

The Woman Who Brought Management To Slovenia

by Naomi Nishihara on June 24, 2016



Danica Purg remembers the angry phone calls accusing her of “importing imperialism.” Management, after all, was not an acceptable subject to teach in socialist Slovenia 30 years ago.

Purg, president and dean of the IEDC Bled School of Management, recalls how, in 1986, opening a business school in Slovenia was a tall order. Beliefs about wealth and profit were hardened by decades of socialist government. It was a tall order on another level, too. Purg herself, recruited to launch the school, knew nothing about management.

“I was a major in political science,” she says. “I was always an ambitious girl. I imagined I would be a famous journalist.”

FROM POLITICAL SCIENCE MAJOR TO MANAGEMENT DEAN

The fiery red head really had wanted to be an actress, but she didn't get the scholarship she was looking for. In any case political science suited her. “I was a very engaged young girl who was working for the improvement of the country. I was open to new ideas. I was not a nationalist. It was difficult for me to even find a boyfriend, being like that,” she says with a laugh.

Her willingness to stand out helped her find the courage to open Slovenia's first management school, despite strong resistance. At the time, Slovenia operated under a system of “self-management”: The country was very decentralized and companies were run by workers' councils, not professional managers. “Management was unknown. It was not left or right, but it was unknown, and people are afraid of unknown things,” she says. “It was considered a technocratic tool to govern people.”

But by the mid-80s things were beginning to change. Slovenia's socialist system was nearing an end. In 1991 the country would split from Yugoslavia and become an independent nation.

BUILDING A BUSINESS SCHOOL IN SOCIALIST SLOVENIA

The IEDC Bled School of Management had been founded by the Slovene Chamber of Economy as a way to bolster the Slovenian export economy. Purg was approached by the chamber to lead the school. She was a professor at the University of Maribor, Faculty of Organization of Work then. But she was uncertain. It was still the beginning of Slovenia's transition, and she knew she would face a lot of difficulty with little help.

"I was talking with my husband, who is Dutch, and he said, 'This is a real challenge. But you love your country. You should do something for your country and make this school,'" Purg recalls.

Right away she learned that while the chamber was on board to launch the school, it wasn't yet ready to support it. Purg wanted to travel to other management schools in Europe to learn more about management. But when she approached the chamber, she says, she was turned down.

So she went anyway, on her own dime. She never regretted the decision. She participated in courses at Harvard Business School and IMD Lausanne. She went to management education conferences. She traveled the world, learned about management, and met her future colleagues.

PROBLEMS, SOLUTIONS, MORE PROBLEMS

But always Purg, now 70, had two major problems to overcome. The first was that management was not acceptable in Slovenian society. The second was that she had no professors to teach it.

"I went to visit France, and I went to see Henley College. Then I went to Helsinki to a conference on management education, and when I was there, I knew what I should do. I met a Japanese professor who was the first professor I invited to the school," she says.

Slovenia is a country of only two million inhabitants. That's a small pool to draw academic talent from. So Purg's goal was to make the school such a fantastic place that it would attract the best professors from around the world.

As she travelled, she says she invited the best professors she could find to come to Slovenia. It worked, and once she had professors, she was able attended all of her own school's management courses, and learn management skills alongside her students. But it also caused a new set of problems. "First we were fighting to exist," Purg says. "Then we had problems at the university level, because I brought in so many foreign faculty."



IEDC Bled School of Management

PEOPLE WERE AFRAID THAT WORKERS' LIVES WOULD GET WORSE

Purg says a predominant fear was that management studies would introduce a society where workers would suffer more. "And sometimes they do," she notes. "The standards for workers in socialist times were better. We were more equal."

Back then, executives and workers alike could afford houses by the seaside or in the mountains; all could afford to travel frequently. As a student and a child of workers — not executives — Purg visited 17 countries. If she wanted, she could go to Italy to have pizza.

Many were, understandably, fiercely protective of the system. "The workers didn't understand what we were doing," she says of IEDC Bled. "But recently, the president of Slovenia was interviewed for a book about our school, and he said it was a different time then. He was against it then because he didn't know what it was. Today, he said he's very proud of it."

And Purg and IEDC Bled's values are still influenced by their socialist history. Though Purg says that they live in a market economy now, and so it is inevitable that she buys into it, she believes that capital and financial profit are not what managers should aim for.

"Am I a capitalist in the classical meaning of the word, i.e. that capital is the most important driving force in our economy and society? No, I am not," she says. "For me new factors such as human capital and related technology are the main drivers."

TRANSLATING BUSINESS INTO SLOVENIAN

In the beginning, Purg named the school IEDC, the International Executive Development Center. It was difficult to convince people that management was important, she says, but executive training was easier to sell. So she emphasized working on relationships between executives and workers.

"I was invited to make a management school, but I was not even allowed to use the word 'management,'" she says.

In fact, the idea of management was so new, they didn't have words in Slovenian for many business terms. "We made the first dictionary of business terms, a lot of marketing terms," Purg says. "In the beginning everything was with English translation, and we didn't know how to translate business language into my language. It was a big thing."

Purg says that despite her difficulty convincing Slovenians that a management school was necessary, conversely IEDC Bled had little trouble lining up international assistance. The way she traveled around the world asking for help was seen as courageous. "And coming from Slovenia was an advantage because Slovenia doesn't want to occupy anybody," she says.

BECOMING A WORLD PLAYER

Her world travels resulted in much more than finding good professors. She made connections — and she started thinking about how to collaborate. She knew from her own experience how difficult it was to open a business school in the Central and East Europe (CEE) region. It was particularly hard to get accredited.

In an effort to attract the attention of the world to schools in her region, Purg created CEEMAN, the Central and East European Management Development Association. The organization was originally meant to foster management development and education in the CEE region. Today, CEEMAN has grown beyond the CEE region and includes 255 business schools from 55 countries. It offers educational training for the faculty and staff at management development institutions, provides accreditation, hosts conferences, and encourages inter-school cooperation.

Purg was, and still is, CEEMAN's president, and in 1999 IEDC received CEEMAN International Quality Accreditation. In 2005, the school's MBA programs were also accredited by AMBA (Association of MBAs).

THE INFLUENCE OF SLOVENIA'S PAST

Today, IEDC Bled offers three MBA programs, and not long ago in 2010 the school launched its first PhD program. In 2015 the first PhD Candidate at IEDC successfully defended his thesis.

Purg's wish that IEDC Bled would become a destination for professors and students around the world was also met. The school's alumni network now has 4,791 members from 75 countries. 80% of current students are international, and though most of the administration is Slovenian, professors come from Belgium, Canada, Germany, France, South Africa, Switzerland, the Netherlands, the UK, and the USA.



IEDC Bled School of Management

If the first phase of building IEDC Bled was fighting for existence in an anti-management society, and the second phase was filling the school with foreign faculty, Purg says the school now is in its third phase: becoming one of the most innovative schools in the world.

They are innovative, she says, in the way they integrate the studies of art and leadership.

"I think that our school is still really influenced by me, and that means we are concerned about ethical issues, sustainable development, and art," she says. "It is not enough that people learn. They must get inspired, motivated, and they must be willing to work together."

The school itself is practically an art gallery, with hundreds of paintings and sculptures. "Art is shocking, provoking, and inspiring," Purg says. "We build quite a lot on emotions and experiential learning. What can one learn from music to become a better listener? What can someone learn from visual art, from theater, from film?"

The emphasis on art goes back to socialist times, she says, when the Slovenian people were more equal. She believes that business and management are about more than just money, and management education is more than just rankings and how much you earn after you graduate. To become a better leader, you should be changing society for the better, Purg says, not just for your own profit, and you should have a high respect for everyone, whether it's a manager or a street cleaner.

"The best compliment I ever got was when an alumnus went home and gave an interview at his local newspaper," Purg says. "He said when he came back from Bled in Slovenia, everyone in his company noticed that he had learned a lot. But his family said that he had also become a better human being."

A SCHOOL WITH A VIEW

IEDC Bled is situated on a beautiful and quiet lake, a perfect place for reflection, Purg says. Several years ago, a magazine called it "a school with a view" because of its picturesque setting. Purg took the nickname to heart, adding it under the school's name on Bled's official website. But to her, "a school with a view" has a double meaning. It also means "a school with a vision."

Her vision extends beyond IEDC Bled and even beyond the hundreds of schools in CEEMAN, to what she hopes management education will become worldwide.

"What I would like to see in management education in the future is more innovation," she says. "These accreditations and these standards, they are making everyone the same. I think we should look to variety, specialization, and responding properly to the specific needs of the places where we live."

And at her own school, Purg says they don't enter any rankings, at first because they were too small a school to qualify, and later because they didn't believe in rankings where a prominent criteria is the salary of graduates. They have, however, won international recognition for innovation by AMBA and Aspen Institute, and in 2010 Purg was named the International Educator of the Year by the Academy of International Business.

Rather than focusing on the future salaries of her students, Purg says her goal is for as many students as possible to understand what IEDC Bled stands for — maintaining a high respect for everyone, regardless of social class.

"I believe about one third of the students come in with immediately accepting and open minds," she says. "Another third learn that through the program. And then the last third we are leaving ... quite untouched. We have to work on that more."