

REPORT SUMMARY | NOVEMBER 2017

# The Impact of Executive Education in Sub-Saharan Africa

REDUCING POVERTY  
THROUGH FINANCIAL SECTOR DEVELOPMENT

## Introduction

In the last ten years sub-Saharan Africa's (SSA's) financial sector has seen unprecedented growth due to factors that include the continent's rapidly emerging middle class, significant policy reforms and increased banking regulations in a number of economies.

## Macroeconomic characteristics of SSA



Sustained growth since the mid-1990s



Resilience during the global economic crisis of 2007-2009



Banking systems comparatively undeveloped (except South Africa)



Big potential for mobile phone-based banking

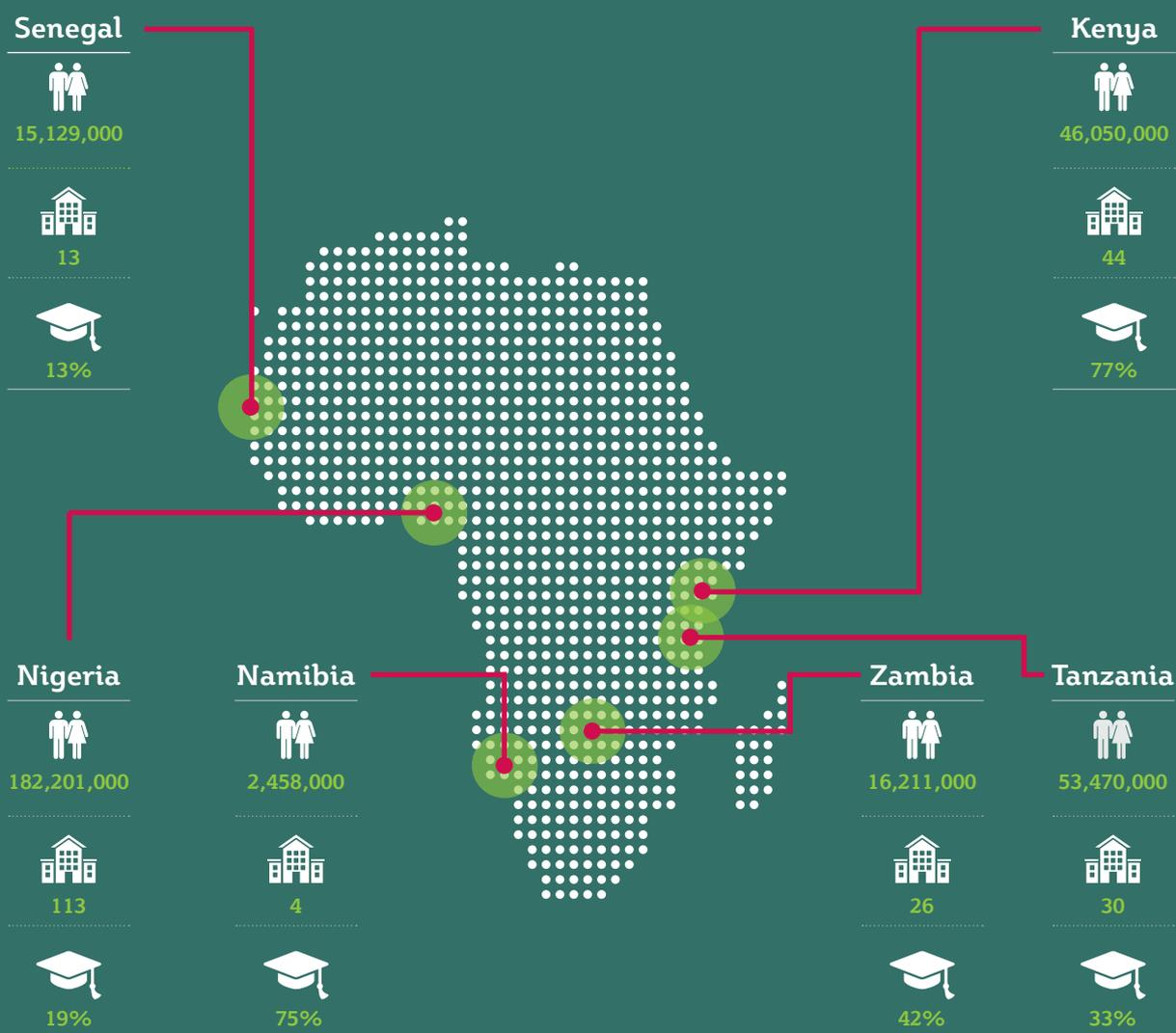
Despite the growth, the continent's financial sector is still considered 'underdeveloped,' with major challenges of unmet financial and banking needs that executive education (ExEd) training can help to address.

The market for ExEd is growing and in demand by financial services firms because ExEd positively impacts financial services firms in the aggregate, chiefly through the application of employee skills and knowledge learned in ExEd programmes. ExEd graduates report being satisfied with their careers, although they are concerned about low levels of pay and their potential mobility in financial services firms. ExEd can be improved in SSA through partnerships with international business schools (seen as more prestigious in SSA) and by a larger focus on practical learning activities as opposed to theoretical ones. However, it is evident from the research conducted for this report that changes are required in the delivery, scope and content of executive education in order to address the needs of the sector.

# Definition of Executive Education

Certified but non-examined and non-degree academic programmes and/or courses at graduate-level business schools for executives, business leaders and/or functional managers.

## Overview of Executive Education



### Key

  
Population  
source: World Bank

  
No. of higher education  
institutions identified

  
% of institutions with  
ExEd programmes

# Key Findings



## ExEd in SSA needs to be more practical and less theoretical

Triangulated qualitative and quantitative data reveal that ExEd, while in high demand and well received in the finance sector, is in need of improvement in SSA, particularly in the provision of more practical training options.



## Employees tend to be dissatisfied with their pay after completing ExEd training

Employees do not feel their pay is commensurate with their ExEd. This is especially so when many employees pay for their own education, as they may perceive that their pay is below what they expected after investing in ExEd.



## ExEd graduates perceive themselves to be mobile

Employees who are ExEd graduates report that they are more mobile than employees who do not possess ExEd. In addition, there are gender differences in the perceptions of ExEd with regards to mobility.



## Managers value the skills which ExEd graduates possess

Managers respect the work of employees with ExEd, reporting that the graduates perform well and are innovative. ExEd improves financial skills, management skills, accounting skills and ability to identify financial opportunities.



## ExEd graduates help make their organisations more prestigious

Employees in financial services firms who possess ExEd improve the image of their organisation and have played a key role in shaping customer perceptions of their bank.



## ExEd improves customer service and relations

Both employee and manager groups reported that ExEd improves employee skills specifically relating to customer service and, as such, increases customer satisfaction.



## Currently, ExEd is provided primarily by universities

Very few private training institutions in SSA are offering ExEd programmes. For those that do, data was difficult to obtain.



## ExEd graduates are in demand in SSA financial institutions

The demand appears to be growing for graduates of ExEd, although more research focusing on the outcomes of ExEd is required.

# Recommendations

1

For FSDA: within financial sector development, support a business school in SSA to establish a specialised research and training institute as a knowledge hub for the financial service sector.

2

For FSDA: undertake additional research to study the impact of ExEd on the financial service sector over the long term, as well as to address the questions of whether ExEd leads to increased access to financial services from the underserved market segments.

3

Within financial services firms, establish employee incentive programmes to identify internal candidates for ExEd and use graduates of ExEd as mentors where appropriate.

4

Within financial services firms, improve performance measurement practices to demonstrate the link between ExEd and performance, pay and mobility.

7

Within education providers, develop curricula that allow ExEd instructors to combine their work-related experience with theoretical knowledge to ensure positive learner outcome.

5

Within education providers, revise the curricula of ExEd programmes to provide training that is more practical, while also reflecting a more African perspective.

6

Within education providers, develop partnerships with international education providers as well as the financial service sector to enhance ExEd.