

DEVELOPING ENTREPRENEURIAL UNIVERSITIES IN AFRICA

Fredrick Muyia Nafukho, University of Arkansas, USA, Nelson H. W. Wawire, Department of Economics, Kenyatta University

Abstract

The urgency to reform the functioning of universities has mounted in virtually every part of the world. In the case of Africa, the need to promote entrepreneurial universities has been advanced as the only way to enable these institutions of higher learning to achieve their set visions and missions. In the 21st century, universities in Africa have been faced with extreme financial austerity and management crisis; this has put into question the quality of programmes being offered. In addition, it has led to invisible and visible brain drain and brain mobility. This paper interrogates the role of entrepreneurship as a reform agenda for universities in Africa. The guiding argument is that there is need to re-evaluate the creation of entrepreneurial universities as a way of enabling them attain their core functions of teaching, research and service. This is important in lieu of the fact that some policy makers think that entrepreneurial universities will reduce the role of the state in the financing of universities in Africa.

Introduction

The need to transform the way universities operate world over has become more pronounced in this twenty first century than never before (Clark, 1998; Ziderman & Albrecht, 1995). In the case of Africa, the pressure to transform the way national universities operate has mounted (Gravenir, 2002; 2002, Nafukho, 2002). Thus, given the social, economic and technological changes taking place world over, African universities find themselves in an uncertain and competitive world. For example, universities in Europe, North America and Asia are aggressively recruiting students from Africa. As a result of the increased competition for students from within and outside Africa, several African national universities have come up with innovative marketing strategies. They have become entrepreneurial in their approach to the whole business of higher education. By becoming entrepreneurial means that these institutions have learned to scan the environment, to identify existing opportunities, and then marshal resources and implement actions to maximize on the existing investment opportunities. The basic idea in entrepreneurship is that it is an innovative process that involves turning an idea(s) into an economic activity that leads to profit making. In the field of education, the main concern of entrepreneurship is benefits of education. But because education has become expensive, learning institutions are being challenged to offer high quality educational products and services at a fairly reasonable price to the consumers. Furthermore, the governments are expected to subsidize the cost of education in national universities due to its high cost.

Universities in Africa are also being forced by the consumers (students), society and the governments, to offer programmes that are geared towards solving societal problems such as wealth creation, environmental pollution control, ethnic animosity, political instability and poverty reduction.

Given the changing nature of the social, political, economic and technological environments, in which African universities find themselves, there is an urgent need to institute financial, leadership and curriculum reforms. In the case of curriculum reform for instance, its success depends on financial availability. Thus, however excellent the curriculum is, without financial backing very little achievement will be made. National universities are therefore challenged to become entrepreneurial in their operations if they have to achieve their missions. This paper interrogates the role of entrepreneurship as a reform agenda for universities in Africa. The main argument is that there is need for African Universities to be entrepreneurial as a way of enabling them to undertake their core functions of teaching, research and service to the community, without sacrificing quality of the educational prod-

ucts and services offered. This is important in lieu of the fact that some policy makers think that entrepreneurial universities will reduce the role of the government in the financing of universities in Africa. This is a misconception because given the importance of formal education in development, there is no way that African governments can withdraw from financing higher education. Instead, the universities should supplement government funding through various entrepreneurial activities that promote income generation. In this paper, a discussion of the uncertain environment in which African national Universities themselves is made. The role of universities in Africa in the twenty first century is examined and examples of practical entrepreneurial university transformations from Europe are highlighted. The paper also discusses examples of entrepreneurial activities of leading universities in the United States of America. These examples are important to universities in Africa because these universities do not operate in a vacuum. There is need for them to learn important lessons from other parts of the world and only adapt relevant practices strengthened their resource bases.

African Universities and the Uncertain of a Competitive Environment

It has been observed that world over that universities are faced with disquieting turmoil that has no end in sight (Clark, 1998). African universities have to turn this turmoil into an opportunity for the benefit of the students and the entire society. Challenges facing these institutions include the emergency of the new economy that is propelled by knowledge, the increased diversity in the composition of students in terms of age, working status, gender, degree and course preferences, modes of instruction, and student needs. As a result of increasing demand for higher education in most countries in Africa, countries such as South Africa, Nigeria, Kenya, Uganda, Zambia and Zimbabwe have witnessed increased enrollments in higher education institutions. In fact, the higher education institutions are unable to satisfy the increased demand for university education from qualified applicants. As noted "Ghana's Higher Education minister Elizabeth Ohene decried low enrollment of students in Africa's institutions saying the figure stood at 3.5 percent of the eligible age group" (Aduda, 2003, p. 2). While in the case of South Africa, after the end of the apartheid regime, there has been increased flow of students from the rest of Africa to the south. The other notable challenge facing African universities is the need to change curriculum. This is because the students have become more conscious of the course offerings that promise employment opportunities and or creation of own employment.

As a result, a number of programmes such medicine, commerce, law and education, have witnessed increased demand especially from students who sponsor themselves. Regarding employment opportunities, experience world over shows that a university degree is becoming a minimum employment requirement for most formal jobs. Universities are therefore faced with the main challenge of reforming curriculum to meet the needs of all stakeholders such as business people, learners and the society in general. This is a major challenge that cannot be overlooked by an entrepreneurial university offering new programmes to new markets and trying to meet the needs of new clients and stakeholders

The turmoil facing the African universities needs entrepreneurial way of thinking. In fact, no one including the learned professors teaching in African universities knows what the twenty first-century holds in store for the universities. This can mainly be explained by the fact that the new knowledge being generated every second makes the future quite uncertain. A more urgent issue that must be addressed is the leadership of the African universities. The success of entrepreneurial thinking must start from the top leadership and trickle down to the rest of the staff working in these universities. If the leaders are not willing to do things differently, to look for new markets of students, new sources of raising revenue and new ways of imparting knowledge, then the entrepreneurial efforts will not bear fruit.

Innovative individuals who are not afraid of initiating internal and entrepreneurial changes must lead universities in Africa. Such individuals can only be found through competitive hiring. As institutions of higher learning, they must become self-regulating and competent societal institutions (Clark, 1998). One of the most respected professors in Kenya, who happened to be a chancellor of Moi University, wondered allowed in his professorial thinking why change in the public universities in Kenya has always come from without instead of coming from within. The phenomenon is common with many other African universities where the leadership has always been determined by

the political system in power. For entrepreneurial spirit to be unleashed in African universities, there is need for independent hiring of qualified people with passion for the role of universities in addressing problems facing Africa.

Expected Role of National Universities in Africa.

Universities in the west have been used to address nearly all issues facing the western societies. All political, economic, social, agricultural and environmental issues are linked to universities. In the case of the United States, even political campaigns are held at the universities. The reasons for the strong partnership between the universities and the wider society are obvious. It is within the universities that we have people whose main work is to think and resolve critical issues facing society. Professors are paid to think. They form what is popularly referred to as think tanks. However, the concept of think tanks is fairly foreign in several African countries. Therefore, unless African governments see universities as places endowed with people who have the ability to think and resolve societal issues, Africa will still remain the poorest continent in the world. Universities are critical to Africa's development in terms of solving political, economic and social problems facing the African society. It is within the universities that peace initiative studies should, for example be launched.

The universities should conduct major research with a view to enhancing political democracies and economic systems that work. For example, in the United States, there exist presidential research centers, political research centers, economic and enterprise research centers that are associated with universities. These are important institutions that provide pertinent information related to political failures and or economic failures and how such failures can be corrected. Universities should also play a major role of providing cutting edge research that can help create wealth.

Research is needed on the history of wealth creation, history of begging, history of economic reforms and the role of Entrepreneurship in society. Africa also requires research on technology and innovations, the merits and demerits of globalization, the advantages and disadvantages of the Internet, among many other issues. In a nutshell, universities in Africa should play a major role of providing knowledge aimed at empowering people in society to make informed decisions. While the paper acknowledges that this is currently happening, more still remains to be done.

Considering that State universities are mainly funded by taxpayer's money, these institutions have a major role to play with regard to reaching to the societies. Several universities in Africa have strong outreach programmes in the fields of education, agriculture and health that are used to serve the communities. While this is positive, the universities are still challenged to be more inclusive and reach out to all communities. However to do this, requires entrepreneurial thinking which must be possessed by those involved.

The universities in Africa also play a major role of providing knowledge through teaching. Knowledge can be looked at as light that every person requires to live in the current society characterized with competition for the scarce resources (World Bank, 1998). Universities in Africa also store and disseminate knowledge. This is an important role that is crucial to the survival of people in Africa. While the universities play many roles in society, this paper discusses how African Universities can be innovative in carrying out their functions.

Examples of Entrepreneurial Universities in Europe

This section highlights what is happening in Europe as far as Entrepreneurial Universities are concerned. Clark in 1998 wrote a very important book entitled: *Creating Entrepreneurial Universities: Organizational Pathways of Transformation*. In this book Clark discusses the results of five universities studied. These universities were: University of Warwick in England, Twente University in the Netherlands, Strathclyde University in Scotland, Chalmers University in Sweden and University of Joensuu in Finland. The results of the study show that these universities transformed themselves into entrepreneurial universities as a way of responding to change.

A major transformation started at the top and trickled down to other departments of the universities. A more interesting finding was that even non-business-oriented departments were able to transform themselves. Thus, departments offering humanities were able to become more entrepreneurial in their approach. As a result they attracted people and formed partnerships with people from business and industry.

The universities also attracted students from the whole world and were able to raise additional revenue to fund various academic projects. Being entrepreneurial, as seen earlier, simply requires those involved thinking differently from the way they have always thought. It requires a complete shift in their mental disposition. In addition, entrepreneurial universities seek to maintain their catchment markets while seeking new markets in totally different environments.

Examples of Entrepreneurial Activities in American Universities

Entrepreneurial operations by Universities in the United States of America have made higher education a very important export commodity. Well respected universities such as Harvard University, Yale University, Stanford University, MIT, Princeton University and many state universities such as Indiana University, The Ohio University, Texas A & M, Louisiana State University, University of Arkansas, and Pennsylvania. American universities, recruit students from all over the world. For example, in a given specific academic year, over 500,000 foreign students enroll in American Universities. This is a challenge to African national universities that mainly focus on national recruitment.

Some of the most innovative strategies employed by American universities to recruit students regionally, nationally and internationally include fundraising. Most universities in America employ professional people as vice chancellors in charge of planning and development whose main duty is to use innovative strategies to raise funds for the educational development of their institutions. The universities use professional marketing strategies and even languages to reach out to people in the community and in the entire nation as a way of raising funds.

The other innovative method of raising funds includes the use of technology fees to purchase state of the art teaching equipment such as computers, Internet dishes, wireless computers, and Smart Board technologies among many others. Computers are then installed in classrooms, in the libraries, and in the student hostels. The funds raised through student technology fees are also used to maintain the equipment and to pay student workers who work as teaching or research assistants.

Investments in endowments are the other entrepreneurial way that American universities use to raise additional funds. Endowments refer to financial investments made by universities from donations given by individuals. For example an individual may donate \$1.5 million to support an endowed chair in a university academic department. If the \$1.5 million is invested in the financial market it may generate \$150,000 a year. This \$150,000 is then used to pay the professor while the principal amount keeps on generating revenue. Many universities in Africa have not tried this method of generating funds. But to be entrepreneurial, there is need for a shift in thinking. University administrators in African national universities must learn to think in business terms.

American universities also market themselves nationally and internationally to prospective students. International students pay higher fees than local students. This is an innovative way of raising additional revenue through price discrimination.

Thus, international students are a premium to American universities. They even become more valuable to the American economy when they graduate with honors and never return to their own countries. This is an area that many Africa universities have not ventured except for Makerere University more recently. American universities are also able to attract students by offering innovative programmes such as specialized MBA for pastors, MBA for doctors, MBA for lawyers among many others.

The strong alumni associations in American universities play a major role in raising funds for the universities. Thus, universities keep strong links with their ex students, some whom on graduation become millionaires. As millionaires they make significant contributions to their *alma mater*. Universities also encourage volunteerism in society, which is supported by a tax system, which gives credit to individuals who make donations to universities. African universities need to explore this by approaching the political establishments in their respective countries. American universities are entrepreneurial since they encourage diversity in the programmes they offer and try to be as inclusive as possible. For example, a number of state universities in the United States offer programmes in languages such as Luo, Kikuyu, Swahili, Luganda, Ibo, Shona just but to mention a few and students pay to take these courses. This

diversity is lacking in many African universities. Any Kenyan would be very happy to learn Gikuyu language for survival purposes while in Nairobi and central, Luo, for survival while in Kisumu and Luganda for survival while in Uganda, but none of the language departments in Kenyan Universities currently offer courses in these languages.

American universities also offer flexible programmes to meet the needs of the customers. For example, online and distance learning programmes have now become very popular among working students. In addition, there are evening programmes, weekend programmes, executive MBA programmes that take only one year among many other programmes. To survive in a competitive world of higher education, American universities have learned to be very entrepreneurial in the way that they conduct their businesses.

Entrepreneurship as a Reform Agenda for State Universities in Africa

From the foregoing discussion, it is evident that with the diminishing government funding, increased social and private demand for university education, and the uncertain environment, several state universities in Africa have become entrepreneurial in their operations. For example, as a reaction to declining government revenues, some national universities have introduced self-sponsored degree programmes, parallel degree programs, evening degree programs, and sandwich programs, open learning programmes and school-based programmes (Aduda, 2003; Chacha, 2002; Nafukho, 2002). Students enrolled in these programmes pay the full cost of the degree programmes and do not receive any form of government sponsorship. In addition, national universities are now offering Consultancy services at a fee. In Kenya for example, national universities have realized the need to supplement government funding by being entrepreneurial in their operations (Nafukho, 2000). This is one of the innovative ways that national universities Africa must embrace to meet the needs of their clients who include students and employers.

The most successful examples of entrepreneurial universities in Africa include Makerere University in Uganda (Court, 1999) and the University of Nairobi in Kenya (Nafukho, 2002).

This paper uses the University of Nairobi as a success story to emphasize point. In a period six years from year 1998 – 2003, the University of Nairobi was able to raise Kshs. 3.8 billion from income generating activities. Out of the Kshs. 3.8 billion, Kshs. 3.3 billion was raised from the parallel degree programmes. In the 2002-2003 academic year alone, Kshs.1.2 billion was raised. By last year 2003, the parallel degree programmes at the University of Nairobi had 14,000 student population which constituted fifty percent of the entire student population of 28,000 (Aduda, 2003). The other positive aspect of the income generation activities is that the money raised is usually used to pay the lecturers. This has helps to reduce the brain drain, brain movement and the famous *moonlighting*. While several universities in Africa have taken up the challenge to raise additional revenues, there is still more that needs to be done. African universities, like many other world class universities, must be prepared to learn by experimenting. The leaders of these institutions need to change the overall character of the institutions by being innovative and not relying on traditional ways of doing business. While education is an important and complex commodity that cannot be examined from the monetary aspects alone, there is need for universities to embrace Entrepreneurship in order to survive in this uncertain time of change. As the five European Universities mentioned in this paper, African Universities must actively seek to create new identities. In addition, they must risk being different and must learn to take chances and penetrate totally new markets. This calls for innovative and competitive programmes that are flexible and that allow the students a chance to enroll in them. There is also a felt need for universities to introduce innovative courses relevant to our African setting.

Conclusion

The main advantage of the entrepreneurial way of doing things is that it makes universities become more responsive to changing economic and social realities. These universities become innovative by starting programmes that meet the felt 'needs' of the society. Hence they become responsive to societal needs. They in turn become more efficient and effective in their operations. For university leaders and employees unwilling to change, the idea of creating entrepreneurial universities sounds like a myth (a plausible story that tries to explain something that is not true). But to those willing to change, creating entrepreneurial universities is one of the most powerful ways of transforming national universities in Africa. Thus, income-generating activities should be used to strengthen teaching, research

and service programmes. The universities should use the rewards of Entrepreneurship to improve terms and conditions of both workers and learners and to offer quality products and services.

Recommendations

Curriculum

- Curriculum reform to be undertaken accompanied with acquisition of the state of the art teaching facilities.
- Offer innovative programmes such as specialized MBA for pastors, MBA for doctors, MBA for lawyers among many others.
- Encourage diversity in the programmes offered and try to be as inclusive as possible.
- Offer African languages programmes as a way of promoting African culture and identity.
- Offer flexible programmes to meet the needs of students and other stakeholders. For example, online and distance learning programmes, evening programmes, weekend programmes, executive MBA programmes among many other programmes

Technology

- Technology fee should be introduced in all African national universities.
- The amount raised should be used to acquire computers and Internet facilities to be used by Lecturers and students.
- All colleges and departments should be equipped with computers and Internet facilities to improve the working conditions of professors, lecturers and students.
- Universities should acquire satellite dishes that can be used to link the universities to the rest of the world.

University administration

- The deans of schools/faculties should be empowered to make decisions pertaining to hiring of staff and spending of the resources generated at college level.
- Hiring of University administrators:
 - Advertise for positions of vice chancellors, deputy vice chancellors, deans and department heads.
 - Each applicant should have a vision and mission for the institution, college or department and
 - Each applicant should meet the job specifications of the position
 - There should be search committees with clear hiring requirements set out
- University administrators should shift their thinking and learn to think in business terms.

Research

- The universities should conduct major research with a view to enhancing political democracies and economic systems that work. This involves establishment of
 - Presidential research centers,
 - Political research centers,
 - Economic and
 - Business enterprise research centers.
- Universities should play a major role of providing cutting edge research that can help create wealth. Research is

needed on:

- The history of wealth creation,
 - History of begging,
 - History of economic reforms and
 - The role of Entrepreneurship in society.
 - Technology and innovations,
 - The merits and demerits of globalization,
 - The advantages and disadvantages of the Internet among many other issues.
- Universities should introduce grants to be awarded to researchers on a competitive basis, which is another entrepreneurial way of promoting research.

Finances

- Practice price discrimination where students coming from foreign countries pay different and higher fees than the local ones.
- Launch aggressive and professional fundraising activities targeting successful African billionaires,
- Encouragement of establishment of chairs and foundations to support academic work,
- Encourage business and private funding by honoring the donors through naming important buildings in the universities after the donors,
- Establish prudent financial management,
- Initiation of community based activities to popularize universities,
- Encouragement of strong alumni associations and
- Strive to recruit students from all over Africa and the rest of the world.

Trickle Down Effect of Entrepreneurial University

- Share the rewards of Entrepreneurship with all university employees.
- Increase the payment package to the academic and non-academic staff as a way of motivating them and reducing brain drain, brain movement and *moonlighting*.
- Create a conducive working environment that unleashes the entrepreneurial spirit. For example, all university lecturers should have access to computers and Internet facilities since these are the best working tools nowadays.

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