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OCTOBER 2019

Premier visits Business School

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MBA Winter Study School
learns from renowned experts

The guest speakers during the Prestige Day of the MBA Winter Study School were Theo Venter, Dr Chris Lombaard, Prof Raymond Parsons, Nick Serfontein and Prof Fulu Netswera.

July 24th saw the Prestige day of the North-West University's annual MBA Winter Study School which took place in Potchefstroom. A stimulating programme followed where 180 MBA students engaged in bonding with fellow students, listened to interesting lectures and took part in management skills workshops.

During the Prestige day, top-noch speakers addressed the students with different scenarios and analytics about the South African economy, politics, leadership and the challenges in the agricultural sector. The speakers included:

- Mr Theo Venter – The 2019 elections: a political game changer for South Africa
- Prof Raymond Parsons – Economic recovery or a low growth trap for South Africa?
- Mr Nick Serfontein – The need for a more sustainable agricultural plan for emerging farmers
- Dr Chris Lombaard – Management and Leadership challenges in the post-election South Africa.

Theo Venter, a political and policy specialist affiliated with the NWU Business School, was the first speaker of the day. He enlightened MBA students about SA's policy uncertainty and what government needs to do to address it. See his short interview here:

Prof Raymond Parsons said both business and government need to find themselves on the same page as to future policy direction in the post-Zuma era. “The challenge of creating a bigger, stronger and better economy in SA remained a collaborative venture. Business must decide whether it is part of the problem, or wants to be part of the solution,” he said.His interview can be viewed here:

Nick Serfontein, founder and CEO of the Sernick Group, said Government’s current plan with regard to emerging farmers is lining them up to fail. “We need a sustainable plan. You cannot develop new farmers without providing the necessary funding and support. It is paramount that we need successes now! Without commercial farmers, the private sector and government, we will not see success in developing farming activities.” See his interview here:

Dr Chris Lombaard, owner of the consulting company, Change Capacity and People Capacity Solutions, emphasized about the skill of resilience that we need in the workplace today. “Most people that end up in managerial positions today, are usually stuck in their ways. This often leads to burn-out. The challenge for managers is to focus on the things you can control and to gear yourself towards it. You need to focus on your current situation, take a decision and act on it.” Click here to view his interview:

According to **Prof Christo Bisschoff,** MBA Study School programme manager, students had the opportunity to engage with the School’s alumni, management, lecturers and business leaders. “The lectures were model specific where comprised of some concepts aimed at providing advanced managerial development to not only survive in the business jungle, but to excel within the dynamic environment of management, leadership and business. These concepts include personal development, practical business challenges, research, skills and also direct MBA tuition,” he said.

The week also provided opportunity for the final year MBA students to produce their Company project presentations which forms part of the second year’s curriculum. The School looks forward to see the students bare the fruit of this Study School.

Investigating the barriers to implementing precision farming in the Eastern Free State

Research by Prof Christo Bisschoff

South Africa has a fast-growing population, and all indications are that by 2040 South Africa will have to import approximately 66% of its basic produce to feed the nation. In addition, the challenging agricultural environment adds to the country's looming food shortages. Consequently, potential solutions to alleviate shortages by increasing food production are under scrutiny. Typically, the expansion of land under cultivation, improved chemical treatments of soil and crops, and placing more land under irrigation have been investigated. However, South Africa has only 3% high-potential arable soils, most of which are already in full production.

As it is a water-scarce country, competition for water sources is high and expanding irrigation is limited either by the availability of water, existing water distribution schemes or a lack of high-potential arable land. Consequently, to increase agricultural production new alternatives need to be implemented. One method to improve agricultural production is to increase production on current arable land by implementing precision farming practices. Researchers in applied farming technology have developed precision farming products and systems that can be commercially implemented by farmers to improve crop yields on their farms.

Precision farming, or precision agriculture, is an information-intensive process which uses specialised equipment, drones, tailor-made systems and computer software in addition to the precision farming services required from specialist advisors. This includes information obtained from real-time access to farming conditions on crops, soil, air, temperatures, humidity and other relevant information such as labour costs, tillage cost and available equipment. This information is used by the analytical software to guide farmers towards optimal decisions regarding crop rotation, optimal planting times, when to harvest and how to manage their soils. In addition, precision farming also differentiates the number of plants per hectare, application volumes of fertiliser and pesticides according to differing soil potentials in the field, and the application of pesticides to only the infested areas. Drones equipped with sensors measure temperature and humidity and guide irrigation systems to water areas that are not optimally irrigated. However, despite its obvious advantages, many farmers do not implement precision farming practices.

Although many studies have shown that precision farming leads to increased production, higher crop yields and better profitability, many farmers shy away from implementing precision farming practices on their farms. This study therefore investigated the potential barriers experienced by farmers and why they do not implement precision farming processes.

The study employed interviews in a qualitative research design to determine the barriers to entry for implementing precision farming. The study population included all farmers in the designated region whose major farming activities consist of dryland extensive crop cultivation. Irrigation farmers and livestock farmers not planting crops were not considered for the study. Likewise, farmers who had discontinued the practice of precision farming were excluded. In total, nine farmers from the Eastern Free State were interviewed.

The finding of the study was that barriers to implementation of precision farming have changed over time. Initially a significant barrier was the absence of the service component of precision farming; however, as the concept matured, more suppliers and other specialists from the agricultural companies overcame this barrier. Initially, a technology gap also existed and the technologies were not as well developed and easy to operate as modern technologies. However, the interviews did identify that the specific region under investigation lacks the support services for precision farming. Although the quality of service is satisfactory, the availability (especially on short notice) seems to be a barrier to implementing precision farming. Farmers deem this as an increased crop production risk. The complexity of the precision farming systems and the calibration of the equipment is another barrier, and the risk of incorrect calibration could result in inaccurate data capturing; this would challenge the concept of precision farming and would be a costly error. Also, the cost of the technology and equipment is high. Farmers reap the benefits only in the medium to long term after the additional technological investment costs had been recouped. This means that the decision to implement precision farming involves commitment to a long-term investment. In summary, two major barriers were identified.

They are (1) cost of implementation, and (2) the gap between theory and practice in implementing precision farming technology. The first barrier could be addressed by structured long-term financial products. However, the second barrier is more difficult to address. This barrier deals with synchronising data and technology. This requires specific computer literacy and operational knowledge which means that training is required to initiate the computer software and intensive data analysis correctly. It also increases the administrative workload of the farmers significantly. Farmers seem unwilling to facilitate this change. It does seem, however, that younger-generation farmers, who are more familiar with technology and computer software, are more willing to adapt and overcome this barrier. They seem to be more likely candidates who will switch the farming operations to incorporate precision farming practices.

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NWU Business School Policy Uncertainty Index rises slightly in the 3rd quarter

by Prof Raymond Parsons

As outlined when the PUI was launched in early 2016, the role of policy uncertainty has loomed large in much of the recent economic debate in SA. It is seen to have important implications for business confidence and the investment climate in the country. Hardly any recent economic assessment or media release from international or local financial institutions, business lobbies, economic analysts, financial journalists or credit rating agencies appears without the inclusion of the words 'policy uncertainty' occurring in them.

The design of a policy uncertainty index for SA has nonetheless been spurred not only by economic circumstances in the country, but also by the increasing academic and policy interest globally around the cause, effect, measurement and definition of policy uncertainty. There is now a 'World Uncertainty Index' (WUI) created recently by the IMF and Stanford University to calibrate rising levels of policy uncertainty in the global economy.

There have been many manifestations of policy uncertainty in SA over the years. The institutional setting and policy making environment clearly influence the extent to which negative shocks and developments lead to bad outcomes and tough policy challenges. It seemed that the time had arrived to craft a more accurate measurement of this recurrent factor in SA's economic outlook. A deeper understanding of how uncertainty 'shocks' affect the SA economy helps policy makers to assess how future shocks will impact markets and business. The outcome of this research will now be made regularly available on a quarterly basis to hopefully fill a gap in our monitoring of the economic environment.

Interesting correlations have been found of the policy uncertainty index with economic outcomes. Empirically it shows that when economic policy uncertainty is strongly present in the environment, it indeed lowers investment, employment and output. High levels of such policy uncertainty inhibit meaningful investment and consumption. Elevated policy uncertainty in many countries contributes to sluggish growth. Economic policy uncertainty then has actual consequences for the economy.

Research suggests that uncertainty is very different across economies. Developing countries seem to have about one-third more macro-economic uncertainty than developed countries. However, this is now changing with events such as Brexit, the controversial policies of US president Donald Trump as well as other geo-political tensions.

The PUI is published in January, April, July and October of each year. An increase beyond 50 reflects heightened policy uncertainty; a decline in the PUI means reduced uncertainty. The value of the PUI as a proxy for policy uncertainty will lie in tracking changes in policy uncertainty over time, and as the index settles down over time and builds a track record.

Summary:

- The PUI increased slightly to 53.1 in 3Q 2019 from 52.9 in 2Q2019 (baseline 50). Policy uncertainty therefore remained strongly elevated and stayed well in negative territory during this period. However, there is still potential to reduce it in the months ahead, if the right policies are now decided and steadily implemented;

- The overall global economic outlook indicates that, although the world economy continues to show positive growth, the geo-political environment has become increasingly risky and uncertain, especially for business investment;

- Brexit still remains an immediate major source of uncertainty for world trade, depending on whether October 31 brings a ‘hard’ Brexit or a ‘soft’ one. Fortunately, SA has now concluded a trade agreement with the UK in advance to ensure continuity in its trade arrangements with that country in the post-Brexit phase. But logistical challenges and disruption will still arise end-October in the event of the UK ‘crashing out’ of the EU without deal;

- The biggest single positive factor in 3Q 2019 was probably the publication of the National Treasury’s (NT) ‘growth plan’. It embodies pragmatic solutions to enable SA to break out of its ‘low growth trap’. If properly implemented, it offers the prospect of creating a more stable and predictable policy environment for investor confidence and job-rich growth;

- Contradictory factors in SA which kept policy uncertainty in negative territory during the past quarter included a still weak economy, vulnerable public finances, crime and violence, political factionalism, the Eskom dilemma, the Moody’s economic review in November, and the risk that the NT’s growth plan may not be successfully implemented;

- The latest PUI again confirms that the most important contribution government can make now remains to minimize the uncertainty created by its policies and actions. Policy drift remains the enemy of delivery. The NT growth plan, the economic signals coming from the MTBPS on October 30 and the next Presidential investment ‘summit’ in November are opportunities for enhancing policy certainty in SA.

NWU Business School staff members take part in writing workshop in Zimbabwe

Four staff members from the North-West University's (NWU's) Business School recently attended the British Academy Writing Workshop for Early Career Researchers (ECR) from Sub-Saharan Africa at the University of Zimbabwe in Harare.

They were Prof Ravinder Rena, Dr Joseph Leknze, Dr Hazvineyi Saurombe and Ms Lungile Ntsizwane.

The title of this workshop was "Writing for Sustainable Development: Towards strengthening African grant and research writing for publication."
Its main aim was to provide targeted support to these early career researchers from South Africa, Ghana, Kenya, Nigeria, Uganda, and Zimbabwe by strengthening their grant and research writing skills.

"This workshop also afforded us an opportunity to work on our research papers with a team of journal editors hailing from South Africa, the UK, Canada and the USA in a focused environment," said Prof Rena.

Prof Rena, who is also a journal editor, served as an editor and facilitator during the workshop.

*Prof Rena is the founder of and served as an editor-in-chief of the International Journal for Education Economics and Development (IJEED) for many years. He is also an associate editor of the African Journal of Science, Technology, Innovation and Development (AJSTID).

Prof Ravinder Rena was part of a delegation from the NWU Business School who recently attended a writing workshop for early career researchers in Zimbabwe.

Business & Economics 101

Prof Raymond Parsons and Theo Venter from the NWU Business School recently had a discussion about the context of the latest economic policy proposals published by National Treasury in September 2019.

They are in agreement that South Africa is in need of urgent changes to the current economic stagnation.

See the full video here:

CLICK TO PLAY VIDEO

Premier visits Business School

The Premier of the North West Province, Job Mokgoro, recently presented a guest lecture at the North-West University's Business School.

He spoke about service delivery in the South African Public Sector, with regard to its suitability for a strategic management culture and practice.

For those of you that missed it,
here's the full video of his lecture:

Flying through the ranks

A PhD-student of the NWU Business School, Alistair Mokoena, has recently been recognized as the "Best Advertising & Marketing Leader" in South Africa by Global Brands Magazine! Current CEO and former MD of Ogilvy South Africa, Alistair Mokoena is a well-rounded marketer with deep client and agency experience, and a strong passion for client-centric service.

His career includes experience at SA's top brand building companies including SAB, Unilever, Tiger Brands and Mondelez, as well as leadership roles in the advertising industry.

A lawyer by training with both MBA and chartered marketing qualifications, Mokoena has led two of the biggest agencies in South Africa and is well known as an industry commentator and a skilled brand builder. He has also served as member of the ACA board.

Mokoena believes that a good leader defines and articulates a vision that inspires others. A good leader understands that theirs is to serve others, not to rule over them.

Hee is currently studying towards his Doctoral degree under the supervision of Prof JJ Prinsloo. We are so proud to be associated with students of Alistairs calibre!

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It all
STARTS
here...

Playing a vital role

Academics from the NWU Business School engaging with role players of Government to discuss the North-West Province's Provincial Development Plan.

Our staff include Prof Fulu Netswera, Prof Ronnie Lotriet, Prof Anet Smit and Andre Coertzen (NW Chamber of Commerce and Industry). Government officials include Karabo Mosala, Sipho Molete and Alister Smith.

Sharpening pencils at the IBC conference

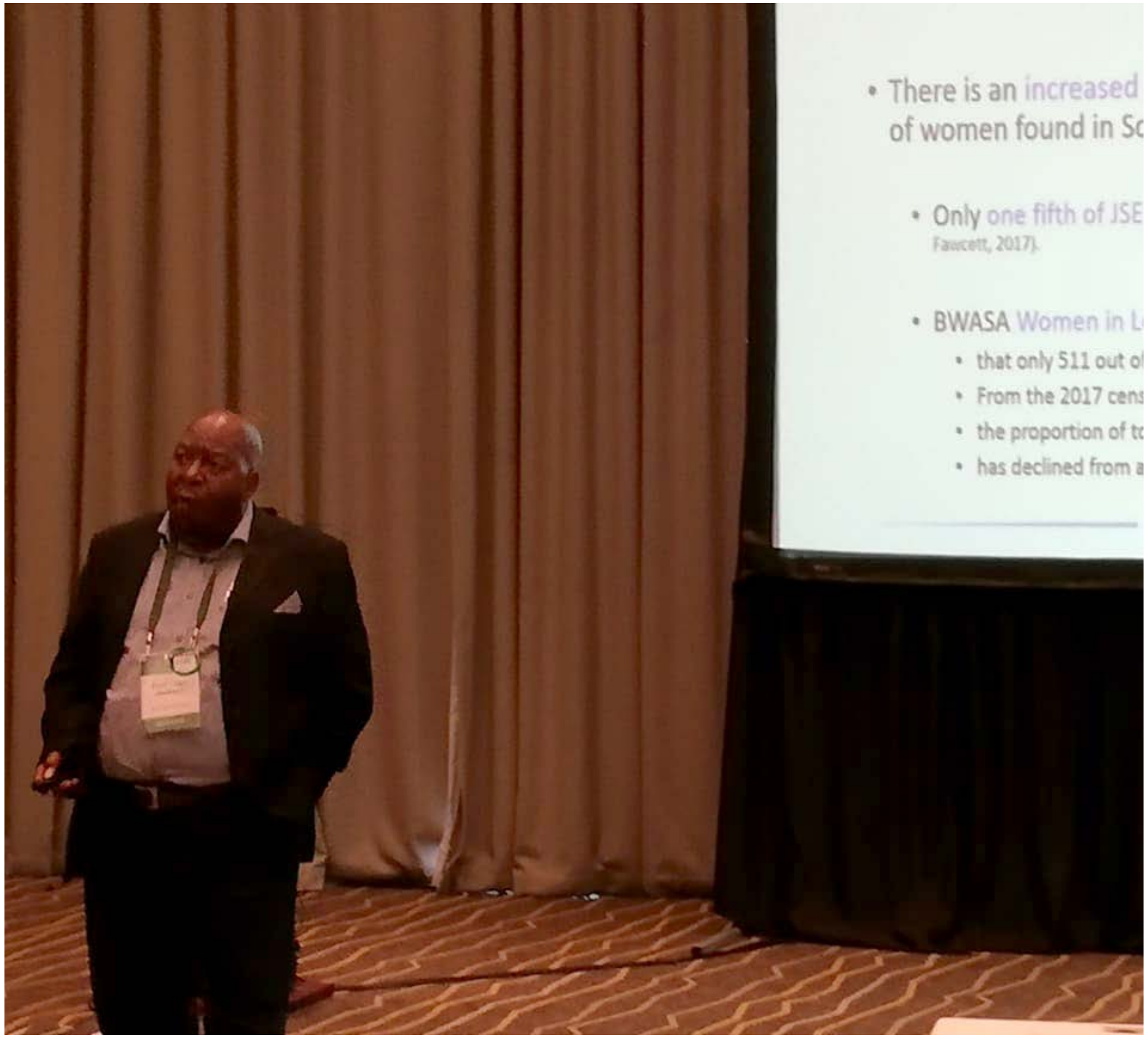
While many of our students enjoyed the recess, our academics were hard at work. Many of our staff attended and presented at the annual International Business Conference (IBC), recently held in Hermanus.

The IBC has three main goals, namely:

- To provide an international platform for the presentation, discussion and debate of different academic and professional approaches and research on recent developments in an ever-turbulent business and political arena.
- To provide the opportunity for academics, practitioners and post-graduate students to have their work validated and benchmarked within the benevolent academic and professional community.
- To create a pleasant and enjoyable environment to serve the first two goals where delegates can also relax, get to know their fellow academia informally, and truly build their networks.

Our attending staff included:

Prof Ronnie Lotriet
Prof Leon Jackson
Prof Stephan van der Merwe
Prof Christo Bisshoff
Dr Johan Jordaan
Mnr Johan Coetzee
Mnr Albrecht Strydom



Prof Leon Jackson and Prof Ronnie Lotriet at the annual International Business Conference (IBC)

We present to you, Dr Jordaan!

We are so proud of our very own Dr Johan Jordaan who recently obtained his PhD degree!

In 2010, he was appointed by the NWU Business School as an MBA lecturer in Operations Management. During this time, he pioneered service-learning at the Business School and served as programme manager for the Post Graduate Diploma in Management, as well as on the organizing committee of the International Business Conference.

He has supervised 87 MBA-mini dissertations, presented 17 papers at international conferences, and published a peer-revised book chapter on service-learning.

Well done Johan, we are proud of you!

Catching up with our alumni...

Prof Leon Jackson and Prof Ronnie Lotriet paid a visit to Bennie Marx, a law practitioner and Paul Kruger from Seeff National in Hermanus about training and skills development opportunities.

Taking our knowledge across the borders

Our very own Prof Ronnie Lotriet in action at the University of Namibia in Swakopmund. He presented a lecture in Management challenges of the perceived transition gap of SA Engineers.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