SURVEY OF PRIVATE SECTOR
MANAGEMENT TRAINING NEEDS
IN BOTSWANA

BY
JAN P. JORGENSEN M.A.

OCCASIONAL PAPER No. 1
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FOREWORD

In June 1975, following discussions with Mr. John N. Price, Director of the Botswana Employers' Federation, the Institute of Development Management convened a meeting of representatives from ministries and organizations concerned with management development in the private sector in Botswana. Arising from the meeting it was decided that a survey of training needs in this sector should be undertaken.

Subsequently the Norwegian Agency for International Development (NORAD) kindly undertook to provide most of the financial assistance required and to locate a suitable person to undertake the survey.

Early in 1976 the services of Mr. Jan Petter Jorgensen, a post-graduate student in economics in Oslo, were obtained. He carried out the survey from mid June to mid August, 1976, following the general lines set out in a Project Memorandum entitled "Survey of Private Sector Management Training Needs in Botswana" prepared by the IDM in September 1975.

Mr. Jorgensen worked throughout in close association with Dr. S. Eggert Peterson of the IDM staff. He also drew on a Report prepared jointly by Dr. Peterson and Mr. Anthony Hillier on "Management Training Needs in the Brigades". This Report is included as an appendix to this survey.

The IDM wishes to record its appreciation of the valuable contribution Mr. Jorgensen has made through this first survey of training needs of the private sector in Botswana; of the generous assistance given by NORAD, its local Representative in Botswana Mr. Kristen Christensen and his predecessor Mr. Ragnvald Dahl and of the helpful co-operation received from all persons contacted during the survey.

George V. Haythorne
Director.
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CHAPTER I

INTRODUCTION

1. The manpower implications of the projected growth of the Botswana economy have already received considerable attention. Reports have been issued which focus on the projected demand for skilled manpower and discuss the educational and training implications of the projections. Specific programmes to implement manpower policy are included in the National Development Plan 1973-1978, and a number of concrete steps have been taken to meet the training needs which have been identified.

2. It is becoming clear, however, that the training needs of the non-government sector have been less well articulated than those of the public sector. One consequence has been that, relative to the public sector, the many training activities in place or projected for the private sector are partial and limited in scope. Some areas are receiving a high level of attention. Other known needs are being virtually ignored. There are other areas, particularly in the informal sector, where the scope of the potential training needs is not even known. The data on the private sector are essentially macro-statistics and there are great difficulties in establishing good definitions for use in the implementation of operational training programmes.

3. Infrastructural shortcomings in many parts of Botswana have hindered accelerated industrial development to a considerable degree, as does Botswana's vast size and widely scattered population. Although some large mining developments and industrial developments lifted Botswana in 1974 out of the group of the 25 least developed countries on the basis of per capita income, the capital intensive nature of most of these developments has had only modest impact on the unemployment problem. However, the revenue generated by these large projects enabled the Botswana Government to set up large development programmes aimed at taking the benefits of these developments to a far larger section of the population, in particular to those living in the rural districts.

4. However, one of the areas that has received little attention is the management training need in the private sector, particularly the management training needs of the small entrepreneurs or businessmen either working in urban or rural districts.

5. In a country like Botswana where a few large enterprises are dominating the economy, together with a lot of smaller expatriate-owned companies in urban areas, it is important that local people be trained in business knowledge to balance the expatriate dominance and to develop the infrastructure both in urban and rural areas.
6. The expatriate businessman or manager has usually a good and sound business education in his home country. When it comes to most of the Asians in management jobs, they have had their business training inside their families. For decades the Asians have been tradesmen here in Africa and their capability in running a company is inherited through generations.

7. Black Botswana citizens have not had the same possibilities to learn the skill of management and business knowledge. They may be very good in their practical work, but they have a disadvantage when it comes to knowledge about running a company in a modern economy.

8. At this stage of the country's development, it is therefore important that the ordinary Botswana citizen, in a job as a manager or an administrator in the private sector, has access to training and education facilities in order to make him or her fit for jobs in the rapidly changing economic picture.

(II) Statement of Purpose

9. The intent of this paper is to examine the need for management training in the private sector, focusing on the small scale end of the size spectrum. Some organisations, such as Bamangwato Concessions at Selebi-Pikwe, De Beers at Orapa, Barclays Bank and Standard Bank, are sufficiently large that they can and do define their own training needs, design programmes and establish training facilities to implement those programmes. Other organizations such as the co-operative movement, parastatal organizations, the Brigade movement and the bulk of the enterprises located in the industrial estates, may have difficulties in defining and creating their own training programmes. But from time to time they do manage through collective action to put up some partial training courses, and by and large these organizations are not the ones which have the greatest need for management training, although the need is present.

10. The other group of enterprises is all those activities which often are too small to attract the detailed attention of planners. It is the small companies with few employees and limited economic range. This particular group is the primary object of this paper and will be the focus of the more thorough-going discussion.

11. This paper will especially focus on those people having genuine managerial responsibilities, either by virtue of having responsibility for the total enterprise, or by virtue of having responsibility for the performance of a significant number of subordinates. The emphasis will be laid upon the management function and one will exclude the training needs for other skills necessary for the specific enterprise.
12. Our main intention is to give a data base and a discussion of training possibilities for the group of people in relation to skill development. The operational development and implementation will remain the responsibility of other organizations and institutes in Botswana. Neither will we discuss questions of detail which fall more properly within the purview of other organizations.

(III) Definitions and our Universe

13. Due to the lack of macrostatistics and statistics for the informal sector, we have met great problems in establishing our universe. It is not possible with the help of official statistics to mark the ground of the universe we are investigating. In that way the statistical background for this paper will be rather loose. In chapter II we have made some macro-economic forecasts of management people in the private sector (excluding freehold agriculture and domestic servants) relating to official projections in N.D.P. IV (1976-1981). These forecasts cover some people with management responsibility in the various sectors but do not exclude management people in enterprises that are sufficiently large to create their own training programs. But nevertheless it will provide us with a framework for how many people, seen from the government side, ought to have access to management training each year in the forecasted period.

14. Chapter II also contains some macro-population projections taken from N.D.P. IV. These forecasts show the large numbers of people that are projected to be unemployed or working in the informal sector. In spite of the existence of all these people, they are not covered by official employment statistics, and therefore are not taken in consideration when training needs, for example in management, are defined.

15. We have tried to do a small market-survey and in Chapter III we have listed the results from this survey. As we have said before, it is impossible to delimit our universe. So we started with a random sample and ended up with some interviews that are quite interesting, but give us little definitive information about our population. Nevertheless we have got information to assess the present skill levels in the relevant population which again gives us an idea of the management training needed.

16. In Chapter V we take the liberty of recommending some appropriate steps to enable Botswana to meet the management training needs that obviously are present. We will also try to identify potential problem areas in implementing the recommendations.
CHAPTER II
MACRO-ECONOMIC FORECASTS

17. In estimating the employment for each year between 1976/77 and 1980/81 (Table I) we have assumed a constant growth rate in each of the employment sectors. We know that this assumption is not fully valid for the sectors Mining and Quarrying and Transport and Communications, where some large projects dominate the picture. When it comes to the other sectors the assumption of constant growth rate will perhaps be more relevant in forecasting the employment figures between 1976/77 and 1980/81.

18. Tables II to V contain forecasts relating to different definitions of the managerial population in which we are interested. The percentages used in the respective sectors each year are the average of the corresponding percentages estimated from the Employment Surveys for 1973, 1974 and 1975. It should be noted that these average percentages have the same weaknesses as the Employment Surveys themselves, namely the low response rate from the individual companies in various sectors. Although some adjustments have been made in some sectors to allow for low response rates, there is still reason to believe that the employment figures will be biased. They could be biased in such a way that the firms which did not respond are firms with bad or small management staff. Alternatively they could be firms with large or efficient management. These factors should be kept in mind when the tables are read.

19. It is justifiable to estimate the percentages of the managerial population of the total employment in each sector, for each of our different definitions, and use the averages of the years 1973, 1974 and 1975 on the employment between 1976/77 and 1980/81. The observed trends over the three years 1973, 1974 and 1975 seem to support this procedure.

20. The Employment Surveys did not provide the opportunity to make the same kind of tables for the small scale end of the private sector on which we are focusing. Therefore, with this background we can merely discuss the official management training needs for the particular sectors as a whole and relate this to apparent government policy.
## TABLE I

**FORMAL PRIVATE SECTOR EMPLOYMENT EXCLUDING FREEHOLD AGRICULTURE AND DOMESTIC SERVANTS, 1976/77 - 1980/81**

<table>
<thead>
<tr>
<th>Industry</th>
<th>76/77</th>
<th>77/78</th>
<th>78/79</th>
<th>79/80</th>
<th>80/81</th>
<th>Average Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and Quarrying</td>
<td>4,530</td>
<td>4,710</td>
<td>4,890</td>
<td>5,095</td>
<td>5,310</td>
<td>Approx. 4 %</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2,790</td>
<td>3,180</td>
<td>3,625</td>
<td>4,115</td>
<td>4,700</td>
<td>Approx. 14 %</td>
</tr>
<tr>
<td>Electricity and Water</td>
<td>680</td>
<td>702</td>
<td>724</td>
<td>747</td>
<td>770</td>
<td>Approx. 3.2 %</td>
</tr>
<tr>
<td>Construction</td>
<td>7,000</td>
<td>7,175</td>
<td>7,355</td>
<td>7,540</td>
<td>7,730</td>
<td>Approx. 2.4 %</td>
</tr>
<tr>
<td>Trade, Hotels, Restaurants</td>
<td>7,500</td>
<td>7,719</td>
<td>7,940</td>
<td>8,178</td>
<td>8,400</td>
<td>Approx. 2.9 %</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>1,590</td>
<td>1,640</td>
<td>1,692</td>
<td>1,746</td>
<td>1,800</td>
<td>Approx. 3.2 %</td>
</tr>
<tr>
<td>Finance, Insurance, Real Estate</td>
<td>1,340</td>
<td>1,447</td>
<td>1,563</td>
<td>1,690</td>
<td>1,830</td>
<td>Approx. 8 %</td>
</tr>
<tr>
<td>Community and Personal Services</td>
<td>3,570</td>
<td>3,760</td>
<td>3,960</td>
<td>4,170</td>
<td>4,400</td>
<td>Approx. 5.3 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29,000</td>
<td>30,333</td>
<td>31,749</td>
<td>33,281</td>
<td>34,940</td>
<td>Approx. 5.1 %</td>
</tr>
</tbody>
</table>

**Sources:** N.D.P. IV - Macro-economic Forecast

Employment for the years 77/78, 78/79 and 79/80 are found under the assumption of constant growth rates.
### TABLE II

**NUMBER OF PERSONS EMPLOYED AS PROFESSIONAL AND TECHNICAL WORKERS AND ADMINISTRATORS AND MANAGERS IN FORMAL PRIVATE SECTOR EXCLUDING FREEHOLD AGRICULTURE AND DOMESTIC SERVANTS, 1976/77 - 1980/81**

<table>
<thead>
<tr>
<th></th>
<th>76/77</th>
<th>77/78</th>
<th>78/79</th>
<th>79/80</th>
<th>80/81</th>
<th>% used on the number for each year in Table I (Note I)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and Quarrying</td>
<td>260</td>
<td>270</td>
<td>280</td>
<td>292</td>
<td>304</td>
<td>5.73</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>125</td>
<td>149</td>
<td>170</td>
<td>193</td>
<td>220</td>
<td>4.48</td>
</tr>
<tr>
<td>Electricity and Water</td>
<td>81</td>
<td>84</td>
<td>87</td>
<td>89</td>
<td>92</td>
<td>11.96</td>
</tr>
<tr>
<td>Construction</td>
<td>178</td>
<td>182</td>
<td>187</td>
<td>192</td>
<td>196</td>
<td>2.54</td>
</tr>
<tr>
<td>Trade, Hotels, Restaurants</td>
<td>232</td>
<td>239</td>
<td>245</td>
<td>253</td>
<td>260</td>
<td>3.09</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>137</td>
<td>142</td>
<td>146</td>
<td>151</td>
<td>156</td>
<td>8.64</td>
</tr>
<tr>
<td>Finance, Insurance, Real Estate</td>
<td>177</td>
<td>191</td>
<td>206</td>
<td>223</td>
<td>242</td>
<td>13.20</td>
</tr>
<tr>
<td>Community and Personal Services</td>
<td>566</td>
<td>596</td>
<td>628</td>
<td>661</td>
<td>698</td>
<td>15.86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,756</td>
<td>1,853</td>
<td>1,949</td>
<td>2,054</td>
<td>2,168</td>
<td></td>
</tr>
</tbody>
</table>

Sources: N.D.P. IV - Macro-economic Forecast

Note 1: Average of the corresponding percentages for the years 1973, 1974 and 1975 based on the Employment Surveys
**TABLE III**

NUMBER OF PERSONS EMPLOYED AS ADMINISTRATORS AND MANAGERS IN THE FORMAL PRIVATE SECTOR, EXCLUDING FREEHOLD AGRICULTURE AND DOMESTIC SERVANTS, 1976/77 - 1980/81

<table>
<thead>
<tr>
<th>Industry</th>
<th>76/77</th>
<th>77/78</th>
<th>78/79</th>
<th>79/80</th>
<th>80/81</th>
<th>% used on the number for each year in Table I (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and Quarrying</td>
<td>34</td>
<td>35</td>
<td>36</td>
<td>38</td>
<td>39</td>
<td>0.74</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>52</td>
<td>60</td>
<td>68</td>
<td>78</td>
<td>88</td>
<td>1.87</td>
</tr>
<tr>
<td>Electricity and Water</td>
<td>12</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>14</td>
<td>1.79</td>
</tr>
<tr>
<td>Construction</td>
<td>58</td>
<td>60</td>
<td>61</td>
<td>63</td>
<td>64</td>
<td>0.83</td>
</tr>
<tr>
<td>Trade, Hotels and Restaurants</td>
<td>135</td>
<td>139</td>
<td>143</td>
<td>147</td>
<td>151</td>
<td>1.80</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>21</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>1.32</td>
</tr>
<tr>
<td>Finance, Insurance, Real Estate</td>
<td>67</td>
<td>73</td>
<td>79</td>
<td>85</td>
<td>92</td>
<td>5.03</td>
</tr>
<tr>
<td>Community and Personal Services</td>
<td>172</td>
<td>181</td>
<td>191</td>
<td>201</td>
<td>212</td>
<td>4.82</td>
</tr>
<tr>
<td>Total</td>
<td>551</td>
<td>583</td>
<td>613</td>
<td>648</td>
<td>684</td>
<td></td>
</tr>
</tbody>
</table>

Sources: N.D.P. IV - Macro-economic Forecast


Note 1: Average of the corresponding percentage for the years 1973, 1974 and 1975 based on the Employment Surveys
<table>
<thead>
<tr>
<th>Industry</th>
<th>76/77</th>
<th>77/78</th>
<th>78/79</th>
<th>79/80</th>
<th>80/81</th>
<th>% used on the numbers for each year in Table 1 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and Quarrying</td>
<td>72</td>
<td>74</td>
<td>77</td>
<td>81</td>
<td>84</td>
<td>1.58</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>46</td>
<td>52</td>
<td>60</td>
<td>68</td>
<td>77</td>
<td>1.64</td>
</tr>
<tr>
<td>Electricity and Water</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>1.05</td>
</tr>
<tr>
<td>Construction</td>
<td>34</td>
<td>34</td>
<td>35</td>
<td>36</td>
<td>37</td>
<td>0.48</td>
</tr>
<tr>
<td>Trade, Hotels, Restaurants</td>
<td>106</td>
<td>109</td>
<td>112</td>
<td>115</td>
<td>118</td>
<td>1.41</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>15</td>
<td>15</td>
<td>0.85</td>
</tr>
<tr>
<td>Finance, Insurance, Real Estate</td>
<td>41</td>
<td>45</td>
<td>48</td>
<td>52</td>
<td>57</td>
<td>3.09</td>
</tr>
<tr>
<td>Community and Personal Services</td>
<td>397</td>
<td>418</td>
<td>440</td>
<td>464</td>
<td>489</td>
<td>11.12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>717</strong></td>
<td><strong>753</strong></td>
<td><strong>794</strong></td>
<td><strong>839</strong></td>
<td><strong>885</strong></td>
<td></td>
</tr>
</tbody>
</table>

Sources: N.D.P. IV - Macro-economic Forecast

Employment Surveys for 1973, 1974 and 1975

Note 1: Average of the corresponding percentages for the years 1973, 1974 and 1975 based on the Employment surveys

Note 2: Assuming the same ratio of citizens to expatriates as we find on average in 1973, 1974 and 1975
### TABLE V
CITIZENS EMPLOYED AS ADMINISTRATORS AND MANAGERS IN FORMAL PRIVATE SECTOR EXCLUDING FREEHOLD AGRICULTURE AND DOMESTIC SERVANTS 1976/77 - 1980/81

<table>
<thead>
<tr>
<th>Category</th>
<th>76/77</th>
<th>77/78</th>
<th>78/79</th>
<th>79/80</th>
<th>80/81</th>
<th>% used on the numbers for each year in Table I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and Quarrying</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0.04</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>18</td>
<td>20</td>
<td>23</td>
<td>26</td>
<td>30</td>
<td>0.63</td>
</tr>
<tr>
<td>Electricity and Water</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>0.48</td>
</tr>
<tr>
<td>Construction</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>0.11</td>
</tr>
<tr>
<td>Trade, Hotels and Restaurants</td>
<td>76</td>
<td>78</td>
<td>80</td>
<td>83</td>
<td>85</td>
<td>1.01</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>11</td>
<td>0.6</td>
</tr>
<tr>
<td>Finance, Insurance, Real Estate</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>19</td>
<td>1.02</td>
</tr>
<tr>
<td>Community and Personal Services</td>
<td>117</td>
<td>123</td>
<td>129</td>
<td>136</td>
<td>144</td>
<td>3.27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>248</strong></td>
<td><strong>259</strong></td>
<td><strong>271</strong></td>
<td><strong>287</strong></td>
<td><strong>304</strong></td>
<td></td>
</tr>
</tbody>
</table>

Sources: N.D.P. IV - Macro-economic Forecast

Employment Surveys for 1973, 1974 and 1975

Note 1: Average of the corresponding percentages for the years 1973, 1974 and 1975 based on the Employment Surveys

Note 2: Assuming the same ratio of citizens to expatriates as found on average in 1973, 1974 and 1975
Implications of the macro-economic forecasts of the managerial population

21. It is stated in "Manpower and Employment in Botswana" (May, 1973):

"To achieve complete localisation within 15 years and to meet the needs for replacement and employment growth. Table 5.6 suggests that over 80 stenographers and book-keepers, over 90 managerial and administrative workers and almost 40 clerical workers of various kinds need to be trained for the private and parastatal sectors each year. Clearly, even taking into account the margins of error of the projections, these figures are large enough to justify the provision of some centrally organised training facilities for the teaching of commercial skills." (p.91)

22. Here it depends on what sort of definition one uses for managerial and administrative workers. Table 5.6 in "Manpower and Employment in Botswana" uses Professional and Technical Workers¹, Administrative and Managerial Workers Managers, and Working Proprietors (Wholesale and Retail) and Managers and Working Proprietors (Catering and Hotels) as a definition for managerial and administrative workers. In our forecasts, we have used Professional and Technical Workers, and/or Administrative and Managerial workers as the definitions for managerial and administrative workers. However, we have come up with more potential trainees when using Professional and Technical Workers and Administrative and Managerial Workers as our definition than "Manpower and Employment in Botswana", even if we have excluded agriculture and domestic servants.

23. One has the feeling that government under-estimates management training needs. The emphasis is not so much on training the people in the small scale end of the establishments who already have management responsibility, but more on training people to take over from the expatriates or to go into new management jobs that are being

¹ The definition of Professional and Technical Workers used in Table 5.6 in Manpower and Employment in Botswana is not elsewhere clarified. It is different from the usual definition of Professional and Technical Workers, which is used in this paper.
established in large scale enterprises. In the above quotation from "Manpower and Employment in Botswana", there is a proposal for the provision of some centrally organised training facilities for the teaching of commercial skills. That is a reasonable objective when it comes to the substitution of higher educated expatriate manpower with local labour, or training people for larger organisations or enterprises. But it will probably not be of much help to people who have to create their own management jobs in the small scale end of the formal sector or in the informal sector.

24. Though job creation in the larger enterprises of the formal private sector probably will remain a major aim of government policy, it can represent only a partial solution to the problem of achieving a better distributing of income, and a wider sharing of the benefits of economic growth. The small scale end of the private sector and the informal sector is a training ground for local entrepreneurs and managers. This is an important stage in the transition to larger scale production and trading. These formal or informal establishments, which are the focus of this paper will be indigenous rather than foreign owned, and the distributional effects of their expansion for Botswana incomes are more favourable than is the case with most of the formal sector's large establishments. Consolidating the growth of the small scale establishments has the additional advantage of improving the opportunities that face the poorer groups of the population and improving the distribution of income in favour of the lower income groups.

25. For the forecasts of Professional and Technical workers and Administrative and Managerial workers, we use Table 2 and Table 3. In forecasting Managers and Working Proprietors in Wholesale and Retail and Catering and Hotels it is convenient to use the projections to 1978 and 1988 in "Manpower and Employment in Botswana". Under the assumptions of a constant growth rate between 1972 and 1978, and a constant growth rate between 1978 and 1988 for these two groups, we may deduce the amount of people in these groups in the years between 1975 and 1981.
<table>
<thead>
<tr>
<th></th>
<th>76/77</th>
<th>77/78</th>
<th>78/79</th>
<th>79/80</th>
<th>80/81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and Technical Workers</td>
<td>1,205</td>
<td>1,270</td>
<td>1,336</td>
<td>1,406</td>
<td>1,464</td>
</tr>
<tr>
<td>Administrative and Managerial Workers</td>
<td>551</td>
<td>583</td>
<td>613</td>
<td>648</td>
<td>684</td>
</tr>
<tr>
<td>Managers and Working Proprietors (Wholesale and Retail)</td>
<td>809</td>
<td>906</td>
<td>1,009</td>
<td>1,056</td>
<td>1,106</td>
</tr>
<tr>
<td>Managers and Working Proprietors (Catering and Hotels)</td>
<td>220</td>
<td>243</td>
<td>269</td>
<td>284</td>
<td>299</td>
</tr>
<tr>
<td>Total</td>
<td>2,785</td>
<td>3,002</td>
<td>3,227</td>
<td>3,394</td>
<td>3,573</td>
</tr>
</tbody>
</table>
Table VI shows that a considerable amount of people are going to need management training in the period 1976-81. There will especially be many managers in the small scale end of the formal private sector in the two groups of Managers and Working Proprietors. These managers will be on the border between the formal and informal sectors and they are representative of the population we are focusing on. It is doubtful whether they can manage to obtain training from some central facilities. Most of them will probably fall outside the recruiting suitable for such central training facilities. First, they will not be able to leave their work, because they need the daily income and second, they will most likely have a formal education insufficient for this sort of training.

(IV) Population Forecasts

26. These basic population and employment projections are drawn from forecasts which are intended to be guidelines for the preparation of N.D.P. IV. But the figures to be presented in the Plan document may well differ from the forecasts given here. One can have access to new information or it may become a policy to alter the development in one way or another.

27. Even if unemployed, non-cash employed and informal employed as a percentage of total labour force decreases, according to Table VII, from 65.8% in 1971 to 60.1% in 1991, Botswana will have in the future a substantial number of people who will hardly be reached by the existing official formal training possibilities outside primary school. These people, including the ones who are operating on the border between the formal and informal sectors, have more or less to provide for their own existence. It would be advantageous for the country that special training possibilities such as training in management and simple business knowledge could be provided for those qualified for jobs as managers or who have self-selected themselves for the role of manager by undertaking to be self-employed.
### TABLE VII

**POPULATION FORECASTS, 1,000 PERSONS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Population</strong></td>
<td>623</td>
<td>727</td>
<td>851</td>
<td>1001</td>
<td>1180</td>
</tr>
<tr>
<td><strong>Total Labour Force</strong></td>
<td>322</td>
<td>373</td>
<td>434</td>
<td>512</td>
<td>604</td>
</tr>
<tr>
<td><strong>URBAN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour Force</td>
<td>38</td>
<td>63</td>
<td>100</td>
<td>142</td>
<td>190</td>
</tr>
<tr>
<td>Cash sector employees</td>
<td>17</td>
<td>33</td>
<td>41</td>
<td>49</td>
<td>52</td>
</tr>
<tr>
<td>Domestic servants</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Non-primary students</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Absentees</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Housewives with cash employed husbands</td>
<td>5</td>
<td>10</td>
<td>12</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Urban unemployed and informal sector employed</td>
<td>7</td>
<td>9</td>
<td>33</td>
<td>61</td>
<td>94</td>
</tr>
<tr>
<td><strong>NON-URBAN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour Force</td>
<td>284</td>
<td>310</td>
<td>334</td>
<td>370</td>
<td>414</td>
</tr>
<tr>
<td>Cash sector employees</td>
<td>20</td>
<td>22</td>
<td>30</td>
<td>38</td>
<td>49</td>
</tr>
<tr>
<td>Domestic servants</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Non-primary students</td>
<td>6</td>
<td>11</td>
<td>15</td>
<td>19</td>
<td>25</td>
</tr>
<tr>
<td>Absentees</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Housewives with cash employed husbands</td>
<td>6</td>
<td>7</td>
<td>9</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Non-urban non-cash employed and unemployed</td>
<td>205</td>
<td>222</td>
<td>229</td>
<td>249</td>
<td>269</td>
</tr>
<tr>
<td>Total unemployed, non-cash employed and informal employed</td>
<td>212</td>
<td>231</td>
<td>262</td>
<td>310</td>
<td>363</td>
</tr>
</tbody>
</table>

**Source:** Population forecasts that are intended as guidelines for the preparation of N.D.P. IV. Some figures for urban cash sector employees, urban cash sector housewives with employed husbands, urban unemployed and total unemployed, non-cash employed, informal employed are altered due to information about the cancelling of the Sua projects.
CHAPTER III

ASSESSMENT OF THE PRESENT SKILL LEVELS IN AND THE POTENTIAL SIZE OF THE RELEVANT POPULATION

28. This survey was carried out with the aim of assessing the present skill levels in the relevant population and to forecast the potential size of the managerial population in the small scale end of the private sector, excluding agriculture and domestic servants. The sample used in the survey was drawn from the files in the Central Statistics Office, containing registered establishments in Botswana. These files follow the International Standard Industrial Classification.

29. The first intention was to stratify the population according to size of the establishment. The files did not contain the number of employees in the establishments, but did contain value added for some of them. However, the information on value added was lacking for a large number of the establishments due to both unwillingness of the establishments to provide the Central Statistics Office with information and to all the "new" establishments which are included in the establishment files. For this reason, it was decided that we should take a simple random sample of companies that were not Pty Limited, believing these to be in the small scale end.

30. We start with a five per cent random sample from the major divisions 2, 5, 6 (excluding 917, 920 and 940), 7, 8 (excluding 806) and 9 (excluding the major groups 906 - 913). The reasons for excluding major division 2: Mining and Quarrying and major division 4: Water and Electricity supply, was that these major divisions only included establishments too large to be in our focus. Correspondingly, we excluded the major groups 607, 620, 640 and 806 because these establishments were too small (with no employees) to be the target for this limited survey. It is when a particular establishment gives work to people other than the owner or sole proprietor that we have the discharge of the managerial responsibility which is our focus. The major groups 905 - 913 were left out since they did not fall into what we would call private establishments operating to make a profit.

"Pty", signifies a private, as opposed to a public, company. There may not be more than fifty, nor less than two members.
31. The sample was drawn from the establishments that were not Pty Limited and had a value added less than R50,000, or on which there was no information on value added. This procedure provided us with too many businesses for our use in the major division 6: Wholesale and Retail Trade, Hotels and Restaurants, etc., relative to what we had from the other major divisions. We then gave major division 6 the weight 1/2, the major division 5 the weight 1, and the other major divisions in focus received the weight 2. This meant that we halved the sample from major division 6, kept the sample from major division 5 and doubled the sample in the other major divisions under consideration. This was done randomly. This produced a stratified sample containing approximately the same number of establishments as the original random sample. However, it turned out, when checking our sample against a list of Pty Limited establishments, that 23 of the sample's 80 establishments are Proprietary Limited after all. We decided to use the sample as it was.

Amongst the "good" interviews there were 6 given from managers in Pty Limited companies. In this way the pure randomness of our sample is questionable. On the other hand, the population data from which the sample was drawn was so undetermined that it probably does not matter.

32. We had 80 establishments in our sample. Of these 74 were too large, not operating, investment companies with no one employed, impossible to trace, or unusable for other reasons. That gave us 33 useful interviews out of 80 and it turned out to be difficult to use the sample to say anything definite about our population which was so undetermined.

33. It was more productive to ask the managers about their turnover instead of value added. With a mark up of 25 per cent we placed the limit for the turnover of the businesses we wanted to see at R250,000. In fact, it was the managers of these businesses whom we wanted to see. All African managers were cooperative and showed interest in the study. The same was valid for most Asian and other managers. All 33 interviews were with local managers and nearly all operated quite small businesses.

34. It will be evident that we remained inside the formal sector, although many of the establishments were lying on the border between the formal and informal sector. However, we believe that in obtaining information and saying something about establishments in the small scale end of the formal private sector, we can also deduce information that is useful for the assessment of training needs in the informal private sector. As we see it, it did not matter at this stage that it was impossible to assess the present skill levels in a well defined population and to forecast the training needs for the same population. On the informal sector official statistics do not suit, and on the formal sector official
statistics are not detailed enough for our use. It is quite certain from the interviews that the training needs of the relevant population are so large that no possible steps will be sufficient to meet them in the foreseeable future.

(II) Data Analysis

35. Appendix I contains the questionnaires used in the survey. It can be seen that some of the questions are duplicated by accident only. The questions were always asked by the surveyor and/or the interpreter in such a way that the person being interviewed never wrote down any of the answers. The interpreter was of invaluable help in asking the questions and in effectuating information between the respondent and the interviewer. In fact the whole survey would have been impossible to implement without an interpreter's help. Some questions were asked more subjectively, and the questions were selected according to whether the establishment was in sales, service or production. Some of the questions were asked to get a direct knowledge of the managers' skill. Other questions were used more indirectly so that we could form an opinion about the managers' business knowledge and their ability to absorb further training and education. Tables 8, 9 and 10 contain some of our direct information. The same information in a more detailed form is found in Tables 11, 12 and 13 in Appendix II.
### TABLE VIII

**MANAGERS FORMAL EDUCATION AND NUMBER OF EMPLOYEES**

<table>
<thead>
<tr>
<th>Number of Employees including the Manager</th>
<th>Primary School</th>
<th>Secondary School</th>
<th>Post Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0 - 4</td>
<td>5 - 8</td>
<td></td>
</tr>
<tr>
<td>1 - 10</td>
<td>7</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>11 - 20</td>
<td>0</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Over 20</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

| Probability of more than 10 employees     | 0.00           | 0.38             | 0.25           | 0.60           |

Even if the linear correlation between managers' formal education and number of employees is not so very strong, the triangular nature of the matrix suggests: although higher education does not guarantee a larger establishment in terms of employees, larger establishments tend to have more highly educated management.
### TABLE IX

MANAGERS FORMAL EDUCATION AND THE ESTABLISHMENTS TURNOVER

<table>
<thead>
<tr>
<th>Turnover in Rand</th>
<th>Primary School</th>
<th>Secondary School</th>
<th>Post Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 4</td>
<td>5 - 8</td>
<td>1 - 5</td>
<td></td>
</tr>
<tr>
<td>0 - 10,000</td>
<td>7</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>10,000 - 50,000</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Over 50,000</td>
<td>0</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

Probability of more than 10,000 Rand in Turnover:

<table>
<thead>
<tr>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
</tr>
<tr>
<td>0.54</td>
</tr>
<tr>
<td>0.25</td>
</tr>
<tr>
<td>0.60</td>
</tr>
</tbody>
</table>

The triangular nature of the matrix in Table IX suggest the same as the matrix in Table VIII. However, in Table IX a larger establishment is measured in terms of annual turnover.
### TABLE X

**TURNOVER AND EMPLOYEES**

<table>
<thead>
<tr>
<th>Annual Turnover in Rand</th>
<th>Employees Including the Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 - 10</td>
</tr>
<tr>
<td>Less than 10,000</td>
<td>20</td>
</tr>
<tr>
<td>10,000 - 50,000</td>
<td>2</td>
</tr>
<tr>
<td>over 50,000</td>
<td>1</td>
</tr>
</tbody>
</table>

In using the information in Table XIII, it was possible with help of the least squares method to make a linear regression between turnover and employees.

\[
y = \text{Annual turnover in 1,000 rand} \\
x = \text{Employees including the Manager}
\]

The linear regression lines:

\[
y = 4,12 \times - 0,39
\]

The correlation coefficient was 0,8 indicating that annual turnover is highly correlated with employment in individual businesses in the small scale end of the private sector.
37. In the sample of 33 managers, there were 11 who did the bookkeeping themselves and only 5 who could manage double entry bookkeeping. The interviews indicated that only these 5 understood and managed to use their financial reports as guidelines for future planning. The others doing their own book-keeping were aware of financial planning, but they could scarcely use it in practice. The 5 managers doing double entry book-keeping had a formal education of Junior Certificate or higher, but these five manifest no special pattern when it comes to turnover or number of employees compared with the group which had a formal education of Standard 5 or more. Of these five, two were managers of businesses with annual turnover exceeding 100,000 rand whilst the three others had just started as managers in the respective establishments and which had a much lower turnover. However, some conclusions might be drawn. First, it appears that managers should have reached at least Standard 5 to set up a business that has the potential to grow and develop in the economy of Botswana today. Second, the ordinary managers with Standard 5 or above seem to be succeeding in most cases at present, even if their managerial knowledge is deficient. And third, the understanding of double entry book-keeping and modern business management seems to demand background education at a Junior Certificate level in English and Mathematics. It is worth mentioning that four of the five well educated managers, received some of their education or training in South Africa or Rhodesia. Many of the other managers in the sample had also been in South Africa or Rhodesia for some time, indicating that managerial skill in Botswana is in some way related to stays in these two countries. It is most likely that the reasons for this are the shortages of training facilities and economic infrastructure in Botswana. This points to the great need for the creation and implementation of training programmes for the managers in small scale businesses in Botswana.

38. Twenty-five of the 33 managers felt that they needed more education and training in accounting, book-keeping and management, but most of them were not able to leave their job for extended periods. This implies that the management training required for these managers has to be decentralized and adjusted to meet their specific training needs.

39. If the forecast of the total managerial population (see Table VI, p. 15) is accurate and assuming that about 75% of managers need additional training (see No.38) even if we trained 80 managers each year it would be a long time before a reasonable level of management
knowledge in reached. In relation to the informal private sector, and
given that all businessmen belonging in this sector are likely to need
business training, our conclusions indicate the need for a decentralized
management training system accessible to the small businessmen.
At present they fall outside the official planning and do not have
access to sufficient resources to define and execute their own training
programmes.

(III) Some General Remarks

40. Depending almost entirely on human labour, with little capital
at its disposal and lacking much of the minimum infrastructure facili-
ties, productivity levels of the formal private sector small scale end
and the informal sector are indeed low. But it mobilises money di-
rectly from small savers, and can thus secure maximum employment
without encroachment on public capital resources. Establishments
of this type usually have to operate on a modest scale and to content
themselves with small profits. But they can be helped. In particular,
they can be offered credit at acceptable rates. Appropriate organi-
ations could and should be set up to upgrade the managers' skills
and to help them in the various aspects of management: production,
sales, accounting, contact with sources of capital and with govern-
ment offices.

41. When it comes to the accomplishment of this limited survey
of small scale businesses in private sector, we would recommend
that it should be regarded as a pilot project for future surveys in this
neglected part of the economy. This survey has met its primary
objective in interviewing managers in small and medium sized ele-
ments of the private sector, although it only managed to get good
interviews from 33 managers. It is suggested that the best way to
undertake another survey in this field would be to stratify the busines-
ses according to the town or the village where they are operating. In
securing the services of local people at an early stage, who would be
aware of all the self-employed people in their area, it should be possi-
able to take a weighted sample from each town or major village,
which could represent the exact population of small businesses being
considered. A country-wide sample taken in this way, together with
planned growth-rates, would provide enough information to produce
reliable forecasts both on skill levels and size for a well defined
population of managers.
CHAPTER IV

ASSESSMENT OF THE TRAINING CAPABILITY OF PRESENT INSTITUTIONS AND ORGANISATIONS

42. From our discussion to this point, it should be clear that we perceive the management training needs of the small scale enterprises as falling into two categories:

(1) Pre-management training to produce minimum skill levels in English and Mathematics.

(2) Functional management courses dealing with the actual problems and techniques of operating small scale enterprises.

It is therefore convenient to divide our discussion of current training programmes to conform with these categories.

(1) Basic literacy and numeracy

43. Influenced by the widespread record of failure of an intensive national literacy campaign, the Government of Botswana has preferred the more gradual strategy of achieving high national literacy rate by emphasising the provision of at least elementary school education to all age-eligible children. With the passage of time, illiteracy will be virtually eliminated. A further problem, of course, has been the question of which language, English or Setswana, might be the medium of any national adult literacy programme. We appreciate some of the cultural factors which enter into discussions of the choice of language on a national basis. We are not competent, nor do we wish, to comment on language at the national level of the population as a whole. Our concern is with that relatively small part of the total population who have chosen to become business entrepreneurs. It is our view that these people, the small businessmen, must have adequate English just as they must have adequate working capital, and for the same reason: it is essential to the success of their business. English is the language of communication with suppliers, wholesalers, transport operators, some customers, the trade, press and other sources of information.

44. Having said this, the present situation is quickly described. The Botswana Extension College offers correspondence courses in English and Mathematics at J.C. level and to G.C.E. "O" level. No adult education courses in English or Mathematics are being offered within Botswana at the pre-secondary school level. Although a number of people expressed their strong desire to see such a programme established, no concrete plans exist at this time.
(II) Functional Management

(a) The University of Botswana and Swaziland

45. U.B.S. Development Plan 1976/77 - 1985/86 issued in June, 1976 states that commerce will become a major subject beginning in 1980/81. We understand that, in addition to the degree programmes, certificate and diploma programmes in commerce and administration will also likely be offered.

46. It is unlikely that these programmes will be of assistance to the small businesses with which we are concerned:

1. Academic entrance requirements are higher than all but few managers possess.
2. Opportunity costs to the small businessmen of full time course attendance are almost prohibitive.
3. The courses would only serve Gaborone and the immediate vicinity.
4. It is unlikely that graduates would become small business entrepreneurs. Experience elsewhere is that graduates from such programmes go almost exclusively into wage employment with larger firms.

(b) Institute of Development Management

46. Like the main body of the university, IDM's entrance standards are too high for the majority of our subject group. IDM requires the functional equivalent of J.C. level in English and Mathematics of participants in its Small Business Management course. And IDM's courses are full time residential courses, thus carrying high opportunity costs to participants from the private sector. IDM contemplate the eventual introduction of a diploma or certificate course, but this, too, would be at too high a level for most of our group. If the course is given on a part-time basis it would still likely serve only the Gaborone area.

(c) Department of Extra Mural Service

48. Although DEMS has carried out a number of training activities which might be relevant to the needs of our group, DEMS is currently reviewing its activities in relation to the needs of the country and the role of other institutions within Botswana. It is therefore difficult at this time to speak with any certainty on DEMS potential contribution to the training of small
businessmen. Overall, it would appear that DEMS role in non-formal adult education will become more advisory and consultative, less operational, that its active teaching will move more towards university level activity.

49. DEMS activities in the management field are illustrative. They have been giving a course in Supervisory Management originally developed by the Evelyn Hone Institute in Lusaka. But a number of problems have arisen, including the need to localize much of the content to make it suitable for Botswana conditions. DEMS is dissatisfied with the overall results and does not contemplate any further repetitions of the course until the whole situation has been reviewed. On the other hand, DEMS has begun evening courses for the UBS Certificate in Business Studies. This course was originally developed by the University's Commerce Department in Swaziland. It is likely that DEMS will continue to co-operate with the University in teaching this course and perhaps also the Diploma in Business Studies.

(d) Botswana Training Centre

50. The BTC has become virtually an exclusive training agency for the middle and lower ranks of the public service. However, the Government has recently offered some places in typing and secretarial courses to the private sector. BTC has also had some preliminary contacts with firms in the private sector on stores management and inventory control, but no management or administration courses are currently available to the private sector. Overall, BTC's mandate does not give it a particular interest in the private sector.

(e) Botswana Extension College

51. The BEC has two main functions:

1. To provide distance teaching in formal courses;
2. To provide non-formal training using distance teaching and face-to-face teaching either alone or in combination.

About one-third of its effort goes into providing correspondence courses for J.C. and G.C.E. "O" level students. The other two-thirds enter a wide variety of training programmes, ranging from training Agriculture Demonstrators in map reading, to preparing materials on fruit tree growing and vegetable gardening for 4B clubs, and to training Village Development Committees in planning and project analysis. BEC is planning to open a network of branch offices around the country where
students studying by correspondence or other distance teaching methods can come in contact with a tutor or other resource person for revision and re-enforcement of the lesson material. It is fair to say that BEC is doing nothing at present in the management field.

(f) Ministry of Commerce and Industry

52. The extension service of the ministry consists of two men. The ministry has provided some consultative services to individual firms, but its capacity to do so is obviously limited. As one means of multiplying the effectiveness of its efforts, it established regional and local traders' associations which then formed the focus for courses and seminars on selected topics. The ministry is very much aware of the inadequacies of its present activities. The strengthening and development of the extension service are a high priority during the next plan period.

(III) Some concluding remarks on present training capability

53. It is obvious from what we have said here, that the possibilities for small entrepreneurs to get adequate training in business management in Botswana today are few or nil. However, besides these more or less "academic" management training facilities mentioned so far, there is the "Botswana Enterprise Development Unit" - BEDU. BEDU provides small scale entrepreneurs with cheap working premises, creates and implements training programmes and is putting much emphasis on extension service. It is in the nature of the BEDU programme to be highly selective and a very large number of already existing manager-entrepreneurs will remain outside its ambit. The assumptions for implementing the BEDU programme imply a highly centralized system, an obstacle to the participation of the majority of Botswana's small scale entrepreneurs. However, the launching of the BEDU programme seems to have been a good idea in view of the positive contribution which is expected from BEDU enterprises on economic growth in Botswana between 1976/77 and 1980/81.

54. The Brigades have recently set up some of their own training programmes on management and administration. However, these courses are designed for the Brigades' own managers and are not available for the trainees. In this way the trainees will, after a three year period, have the same need for management training as people outside the brigades who want to set up their own businesses.
CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

55. From an implementation point of view, it is necessary to divide the recommendations into two parts, the short term possibilities and the long term carefully planned projects. It is clear that an intensive and elaborate type of study should be undertaken before one can identify the long term training needs and create and implement suitable training programmes. However, such a procedure will take years and valuable time would be lost in the economic development if nothing else were done. Considering the present training needs, we therefore recommend some intermediate steps which would not be inconsistent with the long term propositions.

(1) The Short Term

56. It is evident from our survey that most of the managers need training in English and Mathematics. The government literacy policy will reach most of the young people and it is obvious that the illiteracy rate will decrease in the future. But the literacy policy is not of much help for all these managers in actual business today. Botswana can not afford to wait 10 - 20 years before management jobs are filled with well educated people. For this reason, we see the necessity of creating some training possibilities in plain English and Mathematics to prepare the managers for future training in management and administration, something which they both want and need.

57. The scattered national population makes it necessary to implement the recommendations in a very decentralized way to give opportunity to all those who wish to attend. This is perhaps more important in the long term but one ought to bear it in mind in the short term. That is why we are recommending that this short term basic literacy training should be decentralized perhaps in connection with the secondary schools in the country. This will provide the possibilities of using classrooms in the evenings and possibly secondary school teachers. One could also employ one new teacher at every secondary school to do this adult training with the same status as an ordinary secondary school teacher.

58. One could perhaps use correspondence courses and combine these with evening lessons once or twice a week. It will not be difficult to get the number of teachers needed to work once or twice in the evenings per week. The whole project will come out at a fairly reasonable price. Maybe this is the best way to do it in the short term. It would then be possible to change the practical implementation over the long term, when more information is available, to suit the long term recommendations for business training.
Our sample contained 10 managers with education proportionate to a J.C. level or above. Some of them are both capable of, and interested in, attending central training programmes. Considering their opportunity costs, it is evident that they really feel the need for more training. It should not be difficult to arrange small business courses at present institutions in Gaborone while waiting for a more decentralized business training to be established on a long term basis.

(II) The Long Term

In short term, it is important to put emphasis on literacy and numeracy training to enable managers to take advantage of more specific business training. After a thorough study has been undertaken and the training needs are more clearly identified, it would be possible to take a closer look at the short term literacy programme to find out if it suits the long term needs. If it does not, then one can recognise it and give it a new form. It is important that organizations which are supposed to manage literacy training are given clear mandates to make their work easier. It is suggested that this responsibility be given to B.E.C. with perhaps practical help from DEMS. We can also envisage eventual participation from the regional and local traders associations established by the Ministry of Commerce and Industry.

Literacy training could be arranged in two ways, either through branch offices or through an extension service operated from Gaborone. However, it is important that this literacy training be given a strong element of face-to-face communication besides some possible correspondence courses. It is assumed that this face-to-face teaching is given a larger part in the literacy training than in the management training where more emphasis would be placed on extension and follow-up training.

When it comes to management training, we feel that existing organizations will have difficulties. We therefore recommend a substantially new extension service, mobile and free to travel, with cars, equipment, and sufficient money. The extension officers should perform most of the face-to-face training and it is important that they know Setswana. This extension service could perhaps be sponsored by Botswana Development Co-operation and the National Development Bank to make it easier for the managers to familiarise themselves with Government offices as places where they can get credit and loans. More important, perhaps, is that the extension service would be related to organizations and senior staff who have a definite commercial orientation and expertise.
63. There will be a problem in deciding what sort of training and background education one should require of the extension officers. For teaching and training of the small scale managers today, the extension officers would perhaps not need so much training. However, when a small scale managers' knowledge reaches higher levels, the extension officers' knowledge would have to be upgraded to cope with it. For this reason, we recommend that extension officers should have solid education in economics and management. It seems to be adequate to separate the literacy training and the management training. It is possible to give correspondence courses a more important position in the management training. The extension officers could do some teaching a couple of times a week on management and tutorial work besides the field work which is their main activity.

64. One then has to identify and train the extension officers. There are two theoretical possibilities: training local people in management and economics, or training expatriates in Setswana. Since the U.B.S. Commerce program is scheduled to start in 1980/81, the first graduates would not be ready before 1983/84. Maybe the Director of Personnel could try to assess local people available in the future for this extension service. However, it is doubtful whether there would exist local people suited for this task before 1983/84. This leads to the conclusion that expatriates and perhaps volunteers may be worth training in Setswana, to enable them to do the job as extension officers until local people become qualified.

(iii) Concrete Steps to be taken

(a)

65. Some of the existing managers with adequate education could now have management training from BEC assisted by IDM. This could be distance teaching and correspondence courses combined with central courses at IDM in Gaborone.

(b)

66. Begin designing the extension service, its mandate, its dependence, its academic content, its sponsors, and its status.
67. An intensive and elaborate study should be undertaken to identify the long term training needs. We would recommend that IDM and/or NDB be assisted by Central Statistics, the Ministry of Finance and Development Planning and UBS to develop a proposal for such a long term study. The emphasis must be on the small scale end of the private sector. In 1981, according to population forecasts, Botswana will have 363,000 people unemployed, non-cash employed, or informally employed. This will be 60.1% of the total labour force. One must divide this aggregate into the unemployed as one group, and non-cash and informal employed as the other group. Then is it necessary to act to help people to get established inside the formal sector where they at least are noticed by the bureaucrats who are planning their future.
QUESTIONNAIRE

(A) Background

1. Confirm name, address and main activities.

2. (a) For how long have you had your license?
   
   (b) Do you work strictly inside the frame which the license gives you?

3. How many employees do you have now and during the years since you obtained your license?

4. Do you know your turnover last year (financial year?) and do you remember your turnover for each year since you got your license?

5. Can you tell me about your own formal and informal education and training?

6. Have you worked for other people before?
   
   If yes - branch?
   
   - job or profession?
   
   - South Africa?
   
   - Rhodesia?

7. Why did you apply for a license?

8. (a) What kind of education and training do your employees have?
   
   (b) Do you want more formal training for your-self and/or your employees?
   
   (c) If yes, what kind of education and training?

9. Have you tried to obtain credit with banks or other sources?
B. The Running of the Business

B.1. Finance

1. How do you manage your financial control?
   - yourself
   - your wife/girl-friend
   - your husband/boy-friend
   - an employed accountant
   - an accountant firm

2. Do you know if double entry book-keeping is used?

3. Do you manage the double entry book-keeping?

4. Do you know anything about interests?

5. If you have done business with banks or other financial sources what would the interest rates be?

6. Have you tried to use your financial reports as guidelines for future planning?

7. Is there any special problems involved with the financial side of your business?

B.2. Production

1. Why do you use the production methods which you actually use?

2. In what way have you learned your production methods?

3. Do you think there would be a better way to do your production?

4. If you should raise your production, how would you do that?
   - more men?
   - more machines of those you already have?
   - new types of machines?

5. In what way do you buy your materials?

6. Do you have problems in obtaining your materials when you need them?

7. Why do you produce the things which you actually produce?

8. Is there any special problems involved with the production side of your business?
B.3. Sales

1. How do you sell your goods or services?
2. Why do you sell it in that way?
3. Where have you learned to sell it in that way?
4. How do you do your pricing?
5. Have you thought about doing some extra efforts to sell your goods?
6. What kind of efforts would that be?
7. Do you have some special problems tied to your sales-business?

B.4. General

1. Is it the finance, the production or the sales that give you most trouble?
2. What would you need to expand your business?
3. Is there anything that prevents you from expanding your business?
1. **PRESENT EMPLOYMENT.** (Include yourself and any partners or unpaid family workers who work at least 15 hours per week)

<table>
<thead>
<tr>
<th>ADULTS (15 yrs. and over)</th>
<th>Male</th>
<th>Non-Citizen</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JUVENILES (under 15 yrs.)</th>
<th>Male</th>
<th>Non-Citizen</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. **MENTION BELOW ANY OCCUPATIONS WHICH YOU FIND PARTICULARLY DIFFICULT TO FILL.**

<table>
<thead>
<tr>
<th>OCCUPATION</th>
<th>PRESENT NUMBERS EMPLOYED</th>
<th>PRESENT VACANCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
3. SPECIFY THE GROSS AMOUNT OF WAGES, SALARIES, ALLOWANCES AND OTHER PAYMENTS TO ALL EMPLOYEES DURING JUNE 1976. (Include payments to yourself and any partners, and to employees who left before the end of the month. Give cash and non-cash payments separately)

<table>
<thead>
<tr>
<th></th>
<th>CITIZENS</th>
<th>NON-CITIZENS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL PAYMENTS IN CASH</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>VALUE OF ALL NON-CASH PAYMENTS</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
</tbody>
</table>

4. WHAT WAS YOUR GROSS OUTPUT (TURNOVER) IN 1975

WHAT IS YOUR EXPECTED GROSS OUTPUT (TURNOVER) IN 1976

5. WHAT EMPLOYMENT WAS, OR WILL BE NECESSARY IN ORDER TO PRODUCE THESE OUTPUTS?

<table>
<thead>
<tr>
<th>TOTAL EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
</tr>
<tr>
<td>1976</td>
</tr>
</tbody>
</table>
## Table XI

### Managers Formal Education and Number of Employees

<table>
<thead>
<tr>
<th>No. of Employees Including the Manager</th>
<th>None</th>
<th>Primary School</th>
<th>Secondary School</th>
<th>More than Secondary School</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>6 to 10</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>11 to 15</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>16 to 20</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>21 to 25</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>26 to 30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 30</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>
## TABLE XII
MANAGERS FORMAL EDUCATION AND THE ESTABLISHMENT TURNOVER

<table>
<thead>
<tr>
<th>Turnover (Rand)</th>
<th>None</th>
<th>Managers Formal Education</th>
<th>More than Secondary School</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Primary School</td>
<td>Secondary School</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>0 to 10000</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>1001 to 10000</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>10001 to 50000</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>50001 to 100000</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Over 100000</td>
<td></td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

* Since many of the managers would not tell us their turnover, it was necessary to estimate the turnover from the rest of our information for some of the establishments.
## TABLE XIII
### TURNOVER AND EMPLOYEES

<table>
<thead>
<tr>
<th>Annual Turnover in Rand</th>
<th>Employees including the Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 to 5</td>
</tr>
<tr>
<td>0 to 1000</td>
<td></td>
</tr>
<tr>
<td>1001 to 10000</td>
<td></td>
</tr>
<tr>
<td>10001 to 50000</td>
<td></td>
</tr>
<tr>
<td>50001 to 100000</td>
<td></td>
</tr>
<tr>
<td>Over 10000</td>
<td></td>
</tr>
</tbody>
</table>
Geographical Distribution of the Sample

The numbers with no line under them are actually numbers of establishments in the sample. The numbers with a line under them are managers from whom we got good interviews.

1) Three establishments had addresses in Mafeking, South Africa.
REPORT ON MANAGEMENT TRAINING NEEDS IN THE BRIGADES

by

A. HILLIER AND S.E. PETERSON

INTRODUCTION

This report is based on personal visits to brigades in Molepolole, Mochudi, Serowe, Shashe, Tutume and Maun during the latter part of 1975. Discussions were also held with people involved with brigades in Gaborone. Although we were not able to visit all the brigades we believe that we are in a position to make some observations and recommendations of general relevance to the brigade movement.

The brigade movement, as with much else in Botswana, is in a state of rapid change and development. To some extent, therefore, the observations on which we have based this paper have been overtaken by events. This has been made amply clear to us during our discussions with people involved in the brigades during the intervening period. We nevertheless feel that this record of our thoughts and conclusions can still serve a useful purpose.

Our central conclusion is that there is a fundamental interaction among three elements; commercial success, managerial capability and the academic content of brigade training.

TECHNICAL TRAINING

By and large, the brigades have been successful in imparting technical skills to their trainees. This has been demonstrated in at least three ways. First, some brigades have achieved substantial commercial success with the products of their trainees. This is only possible if the technical skills of the trainees are of an adequate standard. Second, graduates from some brigades, particularly builders brigades, have begun taking the national trade tests and these results have been fairly satisfactory. Many people feel that the trade test results could be better if graduates were more skilled in English. We will return to this point later.
A third possible way for measuring the success of technical training is the rate of absorption of graduates into paid employment. This was the initial standard which the brigades set for themselves, but in all brigade centres which we visited and most of the individual brigades, there were not enough employment opportunities to absorb more than a small fraction of the graduates. For some kinds of brigades, none of the graduates is able to find employment. In consequence many brigade centres either have established, or are considering establishing, full time commercially orientated units in order to provide employment for the brigades' own graduates. The establishment of such units, however, adds considerably to the total requirement for management skills within the brigades. To the degree that the brigades' performance already is suffering from a shortage of managerial skills, such self-employment options must be viewed with caution.

We observed in one case trainees sitting idle because there was no money to buy raw materials for them to work with. In other cases, such as weaving, the early output from trainees is not commercially saleable. But in general the brigades are succeeding in their basic goal teaching technical skills and covering some of their costs through provision of marketable goods and services. Where there has been a resource constraint (and that is to say, everywhere) the basic pattern of adjustment has been to cut down the desired level of academic content in the training programme so that the technical side of the brigade training could be maintained. In some cases there is no academic programme whatsoever. Now that World Bank funds are available for brigades capital projects in addition to Government's recurrent subventions, brigades resource position will potentially be much improved. Thus brigades should strive to upgrade their academic programmes since, as we expound later in this paper, academic training is a key factor in the success of a brigade's operations.

COMMERCIAL SUCCESS

"Successful operation of job-creating activities depends on being in constant touch with the local situation and co-ordinating factors such as market, capital, technical knowledge, management, transport, and so on." - David Inger, KRDA.

From our visits to the brigades, we conclude that there is a fundamental circular relationship between the degree of commercial success (i.e. profitability) of the production side of the brigades' activity and the adequacy of the academic content of brigade training.
In one direction around the circle, commercial success has been a factor in determining the magnitude of academic content in the brigade training. The greater the profits, the more money is available to pay for teaching staff. Equally important, relatively high profits implies relatively high labour productivity among the trainees. And the more productive the trainees during the on-the-job part of their training, the greater the amount of trainee time that can be spent on "non-productive" academic subjects without jeopardising the financial stability of the brigade.

This is not to say that the government subvention to the brigades has not been used to cover training costs. It has, but with priority to the technical side of brigade activities. And where the commercial position of the brigade has been weak, there has been an understandable concentration on production in order to try to balance the books.

The other direction around the circle is, of course, that an adequate academic background is a pre-requisite for commercial success. The degree of commercial success of the brigades varies widely. There are a large number of factors involved. Access to markets, availability of working capital, level of local demand, transport difficulties both for raw materials and finished products are among them. But in our view the most important single factor is the quality of the management. Successful African managers seemed to be characterized by two important factors:

1. Substantial post-primary education.

2. Substantial work history in industry or commerce or education, most commonly represented by lengthy residence in either South Africa or Rhodesia.

The brigades have had only limited success in generating managers from within their own system, and the less successful brigades are caught in a vicious circle of not being able to generate the money to provide the academic background necessary to break out of the circle.
ROLE OF ACADEMIC TRAINING

It is our belief that management training properly speaking requires a minimum of J.C. level capacity in English and Mathematics as well as a related level of maturity. We cite in support:

1. The brigades' experience in attempting to develop management skills in people less qualified has not been good.

2. IDM's experience on its Small Business Courses and other courses supports the position.

3. The Canadian New Start programme for training small businessmen in Canada requires roughly J.C. level competence in English and Mathematics as a prerequisite.

4. The Co-operative Development Centre at Sebele requires J.C. plus additional secondary school for its management trainees.

Thus the most important factor affecting the development of managers within the brigade movement is the inadequacy of the academic programmes within the brigades themselves.

The inability of some brigade graduates to comprehend and respond to the written (English) questions on trade tests has undoubtedly been a factor in reducing the overall pass rate. This weakness in the academic content of the brigades' programme is adversely affecting the success of the technical training. But as we have said, the brigades are successfully developing skilled trades-people notwithstanding weaknesses in the academic programme.

In the field of management training, however, the weaknesses in the academic programme are a positive barrier which must be overcome before the brigades can begin to develop their own managers from internal resources in sufficient numbers to meet their present and projected needs.

Money is part of the problem, but availability of staff is another. Up to now, teachers in the Unified Teaching Service could not accept positions in the brigades without loss of service rights affecting pensions and the like. We understand that the question of teachers from the Unified
Teaching Service being allowed to teach in brigade centres without penalty is currently under discussion within government. We hope that the difficulties can soon be surmounted. More fundamental, however, is the requirement for brigade managers to change their perspective to view the academic content of the brigade programmes as at least as important as the technical content.

It may also be necessary for the brigades to make arrangements to augment the academic training of technical instructors who have management potential.

MANAGEMENT TRAINING

Having people with adequate technical skills is essential to the success of any undertaking. It was this problem to which the brigades first addressed themselves. As one moves into the area of management, however, one must add to the basic technical skills, a requirement for human skills and for conceptual skills. The brigades' current difficulty in developing managers from within their own ranks is thus in part a consequence of their own fundamental approach to training. In order to be viable, the brigades had to sacrifice something, and what they sacrificed was the breadth of education upon which management training could be based.

The first step toward solving the problem of management training is therefore to solve the problem of lack of general formation in managerial candidates.

Three broad categories of management training suggest themselves: short courses (4-8 weeks), combination classrooms and on-the-job training (elapsed time 12-24 months) and longer duration courses (6-36 months). There are in turn two levels of management to be reached: the managers of individual brigades, and the top level co-ordinators of brigade activities at brigade centres.

In general, we would suggest that the initial training needs at the first level, that of brigade managers, could be met through intensive short courses such as the Small Business Management Course given by IDM. Such courses should give an intensive introduction to the elements of management in a framework that is relevant to the locale and scale of brigade activities. Candidates for such course should have the maturity that comes from several years of relevant work experience, the functional equivalent of at least J.C.7 capability in both English and Mathematics, preferably some experience in managing people either as a first line supervisor or instructor, and of course sufficient technical skills relative to the particular brigade for which he is intended.
The decisions on whether to establish such courses specifically for brigades should take into account the rate at which the brigades can develop candidates having the necessary background, and the availability of places in suitable courses, actual or prospective, given by other institutions. In any case it is likely that this kind of training could be given in Botswana.

A second possibility, that of combining classroom instruction in management with actual on-the-job training, recommends itself highly to the needs of the brigades. Not its least advantage is that it in effect applies the brigade philosophy to management training. We have been particularly impressed with the programme being conducted at Serowe by Sheila Havard. This type of training also recommends itself to training managers of individual brigades. Its major disadvantage is the total elapsed time for processing a student through the programme because of time spent on work assignments between classroom sessions. However, this is more than offset by several advantages:

1. All aspects of the programme including classroom training can be given in the brigade centres. Even though each centre might not be able to support the required instructional staff by itself, it might be possible to schedule the national programme so that a centralized instructional staff went round to the various centres putting on modules of say 2 to 4 weeks duration.

2. By suitable choice of work assignments, it allows the programme to be tailored to the individual needs of each participant. It is essential that each work assignment should be a real job where the incumbent has functional responsibility for results. In order for the trainee to become familiar with his position and to learn from his actual performance, each posting should be for not less than two or three months. In our view, placing students on short term assignments (2 or 3 weeks) or as observers or counterparts would not meet the objectives of the programme.

3. It eliminates travel and maintenance costs for trainees. In addition, there would be no maintenance costs for trainees during work assignments. They would be earning the salary of the post. Thus overall cost per trainee should be relatively low.
4. This method could also be extended to provide pre-management training where necessary with minimum disruption to the organization and the individual.

Consideration of the third method, relatively long duration courses, should be reserved to those in top level positions in brigade centres. Although one or two year diploma courses in management at the cost secondary level are being considered by IDM and others, it is likely that for the next couple of years at least, trainees would have to go overseas. In any case, the breadth of managerial responsibility at brigade centres for academic programmes, industrial training and the commercial success of a multitude of industries, is so large that the benefits which could be obtained from a well chosen overseas programme are certainly commensurate with the cost. And total costs would be held down by the relatively small numbers of managers involved at this level.

CONCLUSIONS

The management training needs of the brigades are acute. To some degree they can be met now in Botswana by use and development of programmes already underway. But it must be recognised that the management training problem of the brigades is in part a natural outcome of the original training philosophy of the brigades.

RECOMMENDATIONS

1. As a matter of urgency, a programme should be established to ensure that existing brigade managers have at least J.C. level competence in English and Mathematics. This is an area where DEMS may be able to provide assistance.

2. The Unified Teaching Service should establish a method of secondment of teaching personnel to brigades. It may not be necessary that teachers on secondment to the brigades be paid by the U.T.S. or even receive U.T.S. level salaries. We believe it is essential, however, that administrative mechanisms be developed which would permit the time spent on secondment to be recognised by the U.T.S. as appropriate years of service with the
U.T.S. The point is to devise means to allow teachers to retain rights in pension and insurance schemes, normal salary progressions and the like.

3. Full support should be provided for the managerial training programme being developed at Serowe by Sheila Havard. The National Brigade Co-ordinating Committee as a matter of urgency, should consider the extension of this type of training to other brigade centres. IDM or other appropriate groups could be asked to consult on development of the programme.

4. The academic content of the training programme at all brigade centres should be reviewed and where necessary the programmes should be upgraded to an acceptable standard.

5. The present approach to training brigade instructors emphasises the upgrading of technical skills. We recommend that instructors also be given specific training in instruction and extension techniques. IDM has provided similar training to other groups, and could be asked to provide such training for brigade instructors and central office extension personnel.

Gaborone
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