tr>
<tr>
<td>The Matching Principle</td>
<td>Expenses/expenditures should be recognized in the same period as the associated revenues.</td>
</tr>
<tr>
<td><strong>The Accounting Principles</strong></td>
<td></td>
</tr>
<tr>
<td>The Consistency Principle</td>
<td>Similar economic events should be recorded and reported in a consistent manner from period to period.</td>
</tr>
<tr>
<td>The Conservatism (Prudence) Principle</td>
<td>The accountant displays a generally pessimistic attitude when choosing accounting techniques for financial reporting.</td>
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</table>

Having been enmeshed in the Norway-Ukraine retraining project since its very inception, I have always assiduously endeavored to make its participants feel that we speak the same accounting language. It is worth mentioning here that accounting itself is often referred to as “the language of business” (Kinserdal, 2006), and, as with every other language, it uses its own professional vocabulary and is based on some key building blocks. As the business community has expanded to include more and more
novel settings at an accelerated velocity, the phenomenon of accounting as ‘the language of business’ is gaining importance.

Notwithstanding the very many diverse ‘flavors’ of accounting that can be found around the globe, its key building blocks are believed to be largely shared between nations (Kinserdal, 2006). This very reasoning played a decisive role while setting my goals as a teacher of accounting within the Norway-Ukraine project.

So instead of using time accounting for diverse transactions and studying ‘the local flavor’, my prime objective was set to provide the candidates with a basic understanding of accounting’s key building blocks, that is, the aforementioned accounting postulates and principles. In so doing, I strove to use real-life examples from practical experience. Having reached an understanding of the postulates and principles, the participants became capable of preparing and ‘reading’ the major annual accounts, namely the balance sheet, the profit and loss account, and the cash-flow statement.

Furthermore, my other subsidiary but nevertheless very important goal as a teacher within the Norway-Ukraine project was to demonstrate how the learning process is organized in Norway. It is my perception, whether mistaken or not, that teachers in Ukraine still often hold students at a huge distance. This is well in line with Hofstede’s Power Distance Index (PDI). Indeed, with a PDI score of 92 out of 100, Ukraine is a very centralized nation, where power holders are very distant in society.

On the contrary, Norway scores low on PDI (31), meaning, among other things, equal rights, superiors’ accessibility, and coaching. This is e.g. reflected in the way the lectures are delivered. Precisely, the lecturer and the students are practically on the

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Hofstede’s Power Distance Index measures the extent to which the lower ranking individuals within a country accept and expect that power is distributed unequally. It ranges from 1 to 100, with a greater value of the Index indicating that hierarchy is clearly established and executed in society.
same level, and the students are often in a position to essentially influence the learning process. That stated, I did my utmost to diminish the gap between myself and the candidates by e.g. inviting them to raise any types of questions, allowing them to interrupt me at any time they wanted and to advocate for their point of view.

To sum up, throughout all my years of teaching within the Norway-Ukraine retraining project, I encountered various categories of the participants. Despite a core group being comprised of dismissed military personnel, there were significant numbers of their family members. It is pertinent to note here that discharged military personnel were not homogenous, including military officers of various age groups, ranks and educational background, etc. Despite these contrasts, the Western way of teaching in general, and teaching financial accounting with its focus on the postulates and principles in particular, has proved effective.
Bibliography


CHAPTER 10. THE VALUE OF EFFECTIVE CORPORATE VALUES: IMPROVING COMPANY PERFORMANCE

June Borge Doornich

Student: But corporate values do not increase your profit. I don’t see why we should even care about corporate values, as they have nothing to do with performance.

Me: I understand that profit is the fundament for the company’s survival. I see your point, it all runs down to profit. But effective values can enhance company performance.

Student: No, it’s all about profit. I think that the company should only focus on, and spend time on, how to increase the profit. There is no need to spend time on formalizing corporate values.

Me: Effective values are a tool to guide the company’s managers and employees to the desired direction, and for their behavior and decisions to be aligned with the desires of the company’s owners. This, in turn, can improve our company performance and increase the profit.

The dialogue takes place in a classroom at Zaporizhzhya State Engineering Academy, in Ukraine. We are discussing classic literature within strategic management, and various tools that can be used to improve company performance. One important tool is to formalize an overall mission and vision and some core corporate values. Such formalizations ensure a common understanding about the company’s desired directions, and they direct employees’ behavior and decisions, so that they are streamlined and aligned with the desired direction of the company.

Strategic management has its roots in Chinese warfare but was brought into boardrooms in the United States at the end of the 19th century, when the market changed from a closed to a free market. With a competitive market, companies needed
to implement effective tools to enhance performance and profit and therefore borrowed terminology, tools, and fundamental ideas from the military. Today, strategic management is an obligatory curriculum in business schools in the US and other European countries. At the Business School in Bodø, there is no difference. In my job at the Business School, I teach strategic management for students on the programs, Master of Science in Business and Master in Business Administration. I also conduct research within this academic field.

After discussing how to formulate a mission and vision for a company, and why these formalizations are important to improve performance, we went on to discuss corporate values. This subject received great attention from the students. It may be that they were already having some issues with the formulations of mission and visions, but, at this point, the dialogue became more heated with great involvement and critical thinking on the part of the students. Critical thinking is challenging when discussing a subject that is embedded in a more ‘object understanding’ about how companies ought to incorporate tools from strategic management and such formalization, to improve performance. This is the case for me. As I have thought about the subject for some years, it stands as a taken-for-granted understanding, and, as such, my own critical thinking is not always connected.

I also conduct research into companies that invest and operate in distant markets. The term ‘distance’ refers to companies that operate in countries that are geographically located far from the home market, creating a physical distance. It also embraces companies that operate in countries with different conditions, in terms of politics, economy, and culture, which creates a psychical distance.

This means, for instance, that, when Norwegian companies invest and operate in the Ukrainian market, they will experience a distance. Since I am very competent in understanding how this distance can create challenges for companies, I should also have been prepared that my teaching within strategic management, have a different
realization from me, compared to that of the students in Ukraine. When the discussions about corporate values became heated in the classroom, I understood that I should have better prepared myself for this distance in our understanding of strategic management.

After 45 minutes of discussion with the students about corporate values, I think we ended up having a more or less similar understanding about corporate values and how they can improve performance. It was an important learning arena, for both the students and me as a teacher. The students gained new insight and understanding about how companies can enhance performance by using tools from the strategic management field. The teacher gained greater understanding about how strategic tools can enhance performance, as she was constantly forced to argue the pros for improved performance.

That day in the classroom, I did not argue from the basis of research. In this paper, I would like to argue for how core corporate values can improve company performance, by building on classic literature and state-of-the-art research on the subject. In the following, I provide a definition of corporate values and their key features. I will then discuss how values have a cognitive, emotional, and motivational function. Finally, I will sum up this paper, by answering the question: “How can corporate values enhance company performance?”

**Corporate values**

Corporate values represent the fundamental idea about appropriate behavior and decision-making in a company. Values lay the criteria for how to behave in certain conditions and situations and how to make appropriate decisions and priorities. Values mobilize attention and unify a common understanding about expectations in behavior and decision-making. Klenke (2005) attached the three following features to the concept of corporate values:
Values are a latent construct that inspire people’s evaluation of their behavior and its outcome.

Values have a general nature that is applied in the broad organizational setting and various conditions, rather than having validity only in specific settings and conditions.

Values apply to all units and functions of the company, at multiple levels.

Values are practiced from an unconscious attention, as they are latent constructs within the minds of the employees. In certain conditions and situations, the latent values come to be practiced without conscious reflections on whether behavior is in harmony with the corporate values or not. For instance, if one of the corporate values is formalized as caring, employees behave with kindness and concern in their behavior, whether it is towards customers, clients, patients, or colleagues, as a natural way of behaving and without much awareness of effort.

They apply to the broader organizational setting. Values become relevant and guide behavior in the various organizational conditions and situations that employees encounter. When values are formalized in general terms, they are made valid in employees’ everyday working conditions and situations. As such, they also become important and can guide behavior and decision-making under uncertainty and when employees encounter unfamiliar conditions and situations. For instance, caring would be practiced, even in situations of conflict and uncertainty, as it is the natural way of behaving.

The term ‘incorporate’ means to unite or combine into one, and it pertains to a united group. Adding ‘corporate’ to the concept of a company’s values accentuates the fact that the values apply to the whole company, including all business units and functions, and the various levels in the hierarchy of the company. But as employees belong to different units and functions, this group’s interactions and common experiences can
form meaning to the corporate values. The values can therefore be interpreted and responded to with nuances in their micromovements in the everyday work life.

At a group level, a common understanding of how the values can be attached to their work life, which may differ between units and functions, is important for creating a common platform for the members of the group. This platform will unite behavior and problem-solving within the group of employees. Values also have an individual connotation. Personal values have been fostered through the socialization process, so that each employee brings with them a set of values that defines their individual understanding about appropriate behavior in their work situation. These personal values influence how the corporate values are practiced, and the corporate values influence the personal values of the individual employees.

**A cognitive, emotional and motivational function**

Kluckhohn (1951) attached three main functions to the concept of values. In his work, he departed from the idea that values have a cognitive, emotional, and motivational function for individuals. Although he refers to values at the personal level, it is relevant to apply these functions when explaining how employees relate to corporate values.

The cognitive function of values denotes that employees of the company have shared interpretations and meaning, attached to the values, that creates a mutual understanding and taken-for-granted realization throughout the company. Corporate values are, therefore, the sum of each employees’ intellectual constructs about how they ought to behave, irrespective of the organizational conditions and situations they encounter.

Values also cultivate certain affections within the employees and within the group of employees. These affections generate certain emotions that influence how employees interpret particular conditions and situations, and how they act on these experiences. Emotions attached to values can be regarded as distinct from the ideal cognitive
constructs about how to practice values, as such, separating rationale understanding and the emotional feelings held by the employees.

Different values, then, can generate a spectrum of emotions within the employees that influence how they interpret conditions and situations, and enact upon them. Take, for instance, the value, *caring*. It promotes emotions such as kindness and compassion and reduces emotions such as selfishness and hostility. Another value can generate other types of emotions. For instance, the value, *energy*. It promotes emotions, such as engagement and enthusiasm, and reduces emotions such as fear and uncertainty. The values can therefore be used as a tool to support certain emotions within the employees that influence their behavior.

Finally, values also have a function to motivate employees during their working day and inspire them to perform tasks and obligations. As a motivational function, values have an instrumental dimension, as they set a shared standard for behavior. A large cluster of literature discusses how values contain a normative control mechanism in the company (Malmi and Brown, 2008; Simons, 1995). Values are recognized as a cultural control mechanism that can foster a group control, as fellow colleagues can demonstrate rewards for acceptable behavior and punishment for deviant behavior (Chatman and Cha, 2003). As such, corporate values are an important tool for both the strategic management of the academic discipline and management control. However, this discussion will not be dealt with in this paper.

During my lecture in Zaporizhzhya, I gave an example of how corporate values in practice can been regarded as a cognitive, emotional, and motivational function. Before I started my career in academia, I worked for several years as a manager within the service industry. In one of these positions, I worked as a restaurant manager in the hotel chain, Nordic Choice Hotels. This was in the middle of the 2000, and things may have changed, but, at that time, I was introduced to a company whose management was based on strong corporate values. Three core values were, and still are,
summarized through the term: *WeCare!* This term represents the company’s values and their communication platform, and it defines the unique identity of the company and its employees. It also represents the company’s ambitions to take social responsibility for their impact on society and the environment. The company’s corporate values were communicated through the following sentence:

*With energy, courage and enthusiasm, we create a better world. WeCare!*  
For me, these values became very important in respect of how I carried out my work and how I managed the employees of my department. These values were effectively implemented in the company and became a part of our embedded understanding and taken-for-granted behavior in every situation and in relation to customers, colleagues and managers. It became a corporate culture to foster and strengthen the term, *WeCare.* Energy, courage, and enthusiasm were practices in every micromovement of each employee in the company.

At one time, all employees wore a button that stated, “*WeCare!*” With this button, it became difficult for the waiters in the department to “not care” in their interaction with customers and colleagues. It was stated on the button, which was placed close to their heart, that they had to *care,* with kindness and concern in their interactions with others. Being reminded about the corporate values of care every time they put on their uniform, it became the natural way of behaving without much awareness of effort.

Although these values are strategic formulations, the CEO of the company frequently referred to the quotation: “*Culture eats strategy for breakfast*”. This may be the case, but I believe more in the explanation that the CEO and his team had clear ideas and concrete movements for how to effectively implement these values throughout the company. The company’s formulated values, through the sentence referred to above, became the company culture because of effective implementation. This story represents an example of how effective corporate values can create certain emotions.
within the employees and how values can be used as a motivation and inspiration for how employees behave and carry out their work.

**Do corporate values improve performance?**

When corporate values are formulated and implemented, they have the ability to improve company performance. Values that reflect the overall ambitions and goals of the company motivate and inspire employees to move in a certain direction. Their behavior and decision-making become aligned with company desire. Barsade and O’Neill (2016) studied how a deliberate change in corporate value improved company performance. Through a case study, they investigated the process of implementing the value, joy, in a company in the financial sector: a sector not immediately associated with joy. It turns out that the value, joy, became the strongest driver for employees’ satisfaction in and commitment to their work.

Through a change in corporate values, employees became more productive, and performance was improved. In another setting, the researchers studied a strong command-and-control company, where the employees had low morale with a fear of punishment. The company changed its core value to include empowerment. This changed the employees’ behavior at work, as they gained greater confidence and the feeling of mastering their skills and assigned tasks. The company moved from a low-performance company to an award-winning company for their excellent performance. Both studies show a strong relationship between company core values and performance, demonstrating that corporate values improve performance.

The week before I taught in Zaporizhzhya, I gave the same lecture for an MBA class in Bodø, at which about 60 students were present. All the students were asked to submit their company’s core values, on a digital platform. The figure below shows the core values formulated in the companies that the students represent.
The figure shows that the values are oriented towards human values, professional, democratic and ethical values. It became quite clear during the class task that the orientation of the values could be explained by the sector the students were employed in. Having insight into which companies the students worked for, it was even possible to reveal the company in which the values were implemented.

In this paper, I have discussed the value of effective corporate values and how they can improve company performance. With reference to classic literature on values, and state-of-the-art research, it becomes clear that core corporate values can enhance performance, when effectively implemented.
Bibliography

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