

Association of African Business Schools



AABS Responsible Management in Africa Conference - Friday 13th April 2011

Introduction: What are the questions?

Jonathan Cook welcomed everyone to the conference and explained the agenda for the day was explained. He also provided a brief explanation about the previous two days of AABS activities.



Jonathan Cook,
AABS Chairperson



- The meaning of the phrase "Good Corporate citizen";
- Understanding Business and corporate citizenship in the context of Africa.

To begin, he described the concept of "economic exchange" as a process where resources are assembled to produce goods and services which are exchanged for value with other people. There are four elements that are critical in this process. These include:

- Those who produce the goods and services;
- The resources utilized to produce goods and services;
- The people who want them; and
- The repeatability of this process.

He stated that an honest reflection of the economic character of Africa will show that the half century since the end of colonization has seen disappointing levels in both the quantity and quality of economic growth. In this context, he has identified three characteristics that have disrupted the efficient production of goods and services in Africa. Each is both the cause and consequence of weak or nonexistent corporate citizenship.

The three characteristics are:

1. The absence of a social contract. The patchwork post-colonial Africa was denied such contracts, which must be home grown. While Africa is making late but increasing strides in this regard through concepts like the African Union and the African Peer Review there is still some way to go. Africa will know that it is getting there when vital business opportunities requiring public approval can be fought and won without contesting parties feeling the need to visit the Presidency or state house;
2. The absence of democratic politics has impacted on economic growth and responsible management through issues like the social contract, political succession and regime failure; and
3. The weakness of a national, domestic or indigenous business community. The business community is often defined by non-continental multi nationals or by an ethnic minority.

Session 1: What is Responsible Management in Africa?

Bobby Godsell presented his thoughts on the topic. The session was then opened for discussion.

Session Panelists

- Mr. Bobby Godsell, Business Leadership South Africa / National Planning Commission
- Moderated by, Prof. Nick Binedell, Director, Gordon Institute of Business Science, University of Pretoria

Synopsis

Mr. Godsell stated that he would like to focus on three elements in attempting to answer the question of what responsible management in Africa is. These included:

- The Role of Business;

To address these issues in Africa, a good corporate citizen should have at least the following attributes:

- An identity and values that are deeply rooted in its own nation and continent;
- Compliance with the law to ensure that it is fair and administered properly;
- Subscription to fiscal morality and for business not to negotiate tax holidays (but pay about 25cents to the dollar) for the public purse;
- Aid to strengthen the laws of the country and the institutions that implement the law;
- Actively support democracy – to allow for a multi-party democratic system; and
- Have a deep integration and growth for the African

Session 2: Presentation of results on the Survey on Responsible Management Education in Africa?

- Donald Gibson presented the results of two surveys on responsible management.

Session Panelist

- Donald Gibson, Director, Transnet Programme in Sustainable Development, Gordon Institute of Business Science, University of Pretoria

Synopsis

The survey results that were presented include:

1. A survey to gauge the knowledge and uptake of the United Nations Principles for Responsible Management (PRME) in African Business schools; and
2. A Georgetown MBA group shared their research on ethics after interviewing students at two African Business Schools.

Key Conclusions from the Presentation

What can AABS do in relation to PRME?

- Create a collaborative and knowledge sharing forum
- Share best practice, experiences and international benchmarks
- Design learning materials and teaching strategies
- Link African business schools and with global academia
- Link to business
- Develop cross-border research and attract funding
- Create awareness and promote the PRME

Suggestions from MBA students

- Compile a library of cases related to the issues identified
- Showcase curricula
- Create a database of business leaders willing to present real-life ethical dilemmas
- Develop an MBA Oath or AABS-specific oath
- Explore the possibility of an AABS enforcement panel

Key Conclusions

- Both business schools and their students show interest in PRME
- Levels of PRME activity vary substantially across the continent
- Awareness of the UN Global Compact and the PRME vary
- Further information dissemination is required to inform participation in PRME
- There is strong support for an African network

continent, displaying good governance and democracy, while being ready to sit at the global table with China, India, Europe and the US as equals.

He also stated during the question and answer session that Africans need to think about the universal values of business as citizens in Africa and that the business/society debate is a forced one as business exists in society. Companies are not only about shareholders and there is a disjuncture between owners, managers and employees in a company. The Company Act in South Africa does not even recognize workers and managers. It must also be noted that like people, companies are citizens and have selfish interests but companies have souls and need to think beyond profit.

Session 3: What is responsible Management Education in Africa?

This workshop was conducted through a panel discussion. Each presenter made a presentation. The audience provided their views and asked questions in relation to the discussion. The section below provides a synopsis of the discussion that followed. It then highlights the key points that were made from the audience.

Session Panelists

- Daniel Malan, Head: Unit for Corporate Governance in Africa, University of Stellenbosch Business School
- George Njenga, funding dean, Strathmore Business School
- Moderated By, Prof. Walter Baets, Director, Graduate School of Business, University of Cape Town

Synopsis

The first presentation was made by Daniel Malan. He began by stating that business schools have to straddle the divide in that on the one hand they should not be seen as ivory towers as they should practice what they preach, but on the other hand, they must not preach as they must encourage debate. He further explained the Mo Ibrahim Governance Index as it compares Country GDP to Company turnover shows that companies that have a strong presence in Africa have made a lot of money. He stated that this phenomenon can allow for companies to start playing a more responsible role in Africa.

The next presentation was made by George Njenga. It focused on the development of the Strathmore Business School (SBS). He stated that in founding the Strathmore Business School, it was important to have an international approach as a business school as there are problems all over the world that everyone can learn from.

He stated that issues that were critical to the success of the university include:

- Creating a curriculum that is focused on asking what is a good society?
- Creating a good advisory board that allowed the business school to ask the bigger questions and think about the business school in a broader context
- Asking the business industry and government to critique the curriculum
- The alumni have aided in the fundraising of the organization

Some of the challenges that the school faces include:

- They need more partners, more lecturers, better research and more money to develop internal lecturers
- One of the big questions is should the school focus on RM or should the SBS focus on looking for money?

In Kenya, the school has realized that a good society requires good institutions. These institutions are often public institutions for health, housing etc. Institutions are good repositories of knowledge and they need to be built as such. Also, the effectiveness of these institutions forms the basis of good business. For this reason, 25% of executive education at the SBS is for government. At first, government did not want to pay for it as they did not see the value in it. The SBS asked Procter and Gamble to pay for it. After two years, government is now paying for staff to attend programmes.

Even though the SBS did not have local skills, it was important to build it. Each class had to have a Kenyan Professor with an International Professor which allowed for skills transfer. The SBS tried to solicit the best international faculty by speaking to Profs. individually, not only institutions. This allowed the SBS to obtain faculty that the school wanted to work with.

Ethics is a complex issue as there are so many ways to think about ethics and teach it, but it is always difficult to teach. It is also important to note that if the apple is rotten before it comes to a business school it will be difficult to change it. It is therefore imperative to select the right leaders and train them. It is important to note that education starts from the family and it is important to think about how to reconstruct families in Africa.

Comments from the audience

A key question to ask as African business schools is why ethics is not a fundamental part of everything that is taught. Ethics is often thought as an elective at the end and is not integral to the entire degree. It is also important to ask what type of ethics is being taught. Is it impactful? Should business schools teach from research in journals or applied research? Another key question that should be addressed is what are the admission criteria and do the admission criteria take into consideration who business schools select?

Business schools must inspire intellectual debate and allow students to internalize it, then they can work with it as morality is a social construction and students have to deal with it on their terms.

Comments from respondents

The two respondents for this session were:

- Enase Okonedo, Dean, Lagos Business School
- Bobby Godsell, Business Leadership South Africa / National Planning Commission

Bobby Godsell responded to the session by stating that business is an area of applied learning. He further stated that there is often a conflict between teaching and consulting. He felt that case studies were a good teaching methodology but added that the best case studies have no good outcome as they provide two or three options to discuss. He also stated that there is a need to ask who the great thinkers of business management are and who wrote the greatest pieces on ethics as this literature should form part of business learning.

Enase Okonedo stated that she would like to focus on the issues that have not come through in the discussion and as a result, posed a series of questions. These were:

- Business schools have to ponder what they teach students and if they practice what they preach?
- African business schools need to ask what is the role of a business school? Should they take charge of social problems or create managers?
- How do African business schools teach? Should they take it as a given that people in business schools know their roles?
- Is everyone involved in African business schools products of western education and a rational way of thinking through agency theory etc. Is this what Africa needs?
- It must be emphasized that responsible management is about more than just the teaching of ethics



Session 4: What is the rest of the world doing?

Michael Hay provided a brief introduction, after which each of the panelists presented.

Session Panelists

- Mark Drewell, Chief Executive, The Globally Responsible Leadership Initiative (GRLI)
- Prof. Danica Purg, President of CEEMAN and the IEDC-Bled School of Management
- Jonas Haertle, Head, Principles for Responsible Management Education, (PRME) Secretariat, United Nations Global Compact
- John North, Project Manager, Centre for Responsible Leadership, University of Pretoria
- Moderated by, Prof. Michael Hay, Professor of Management Practice, in Strategic and International Management and Entrepreneurship, London Business School; Co-director, Global Entrepreneurship Monitor

Synopsis

Danica Purg in her presentation urged AABS to document everything that it does. She also stated that it would be important for African business schools to ask what they can do to address poverty? Danica Purg stated that PRME is part of the accreditation criteria in CEEMAN. She concluded by stating that AABS should consider hosting awards like the CEEMAN Champion Awards. To view the presentation please click here

Mark Drewell, in his presentation raised a series of questions. Some of these include:

- What should African business schools do to create a new breed of responsible business leaders?
- What world will be created with the resources and technology that is available? This is critical to developing a social contract of what to do
- It is also important to ask if African business schools are ecologically illiterate or policy illiterate in the context of development in Africa as ecological literacy is fundamental for proper business

He concluded by stating that it is imperative of African business schools to be more in touch and ask companies and CEOs how are they doing?

John North spoke about the GRLI as a sb21 project. The purpose of the project is to try and create a blueprint for the business school of the future as a need has been recognized to reform business education in the future.

Jonas Haertle made a presentation on the Principles for responsible management (PRME). Please click here to view the presentation.

Comments from Respondent

The respondent for this session was:

- Prof. Pier Naude, Director of the Business School, Nelson Mandela Metropolitan University

He stated that African business schools must develop two types of mind sets. They must understand the affects of globalization and that non renewable growth is no longer feasible. Short term reward is no longer conducive and as Africans we need to reassert our stage in the world. Key question to ask include:

- Why is the role of the state minimized?
- Why do we only consider wealth measured in GDP?



Session 5: Action Steps for African Business Schools

The discussion focused on key issues that African Business Schools should consider.

Session Panelists

- Dr. Marcellina Chijoriga, Dean, Dar es Salaam Business School
- John Powell, Director, University of Stellenbosch Business School
- Moderated By, Prof. Landis Gabel, Emeritus Professor of Economics and Management, INSEAD

Synopsis

Dr. Marcellina Chijoriga's input included key questions and comments. Some of these include:

- The type of student outputs that African Business Schools should create?
- The need to create effective entrepreneurs that can help develop society ethically
- The need to consider the differences between profit and social good
- Competition versus collaboration
- Respect versus criticism
- Democracy versus dictatorship

Furthermore, John Powell shared his thoughts on a 10 point action plan for African Business Schools. These include:

1. African Business Schools should cohere at different levels and have co opetition at different levels
2. African Business Schools need to question to what degree they agree with the external paradigm of the American role model or should we adhere to the Chinese model for example. AABS should set up mini working group to discuss issues of this nature
3. It is imperative to look after the priority needs of the business school. For example, running a business school is not only about social responsibility, it is about developing good business managers and leaders
4. As African Business Schools, it is important to ask what African business schools can offer the rest of the world. AABS should set up an African research action group to address this issue
5. AABS needs to develop collective attitudes toward foreign competitive business schools
6. It is essential to obtain an understanding of key aspects on curriculum



7. It is important to understand that Africa is not different from the rest of the world
8. African business schools need to be embedded in society and be clearer about the relationships that are developed. In particular, African business schools should listen closely to the ideas of the industries that they serve
9. African business schools need to ask what is the moral scope of an African business school as business schools don't govern the world
10. African business schools need to encourage debate within the curriculum about the moral compass of business and business schools



The Session Chair, Prof. Landis Gabel also raised a series of points that African Business Schools can consider.

These include:

- Should African business schools operationalize the changes that are necessary at a school? What management instruments are relevant and how will they be altered to become relevant?
- Student admissions criteria (example: if not already done, will African business schools insist that all MBA applicants be interviewed?)
- Curriculum: courses, syllabi, materials, and the pedagogy (example: is it better to have a dedicated course on ethics, elective or required, or should all ethics material be integrated into other courses? If the latter, how will African business schools ensure that faculty embrace the change?)
- Programs (example: Should African business schools launch an executive course on ethical leadership? Is there a market for that?)
- Faculty selection criteria (example: would the objective be better met with a more academic or a more practitioner faculty profile? If the latter, would research suffer?)
- Faculty mentoring, development, and evaluation
- Faculty compensation and reward system
- Student career counseling
- Research funding
- A School's own administrative practices



This list is surely not complete, and should be extended through discussion. It is important to think hard about these concrete action steps because Deans, as change agents, face obstacles.



Closing Remarks

Closing remarks were made by Jonathan Cook. He highlighted the major achievements of the three days and also stated key issues to be addressed after the conference by African business schools and AABS.

He concluded the conference by stating that African business schools are at the heart of the future growth and ability of the continent. This conference has not just fed the mind but inspired the spirit. It is important to spread the energy across the continent and infect as many people as possible.



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