SOME ECONOMIC DEVELOPMENT AND HUMAN – RESOURCE DEVELOPMENT ISSUES FOR CONSIDERATION WITHIN MBA PROGRAMMES OF SOUTH AFRICAN AND AFRICAN BUSINESS SCHOOLS.

Anis Mahomed Karodia; Dharam Sewraj; Ahmed Shaikh

ABSTRACT

This paper explores certain management, development and economic issues relevant to the discourse of the MBA programme and its teaching in South Africa and Africa as a whole. It attempts to situate the discourse within the realms of broader debate that permeates its relevance to both management and its wider and broader role in developing societies and to development in general. An attempt is made to project on both positive and negative aspects of certain salient issues that need elaboration and understanding by academics and Business Schools in South Africa. It will also attempt to briefly explore some nuances relevant to entrepreneurship within the context of the MBA programme and, other important aspects that may need some attention by academics and Business Schools in the formulation of their MBA programmes and the contribution that Business Schools can make to higher education.

The paper used articles that have been published in the popular media, in business magazines and relevant textbooks and does not pretend to capture all issues that may be relevant to the MBA, nor does it pretend to exhaust in any detail the issues that are explored in this paper. The primary aim of the paper is to stimulate discussion and debate for purposes of enhancing the MBA programme as a brand, in an attempt to strengthen its importance and relevance to management and development within the framework of relevant higher education discourse.

This paper as a starting point will posit and argue from Samantha Crous’s perspective that “Africa needs own people solutions” (July, 2012), and on the other hand will briefly explore the comments made by Mamphela Ramphele (August, 2012) that the “Time for radical change in education,” has arrived. Issues in relationship to human resources in the context of development will be explored and the article – What’s the point? which appeared in the Financial Mail by David Furlonger (July 20, 2012: 32 -34) will be reviewed and the relevance of the entrepreneurial discourse to and within MBA programmes will be discussed very briefly and elaborated upon.

1.

INTRODUCTION: A TIME FOR RADICAL CHANGE AND AFRICA NEEDS OWN PEOPLE SOLUTIONS
A TIME FOR RADICAL CHANGE
According to Mamphela Ramphele (August, 2012), teaching is a noble profession that should not be tainted by those lacking in commitment to give of their best. This lies at the heart of both undergraduate and postgraduate studies in South Africa and Africa as a developing nation and continent. The continent needs to arise and wake up from the complacency that has allowed for tolerating failing education systems and therefore a need exists to focus on radical change in South Africa’s and the continents education systems. It is obvious therefore that a critical ingredient according to Ramphele is leadership at all levels to transform the approach to education. In this regard Business Schools both traditional and distance providers of higher education have become important role – players in both undergraduate and postgraduate studies. All of this becomes relevant given the high costs of education, the collapse of education at the basic education level within states in Africa and particularly South Africa, the turmoil and drop in academic standards in certain traditional universities, exacerbated by poor quality, applicability and general functionality of education in general, overcrowding coupled with student intake problems barring those that cannot be, absorbed, admitted and accommodated by the traditional universities because of the problem of space at these institutions. Governments therefore have to support distance universities and colleges to play a leadership role in terms of the radical change that is required. Many of the distance education colleges and universities have made huge investments, and according to Ramphele, the government must lead and be held accountable for good governance of the education system, and citizens must demand a higher level of performance and accountability from governments. She further states that our education system is actively generating poverty through the massive failures of governance.

The continent’s ambitions to industrialize and to compete in tough global economic conditions will not be realized and would become a pipe dream unless South Africa and the countries of Africa commit to radical change in the management of education and training. Africa to a large extent and South Africa included, are being left behind by poorer countries and our peers in the Brics club and the rest of the world, in terms of the global knowledge economy. Ramphele states that “the identification, nurturing, development and utilization of talent must become the feature that distinguishes successful societies from failed ones. African governments in general and South African Business Schools are missing the opportunities to play at and to their strengths and to compete in today’s global knowledge economy.

2.

This is exemplified by the high unemployment rates in South Africa and the African continent as a whole, exacerbated by the relevance of training in both the private and public sectors. Ramphele adds that there is a lack of policy coherence and effective implementation which have undermined the ability of the public and private sectors to exploit the power of information technology to transform education systems.

In addition, the private sector must stop being a frustrated spectator and become active in the radical transformation of the education and training processes to enhance productivity and competitiveness. The current focus on compliance through corporate social responsibility projects has yielded little to sustainable transformation of the operating environment. The private sector with particular reference
to large corporations therefore have a major role to play in supporting training and management education offered by distance educational institutions in the near future and from the perspective of empowering those that have been historically left behind in the quest of education, in order to make South Africa a winning nation. In achieving this according to Ramphele “it is time for a turnaround strategy in which each industry should map its needs over the next 10 years and agree to investment targets. A move away from boutique projects to pooled funding with a shared dashboard to measure performance can then be used to leverage change in the public (and private) education systems. Only sustained long – term approaches can ensure lasting improvements.

Academics need to rise above the parapets of the ivory towers of teaching and learning. Academics ought to lead the charge in proposing radical change to both content and process of teaching and learning. What new ideas have emerged from our tertiary education in the post – apartheid period to understand and celebrate our unity in diversity, Ramphele asks. We need to innovate to transcend our past and shape the future. To this end Business Schools have a major contribution to make, but this can only come to fruition, if government supports distance management colleges and universities in a similar manner that it assists traditional universities, that in the main derive large amounts of funding and recognition from state and governments. Indeed the time has come for radical change. In the way South Africa and Africa addresses education discourse, particularly at the higher education level. There has to be a demand by the state of higher levels of professionalism from academics, teachers and managers, in order to support the teaching and learning process at both the basic and higher education levels. Ramphele states that “we have a choice as a nation to rise to the challenge of the radical change required in our education system, or continue to slide into terminal mediocrity.”

AFRICA NEEDS OWN PEOPLE SOLUTIONS

Leading from the above expose, there is no doubt that Africa’s prospects in terms of a business perspective have never looked stronger. The continent is thriving, GDP is increasing at an average of 5 percent each year and, in anticipation of the typical emerging – market benefits such as low cost labour and a vast pool of new customers,

3. businesses are flooding into Africa in the hope of long - term growth (Crous, 2012:41). But as business increases in Africa, Crous points out that, it becomes important to develop applicable HR policies and practices alongside, not only to prevent exploitation, but also to manage the massive redistribution of talent that will be necessary to sustain successful business development in the continent’s emerging markets. Eighty percent of the world’s employees work in emerging markets, but how companies recruit, retain and manage people across the entire organization will often, determine their success or failure. However, the social and political challenges according to Crous that dominate emerging markets mean it’s not easy to develop HR guidelines that will work, especially since much of the dominant HR wisdom is not coming from the markets that need it most. In this regard Litheko (in Crous, 2012: 41) states that “The only thing all our HR professionals seem to have in common is that they have all read the latest management books coming out of the United States. It is therefore necessary given this state of affairs that Business Schools in South Africa:

- Create a compact with government to develop proper guidelines in respect to HR policies by means of a contract with both the private and public sectors, in order to
create sound HR policies for purposes of effective management, and to engage the labour unions more meaningfully.

- Enhance their MBA – HR courses to become user friendly and more relevant, thus assisting development initiatives and programmes.
- Pay more emphasis on HR practices and policy by creating home grown wisdom and focus on the solutions that have worked for the problems that arise in South Africa’s and Africa’s particular context.

Some of the home-grown wisdom is likely to come from South African businesses that are also jumping onto the African bandwagon. According to Grobbelaar (in Crous, 2012: 41) “South Africa has emerged as one of the top 10 investors on the African continent and is now the largest source of foreign direct investment in Africa, outside the oil and gas sector. It is therefore obvious that Business Schools in South Africa must assist companies in terms of HR content within their short courses and their MBA programmes, by prioritizing the content of their HR courses in terms of the well being of company employees and the retention of top talent and zooming into HR practices within the public sector, in order to enhance morale and productivity in order to shape the ethos of the public sector, thus creating the impetus for efficiency and effectiveness. This will enhance and provide long-term financial, career and development opportunities to Africa’s massive and currently largely untapped talent pool. Africa, South Africa included has suffered a great and huge brain drain, and as a result many African countries have lost some of their highly skilled professionals. African governments therefore have to intervene by creating a more stable economy, reducing crime, creating job opportunities and investing in training and education. Both the private and public sectors must therefore:

4.

- Support Business Schools to create innovative content in respect of HR policies and guidelines to retain staff.
- HR policies must be prioritized, together with development issues.
- Companies and the public sector must prioritize HR policies and offer attractive practices and benefits, for purposes of attracting the best talent.
- This will allow for the return of skilled workers back into the country.
- HR practices by both the public and private sectors including Business Schools must therefore look at both the internal and external factors, in order to attract qualified personnel.
- A concentration by companies and Business Schools to manage diversity by means of equalizing of opportunities and the recognition of personnel needs.
- Business Schools must enhance content in respect of “cultural intelligence” and diversity issues.
- Using globalization to advantage.
- Business Schools must enhance the certification process of accredited diplomas, degrees and short courses that they offer and regularly change content in order to keep pace with changing management and development practices across the globe.
- Business Schools must raise the bar in recognition of Africa’s rising significance in the business world and produce graduates that are up to the challenges across the
world, in terms of business knowledge and applicable practice through sound MBA academic training.

SOME CHALLENGES TO DEVELOPMENT IN RELATIONSHIP TO THE MBA

The discussion is continued in respect of development in general and economic development and certain salient issues in respect of human resources are further elaborated upon, continuing from the discussion undertaken above. In so doing this part of the article firstly deals with some issues raised in the Financial Mail’s feature article, Are SA’s Business Schools too tame (July 20, 2012:32 – 41). David Furlonger asks the question – Do business Schools exist only to teach management or do they have a broader role in South African society? The question is indeed most relevant. It is relevant in the sense that it touches on issues pertinent to the MBA programme in general and to the dynamics of development. The foregoing discussion will summarize Furlonger’s expose and critique. Thereafter issues in respect to economic development, further issues in respect of human resources as it pertains to development will be discussed and elaborated upon, in terms of their relevance to MBA training.

Furlonger states that it is a strange phenomenon that when South African publications seek business school commentary on local management issues, they are likely to approach not one of South Africa’s worlds – class schools but an American one. South African Business Schools must increasingly become global thought leaders and break the cycle of reliance on foreign western dominated thought that derives from Western Universities.

They must shed their reliance on these institutions, but incorporate academic infusion guardedly. Other European institutions are also consulted, despite the undisputed excellence of some South African Business Schools. Business schools in South Africa must get more involved in national issues that straddle politics, economics and social and business issues. They must become more innovative and enhance the discourse and challenge the stereotype that has developed, over time that Europe and the West is the best. What then is the purpose of Business Schools? Furlonger asks, do they exist exclusively to make profit by providing management executive training? Or should they be using their academic and intellectual capital to make a broader contribution? Helen van Zyl points out that “the educational role must never be underestimated: it should capacitate business to innovate and change.” Valiant Clapper on the other hand says that Business Schools have “An important role in influencing and guiding the economic success of our country.” Wendy Ngoma of the Wits Business School indicates that “We can’t expect government to be the think – tank for society. Schools as citizens of this country, have a role to define what type of society we live in.” Walter Baets of the Graduate School, University of Cape Town says that “It is not enough to be respected and sought – after for the quality of teaching. Schools must be “meaningful” in their local environment. According to Baets the areas in which they could play a greater role are leadership, social innovation, public governance, service delivery, healthcare and education. It is obvious that Business Schools in South Africa be they traditional or distance learning institutions have not done enough to reach out to the real problems and are not part of the national debate. They sit in their comfort zones and concentrate in their niche areas of business engagement. John Powell of Stellenbosch says that schools must never forget that their primary raison d’etre is to educate, but there is more to education than time spent in the classroom. Business Schools should lead the discourse in terms of political, social and economic issues and engage with the Labour Unions, given what went wrong in the Marikana mining massacre in the North West Province. They should engage with the different political parties, their
youth leagues, women’s movements, businesses, politicians, opinion makers and within the international and African arenas.

There is no dearth of talent and of opinion in South Africa. It is about confidence that has been historically eroded and this confidence must be built on the very foundations of the courage of one’s convictions to challenge body knowledge and opinion makers. It is a question of “solid ideas” that must become rooted in the teaching programmes of MBA instruction, rooted in critical debate and innovation of thought.

Cobus Oosthuisen of Milpark Business School says that “Schools must recognize their responsibilities as members of society because we are not islands.” “We cannot isolate ourselves or sit on the fringes when there is a world faced by the challenges of unemployment, starvation and the issue of sustainability. Its not only the question of teaching the concepts of profit and loss, it’s a question of development and redressing past imbalances in order to create a more just society and to promote the general welfare.

6.

Business Schools are perhaps afraid to enter sensitive areas of engagement and nervous of making waves, in a political environment that is itself nervous of service delivery protests in South Africa and therefore, Business Schools maintain the status quo, mindful of the all embracing fact that they may face the wrath of the political masters. This thinking will have to change and academia must challenge the establishment or allow the country to slide to a point of no return. Business Schools in South Africa must freely make their research available to civil society, to business, be involved in more comprehensive research on issues that affect not only business but society as a whole. They must become think tanks and lead from the front and be in the forefront of research imperatives that have the potential of making a difference to the development of South Africa. Ideas must be all embracing and beyond regional boundaries. Business Schools should lead the way in respect of entrepreneurship and Tommy Du’Plessis of the Potchefstroom Business School states that “South Africa has one of the worst failure rates in the world among start up – businesses. Our failure in sustainable entrepreneurship is linked directly to our shocking employment rate. In most of the world including many Third World economies, small business is the biggest employer. It’s an area that all Business Schools should be researching, investigating and exploring with some intensity. It is essential and of cardinal importance that entrepreneurship issues be consolidated thus allowing entrepreneurs to flourish without any let or hindrance.

The Regent Business School has played a significant role in some ways to consolidate this initiative and figures show that, its graduates holding the MBA degree have made inroads in starting up their own businesses and have entered the entrepreneurship arena with some degree of success. One of the biggest problems with MBA graduates is that they enter the administrative fields of management and very few enter the entrepreneurship arena of business engagement. For example, they mostly enter areas of events management, security services, catering and primarily engage with tenders within the three tiers of government. Graduates will have to look at more engaging fields of entrepreneurship and contribute more significantly to business opportunities, and create sustainable employment opportunities in order to address the issue of skills empowerment and make a dent to unemployment.
in the country. Business Schools must not enter onto entrepreneurship programmes because it is in vogue to do so, but should have a long – term view on the issue.

SOME LEADING ISSUES THAT THE MBA BUSINESS SCHOOLS IN SOUTH AFRICA SHOULD CONSIDER IN BRODENING THEIR APPROACH TO DEVELOPMENT AND HUMAN RESOURCES

A starting point would be to clarify the meaning of “economic development on the basis of moral and humanitarian consideration. The diagnosis will call for thorough economic analysis within the context of South Africa and Africa. Business Schools therefore have a major role to play in respect to finding solutions, by assisting governments, the public

7.

and private sectors, including civil society, agencies, in terms of appropriate policy making, in respect to accelerating economic growth rates, the eradication of absolute poverty, reducing inequalities and extending its approaches to tackle development issues by creating more productive employment opportunities. They are duty bound to clarify the misconceptions about the objectives of development. In so doing Business Schools should break away from the traditional modes of analysis and consider questions such as: What is economic development? How do we measure development? How have developing countries performed?

It has to be clearly understood that economic development involves something more than economic growth and development must be taken to mean growth plus change. These are two essential qualitative dimensions in the development process. The qualitative difference, according to Meier (1995:7) is especially likely to appear in the improved performance of the factors of production and improved techniques of production – in our growing control over nature. It is also likely to appear in the development of institutions and a change in attitudes and values. This is an area that Business Schools must relentlessly pursue.

Economic development is thus much more than the simple acquisition of industries and therefore Business Schools in South Africa have a special responsibility to research, innovate, change the content of their MBA courses, understand social phenomena that impede development initiatives in South Africa and Africa and, contribute significantly to the much needed development of the country and continent. It may then be defined as nothing less than the “upward movement of the entire social system” or it may be interpreted as the attainment of a number of “ideals of modernization” such as a rise in productivity, social and economic equalization, modern knowledge, improved institutions and attitudes, and a rationally coordinated system of policy measures that can remove the host of undesirable conditions in the social system that have perpetuated a state of underdevelopment. These are some of the areas that Business Schools must research, teach and investigate.

The issues that permeate economic development are broad and complex and these complexities must be dealt with by Business Schools in South Africa, for purposes of expanding the discourse of development, for purposes of contributing to development debates within the country, preparing graduates to become sound policy makers and entrepreneurs of development. Failure to understand
these dynamics and to consolidate their combined efforts towards development issues would ultimately render Business Schools in South Africa inappropriate and virtually insignificant in respect challenging the status quo that permeates development discourse in the continent and would render them irrelevant to the pressing needs of the continent and its people. This would be a great disservice to the type of graduates that they produce. Business Schools should become leaders in political, social and economic thought processes and influence policy making and contribute significantly to development discourse.

8.

Business Schools must produce innovative, intellectuals, analytical theorists, development economists, thinkers that can make a difference to society as a whole, changing the attitudes and values of corporate CEOs in a direction that can make a country successful and create the impetus and momentum that is required in respect of development.

In light of some of these considerations in respect to the meaning of development, it is imperative that South African Business Schools recognize the several dimensions of economic development within the ambit, of teaching and within MBA programmes. Instead of seeking development as an end, Business Schools might better view it as a means, as an instrumental process for overcoming poverty and achieving human development.

In elaborating upon economic development, it will be necessary for Business Schools to simultaneously focus on human – resource development. Human resource - rich countries have demonstrated that they can develop even if they are poor in natural resources. Although in many respects, given the current depression in the economic climate, worldwide, and the waning of physical capital, it has been replaced by a creed of investment in human capital. The MBA programme should in many respects concentrate in the quality of people as productive agents, which must be the central objective of Business Schools and an objective towards developing policies. The emphasis on human capital is premised on the basis that knowledge is embedded in human beings and for the purpose of achieving total productivity. This is exemplified by Marshall (in Meier, 1995:265) who stated that “Although nature is subject to diminishing returns, man is subject to increasing returns _ _ _ knowledge is our most powerful engine of production: it enables us to subdue nature and satisfy our wants.” The decisive factor is the improvement in production quality and an investment in health and education. These are some of the issues that MBA programmes and Business Schools must pursue in respect of the development of human resources, which has a direct correlation with the dimensions of economic development. Business Schools and their MBA programmes must for all intents and purposes enquire, how the abilities and skills of people are to be improved, and their motivation and values modified in order to make them more suitable for development efforts.

MBA programmes must discuss the issues of population growth, nutrition and health, and education as separate topics or modules, from the perspective and reality that all these elements of human – resource development are interrelated. And while fertility, nutrition, health, and education influence one another, so does each, in turn, affect income and human development. Moreover, within this
social matrix, Business Schools and their academics must recognize various policy choices and assess what can be the contribution of government and the private sector to human – resource development.

9.

CONCLUSION

This paper is not all encompassing. However, it has attempted to nuance some important economic development considerations, in order to open the debate amongst Business Schools in South Africa and in the African continent. The time has come for Business Schools in South Africa to seriously consider economic and development issues within their MBA programmes, with special reference to deal with the burden of poverty, why does absolute poverty exist and persist, the environmental challenge to development and to order the management discourse to comprehensively deal with the human – resource development dynamic, for purposes of sound economic development, in order to meet the development goals of South Africa and Africa as a continent, in the 21st century, which should become the African century. The question arises – when shall we begin?.

Authors:

Anis Mahomed Karodia (PhD): Is a Professor, Senior Faculty Member and Researcher at the Regent Business School Durban South Africa.

Dharam Sewraj: Is a Researcher at the Regent Business School Durban South Africa.

Ahmed Shaikh: Is the Principal of Regent Business School Durban South Africa.
10.

Bibliography


