Management Education in Dire Dawa Administration Challenges and Strategies for Effective Implementation

BINIYAM KEBEDE DESTA

Lecturer of Management College of Business, Addis Ababa Medical and Business College, PO Box: Dire Dawa, Ethiopia

Abstract

The knowledge economy has brought to the forefront the importance of human capital. Changing business landscape has resulted in a major shift from manufacturing to service economy. Globalization has caused business schools to look at international business, focus on producing graduates with global mindsets and to develop links with schools overseas. The challenges facing newly emerging companies and industries in under-developed economies - like that of Ethiopia - require a whole lot of endeavors to set foot as competitive entities in the age of globalization. This implies that emerging companies and industries in nations like Ethiopia need to have managers who have knowledge and skills of managing business the right way but also leaders capable of devising mechanisms that ensure their companies establish as competitive entities and thrive under existing and future challenges. Hence, this research article focuses on the need for management education and the various issues and challenges being faced by the business schools and colleges in Ethiopia. The services offered by some of the leading universities and management institutes in Dire Dawa Administration are also discussed in this article. Further, appropriate strategies are suggested for the effective implementation of MBA curriculum.

Keywords: Curriculum, Employability, Globalization, Human Capital, Industry-Institute-Interface, Knowledge Economy, Teaching-Learning

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1. MANAGEMENT EDUCATION – A GLOBAL PERSPECTIVE

Management education is one of the latest disciplines to be added on the academic map worldwide. Originally, management education made inroads in North America chiefly to cater to the needs of managerial expertise for profit oriented business organizations. The first university level business school was established at Wurttemberg in 1782. The University of Chicago was the first to offer a graduate business program. But, it was the Harvard Graduate School of Business established in 1908, which pioneered the development of MBA program. In 1930s, during the depression in United States, management education incorporated public policy, marketing and human relations as important subjects. During 1940s, influenced by war research, management curriculum added subjects such as Project Management, Strategic Management, Production Management, Materials Management and Logistics. It was only in the 1960s that the American Assembly of Colleges and Schools of Business (AACSB) standardized management education curriculum. Business policy, Managerial Economics, Accounting and Finance, Marketing, Organizational Behaviours, Personnel Administration & Employee Relations, Quantitative Methods, Operations Management and MIS became part of MBA curriculum in most business schools. And towards the end of 20th century, it added IT, Business Ethics, Human Value and Environment in its curriculum.

Management education for the greater part of the 20th century focused on business administration and hence the generic degree in management was called Masters in Business Administration. Towards the end of 20th century, management education extended its boundaries to management of government, management of public systems, management of agriculture and rural development, management of education system etc. Although, Masters in Management Program in sectorial areas received attention towards the last decade of the 20th century, it has yet to create a market for itself. The purpose of management education since the early days of 20th century has been to enable business enterprises to apply knowledge for improving organizational efficiency and effectiveness.

Focus on:- cost and quality, productivity, mass customization, project management and leadership has directly contributed to generation of wealth in business organizations.

The changes in political and economic equations between the capitalist and socialist societies since the decade of the seventies gradually carried the winds of commercialism and liberalization into the socialist block. Consequently, management education entered the countries of Eastern Europe and China. Concurrently, countries such as Japan and Korea, in spite of their unique reputation for entrepreneurial and economic success without western management practices, began to adopt western management education. A large number of western management schools have joint projects with several Asian countries including India.

2. MANAGEMENT EDUCATION IN ETHIOPIA

• The Need for Management Education in Ethiopia

The knowledge economy has brought to the forefront the importance of human capital. There is growing recognition that people skills are becoming paramount in management education. Leadership, team work, entrepreneurship, risk taking, conflict management, attitude and motivation, service orientation and change in mindset are emerging as center piece of curriculum for imparting effective management education in this fast changing world. Changing business landscape has resulted in a major shift from manufacturing to service economy. Globalization made us aware that in today's world, economy has to be truly global and national borders have become less important than in the past. It has caused business schools to look at international business, focus on producing graduates with global mindsets and to develop links with schools overseas.

Despite the current extensive expansion of MBA programs worldwide, companies and businesses – in nations with strong economies and well-established corporate culture – are still facing old and new challenges including demand for skilled managers and visionary leaders, expansion of disruptive (non-conventional) approaches of doing business like e-commerce, and ever-changing technology. The challenges facing industries and companies in under-developed economies – like that of Ethiopia– are far more complex than these are. The challenges facing well-established companies in nations with strong economies would essentially require prompt adjustments in response to those challenges. On the other hand, the challenges facing newly emerging companies and industries in under-developed economies require a whole lot of endeavors to set foot as competitive entities in the age of globalization. This implies that emerging companies and industries in nations like Ethiopia need to have managers who not only have large dose of knowledge and skills of managing business the right way but also leaders capable of devising mechanisms that ensure that their companies establish as competitive entities and thrive under existing and future challenges.

The Ethiopian economy is growing at a very promising rate for the last ten years. There are more reasons to believe that the national economic growth will keep growing for several years to come. As per the report published by the African Management Initiative, there is a shortage of as many as four million skilled indigenous managers in Africa. Maintaining and advancing the national economic growth in the coming years will inevitably require the establishment of a diversity of new businesses and companies in various sectors and the strengthening of the existing ones. The successes of existing and new businesses and companies will greatly depend on the management and leadership skills of their executives and managers. This, thus, calls for the opening of business schools that produce graduates with sophisticated management and leadership skills, new ideas, and faster innovative skills. Hence, there is a need for management and executive education programs to help the major sectors in the Ethiopian economy. The contribution of the private sector in the economic development of Ethiopia is showing steady growth. As this sector will ultimately shoulder of the national economy, it needs to be an extensive user of knowledge, skills, and technology. Competing and succeeding in the present globalized markets depend on the extent of the sector's use of knowledge and technology.

Let us discuss below the services offered by some of the leading universities and management institutes in Ethiopia:

• The College of Business and Economics (CBE), Addis Ababa University

It consists of the former Faculty of Business and Economics (established in November 1990) and School of Commerce (established in 1943). It is the oldest program of its kind in the country. The former Faculty of Business and Economics has its origin in the creation of the Department of Economics in 1959 under the Faculty of Art of the University College of Addis Ababa. This first move was followed by the establishment of the College of Business Administration in 1963, which consisted of two departments, namely the Department of Management and the Department of Accounting. In 1978 the College of Business Administration, the Faculty of Art and the School of Social Work were merged to form the College of Social Sciences. Twelve years later (in 1990), the University Senate decided to reorganize the College of Social Sciences, which resulted in the formation of the Faculty of Business and Economics (FBE). CBE consists of the departments of Accounting & Finance, Management, Economics, Public Administration and the School of Commerce. The department of Management offers, Bachelor's, Master's, Executive MBA and PhD Programs in Management. It published on its website that it has so far graduated a total of about 2000 students in its undergraduate management program.

It is not difficult to see that, whatever the other young universities have contributed so far, the Country's needs in the field would remain to be critical. And yet, it is only recently that Addis Ababa University (2003), Mekelle University (2009), Jimma University, Unity University, Alpha University College and International Leadership Institute have launched graduate programs in business. Thus, it is quite unfortunate that, the educational opportunities for Ethiopian MBA education seekers remained to be largely through distance modes arranged by European and Indian open universities.

• Open University Distance Education in Ethiopia

- Types of Program Delivered by the OU:
 - Ethiopian Management Development Program

- Professional Certificate in management
- Professional Diploma in management
- MBA: Two year course for those who have completed professional diploma
- Three year course for new students

The objective of Ethiopian Management Development Program is to improve the managerial efficiency of the regional and federal governments, thereby enhancing their capacity to implement various development activities and accelerate the decentralization process in the country. EMDP was started in 1996. 40 Instructors recruited from six Universities were trained by OU Tutors for two years. Trained Tutors started tutoring the certificate students from 1997 onwards.

• St. Mary's University, Addis Ababa

St. Mary's University, established in 1998, is a private university in Ethiopia and beyond, which strives to meet the growing demand for trained manpower. It is one of the leading higher education institutions in Ethiopia that provides quality education in various fields of studies with magnificent dynamism to meet up the rapidly growing demands of students, the industry and the critical need for entrepreneurship in the country. The mission of St. Mary's University is to offer conventional and distance education that is accessible to the larger society through reasonable tuition focusing on quality and standards in teaching, research and outreach services. Today, it offers an extensive range of undergraduate programs, including Tourism and Hospitality Management, Management, Marketing Management, Accounting, Information Technology, Computer Science, Rural Development, Economics and Sociology. It also runs post-graduate programs in six areas of studies: MBA, HRM, Accounting and Finance, Agri-business, Agri-economics and Rural Development.

In addition to the links it has with a number of national and international universities, SMU is also a member of the Association of African Universities (AAU), an associate member of the International Network for Quality Assurance Agencies in Higher Education (INQAAHE), an associate member of African Quality Assurance Network (AfriQAN), and that of the International Council for Open and Distance Education (ICDE). Its partnership agreement with Indira Gandhi National Open University (IGNOU) has brought about a significant impact on access to graduate programs at national level.

• The International Leadership Institute, Addis Ababa

The International Leadership Institute is headquartered on its own twin-tower building located next to the Addis Ababa University's Faculty of Business and Economics. The building has the capacity to accommodate 8,000 students with state-of-the-art conference facilities, a modern publishing house, a well-stocked bookstore and rooms for various educational activities. ILI is a major research-intensive higher institution specializing in leadership and management studies. Since its establishment in 2001, through its collaborations with US and European Universities,

ILI has been a primary choice of leaders in the Eastern African region.

Programs in Organizational Management, Community Development, Economics and Business Management (full- and part-time) are offered in collaboration with the University of Greenwich, an internationally renowned institution for its credence in the area of leadership and management. ILI also has a strong partnership with the University of Bulacan which validates their PhD programs. Such internationally accepted credentials have won their graduates high class jobs and are attracting more competent students from Ethiopia and other African countries every year.

As an institution with international reputation, ILI offers a first-class leadership education in Ethiopia and its newly established centre in Juba, South Sudan, where several ministers of the newly founded nation have enrolled for the programs. In fact, ILI has been dubbed a 'fountain of leaders' by many for the rich portfolio it has built in its alumni. ILI produced in ten years what is unimaginable in a lifetime. They have produced more than 30 mayors, Deputy Prime Ministers, 15 ministers and state ministers in Ethiopia. About 10 ministers and State Ministers of South Sudan are currently enrolled in their satellite campus in Juba.

• Institute of International Education, Addis Ababa

IIE's presence in Sub-Saharan Africa has spanned over 30 years. From 1979-2001, the USAID-funded South Africa Education Program opened the doors for black South Africans to obtain the knowledge, skills and professional credentials required to succeed in a post-apartheid government. In 2008, IIE established an office in Addis Ababa, Ethiopia where they implement a strong set of programs in leadership development, organizational effectiveness, and higher education scholarship administration. By creating and administering exchange and training programs, IIE helps develop the talent and human resources needed to address the challenges and harness the opportunities emerging on the African continent.

The Institute of International Education in Ethiopia has designed the African Centers of Excellence for Women's Leadership (ACE) with funding from The David and Lucile Packard Foundation. ACE aims to develop the capabilities of four women-led organizations in East Africa to be centers of excellence in the delivery of leadership development programs, research and knowledge generation on reproductive health,

economic empowerment and girls' education. ACE responds to an articulated need by women across the continent for a strategic leadership development program and for a stronger and more coordinated effort to help women advocate for issues that most concern them. The four organizations are intended to serve as places where women can come together for leadership training, strategizing, researching and sharing of best practices across the region. The following services are offered by IIE:

i. Leadership Development

IIE Ethiopia custom designs comprehensive leadership and organizational effectiveness programs for individuals and organizations. IIE Ethiopia also helps trainers and facilitators become highly effective through their use of cutting edge experiential learning techniques.

ii. Higher Education Services

IIE Ethiopia administers all aspects of scholarship and exchange programs, including recruitment, selection, academic placement, student monitoring, and grant management. IIE Ethiopia also organizes briefings on global higher education and builds capacity and linkages among institutions of higher education.

iii. High-Quality Study Tours

IIE Ethiopia designs and delivers high-quality study tours to expose participants working in the public, private and non-profit sectors to best practices in their fields. Among others, IIE develops specialized study tours for those interested in learning about health systems similar to those of Ethiopia.

iv. Facilitation of Large and Small Scale Meetings

Using meeting methodologies such as Open Space Technology, World Café, and Future Search, IIE Ethiopia designs and facilitates meetings that enable groups of professionals to share best practices in leadership, create stakeholder action plans, and network.

3. ISSUES AND CHALLENGES IN MANAGEMENT (HIGHER) EDUCATION

• Cost Consideration

The cost of educating university students is quickly exceeding available government funds. The cost of management education in the private institutes is expensive. The government currently depends on international aid for the rapid growth of higher education. But even with aid, funding is insufficient to address the enormous needs of this nascent system. The country reflects the tensions that Sir John Daniels graphically presents in his 'iron triangle', where access, cost and quality are precariously balanced against each other.

• Shortage of Competent and Experienced Faculty

Ethiopia suffers a shortage of academic staff. It is estimated that 70 percent of faculty in the new public universities are qualified only to bachelor degree level. As a result, instructors are also hired from abroad. Most universities do not have the resources to effectively supervise or mentor so many new and inexperienced instructors. Fewer than 20 percent of the current teachers hold masters degrees and fewer than 4 percent hold PhDs, underscoring the limited experience with scholarship. There is no planned budget for faculty development.

• Brain Drain

Too many of the best and brightest academic staff in Ethiopia is on the move. Research and professional development opportunities are currently available overseas for management students through national and donor agency programs. In the long term this will certainly strengthen Ethiopian higher education. However, educational opportunities abroad often lead to 'brain drain'.

Staff Turnover

Staff turnover takes place at all levels, driven by the desire to improve earnings and to move from rural toward urban areas. Constant staff turnover wreaks havoc on an institution's capacity to operate efficiently and to manage long-term planning and development.

• Low Salary

Salaries in public universities are determined by Civil Service conditions and are therefore low and turnover is high. The low pay encourages 'moon-lighting' (often by teaching part-time in a private university), this can mean that public university lecturers are not keen to work in areas outside of the cities where there is less opportunity for this additional employment.

• Pedagogic and Curriculum Issues

Despite extensive training programs, there is still a lack of match between employer and stakeholder requirements and curriculum, pedagogy and assessment methods. Scarce ICT, book and other resources and traditional attitudes compound these difficulties and discourage a move to more student-centered forms of learning. There is lack of sector specific contents and functional specialization in the MBA curriculum.

• Lack of Infrastructure

Quality is also constrained by infrastructure. The construction of classroom space, expansion of library collections and addition of computer labs lag behind enrollment expansion. International agencies are helping the government to develop new facilities and infrastructure. However, these efforts will take time.

• ICT and Connectivity

There is only one internet service provider in Ethiopia, the Government-run Ethiopian Telecoms (ETC). Even in the capital city Addis Ababa a constant electricity supply cannot be guaranteed and throughout the country outages are common. Poor connectivity and a lack of technical expertise make it difficult for those outside the country to connect with individuals and organizations within Ethiopia.

• Lack of Employability Skills

The skills acquired by the management graduates do not completely meet the requirements of the industries. MBA graduates are ill-equipped to cope with or meet the challenges of a dynamic global environment. They lack clarity about their roles and goals in the Industry. They also lack in soft skills such as communication, attitude and behavior. *Many management graduates do not make it to deserving jobs since* they fall weak in the theoretical and conceptual knowledge of their domain.

• Lack of Industry–Institute –Interface

Effective and efficient Industry-Institute-Interface is necessary condition for knowledge and technology transfer from academic institutions to the industries. To facilitate this, graduates with high level of knowledge and skills as required by the industry have to be produced. The outcomes of research undertaken in the institutes have to be transferred to the industry integrated to the products and services of the industry and impact the living standard of the society. The lack of interest on the part of public and private enterprises in the country to provide opportunities for the MBA students for their internship and professional training is a major constraint to the effort to strengthen their employability.

• Lack of Employment Opportunities

As reported by the Central Statistical Agency of Ethiopia unemployment rate in Ethiopia decreased to 17.40 percent in 2014 from 17.50 percent in 2012. Unemployment rate in Ethiopia averaged 20.26 percent from 1999 until 2014, reaching an all-time high of 26.40 percent in 1999 and a record low of 17.40 percent in 2014. While the economy has demonstrated impressive reductions in unemployment, in urban areas unemployment figures remain high. Furthermore, there have been significant increases in educational attainment; however, there has not been as much job creation to provide employment opportunities to the newly educated job-seekers.

4. STRATEGIES FOR EFFECTIVE IMPLEMENTATION OF MBA CURRICULUM

i. Governance

• There could be governing board for every management institute. There can be faculty representation on the board. There may be professional members from the industries / business / commerce who could be independent of the promoters in the case of private colleges and universities.

ii. Student Profile

Admission tests could include aptitude to work on shop floor, language proficiency, besides leadership, risk taking and innovation capabilities. Students have to be evaluated by using appropriate valid tools and reliable processes. There could be periodical review of the project works undertaken by the students. A faculty guide could regularly visit the industry where the student is undergoing training and closely supervise his work and his learning from it.

iii. Curriculum

• MBA curriculum could be reviewed and redesigned as and when required to meet the challenges of globalization and prepare MBAs with the understanding of information technology. Quality of MBA programs can be improved if industry participates in review of the curriculum. Forming alliances with local businesses and industries will help identify the missing elements in the curriculum, needs and challenges that future managers will have to face.

iv. Functional Specialization

• MBA program could give special attention to the development of values, ethics and social responsibility, besides leadership qualities among its students. Specialization has to be widened to include emerging sectors like retail, banking, insurance, HRD, IT services, Tourism, Entertainment, Sports, Agri-Business, Rural Development etc.

v. Teacher Effectiveness

• There could be a blend of core faculty supported by practicing faculty. A third of the faculty of management institutes could be drawn from industry. Every business college could have a planned budget for faculty development. The institute can meet the expenses incurred by the faculty members who present papers in international conferences. Those who publish research articles in the refereed and indexed journals have to be suitably rewarded.

vi. Teaching-Learning Process

• Teaching could be student centered. Education and practice could be integrated. Well-written cases with good monographs provide management learning that bases itself on real life situations. There could be a

clearing house for case studies. Soft skills (communication, leadership, team-working, interpersonal, emotional intelligence) need attention through class exercises and interactive activities such as group discussions, seminars, debates, games etc.

vii. Resources

• Every business school could have a well-stocked library and documentation center with textbooks, reference books, national and international journals, collection of video and CD ROMs, availability of multimedia in reading rooms and online access system. Availability of public address system, video and LCD projection systems in the classrooms are valuable learning resources. Every business school could have a well-planned computer center. Ideally a school could have 1:2 ratio of terminals with internet access and the number of students admitted in a class. Besides this, the students could be instructed to equip themselves with laptop computer. Further, every management institute could be equipped with generator to ensure continuous electricity supply at least during working hours.

viii. Revenue Generation

• Business colleges can generate revenue by undertaking projects from the industries, conducting faculty development programs for the faculty members of other institutions and conducting continuing education programs for the corporate executives and managers. Every management institute could establish consortia through networking of various business schools in planning management programs for various sectors of business / industry, conducting seminars and conferences.

ix. Career Guidance and Placement

• Placement of students is an integral part of an MBA program. It is the responsibility of every B-school to establish a placement cell which will prepare students for choosing a career, facing an interview and preparing their resumes. Alumni network is vital for every business school for better career guidance and final placement.

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