

PD ABH-423
85707



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

27 DEC 1993

*Mission
Director*

MEMORANDUM

TO: Vivikka M. Mollgren, Director, ANE/DP
FROM: *William T. Oliver*
William T. Oliver, Director, USAID/Jordan
SUBJECT: Project Assistance Completion Report - Management
Development Project No. 278-0261

Attached please find the just-completed Project Assistance
Completion Report for the Management Development Project, 278-0261.

Attachment: a/s

cc: ANE/DR/EPS
POL/CDIE/DI/Acquisition

- / -

**Management Development Project
USAID AMMAN JORDAN
Project No. 278-0261**

Project Assistance Completion Report

1. PROJECT IDENTIFICATION DATA

AID Project Number	: 278-0261
Project Title	: Management Development
Total Project Cost	: \$7,355,000
Total USAID Contribution	: \$5,000,000
Total GOJ Contribution	: \$2,355,000
Project Agreement Signed	: 9/18/84
TERMINAL DATES	
Original PACD	: 7/31/90
Amended PACD	: 7/31/92

2. PROJECT SUMMARY

The goal of the Management Development Project was to achieve better business management practices and to increase the availability of more managers with both general and specific skills. The project was responsible for establishing and upgrading the Masters of Business Administration (MBA) and the MA program in health science at the University of Jordan. It also provided short-term management training activities at the Jordan Institute for Management (JIM). The life of project was eight years with a \$7,355,000 total project cost.

Jordan, with a high population growth rate and limited agriculture land available, must of necessity rely on the business sector for its economic stability. It was found that many business management systems are still structured more in accordance with traditional family practices and thus lack professionally competent middle and senior level managers using scientific managerial techniques.

The need for professionally trained managers in the business sector was recognized by the Government of Jordan and in 1981 it initiated a series of discussions with the United States Agency for International Development (USAID). In 1984, a four person team prepared a study that was used to develop the Management Development Project. This project was aimed at improving the quality of Jordanian business management, helping to fulfill the needs for managers in certain special categories such as health and hospital administration, banking and finance, and to increase the number of trained managers available.

The Management Development Project was to contribute to Jordan's management training needs, by providing assistance to two well established Jordanian institutions, the Faculty of Economics and Administrative Sciences (FEAS) at the University of Jordan and the Jordan Institute for Management (JIM).

2.A. Project Evaluation Considerations

This project was scheduled for an interim evaluation in July 1987, approximately three years after its beginning, and a final evaluation. The Mission, however, decided to delay the interim evaluation due to early implementation problems and the fact that most of the students had full time employment, resulting in a slower graduation rate. Subsequently, an interim evaluation was performed by Development Associates in March of 1989. The purpose of that evaluation was to recommend 1) what, if any, mid-course corrections should be made to enhance the probability that the original project goal and purpose could be met; and 2) whether USAID should program additional resources toward achievement of the project purpose.

In conducting the review, specific attention was given to each of the project components. In the case of the two academic programs, the accreditation standards and guidelines for MBA programs and the criteria for a graduate program in Health Services Administration were used as bases for assessing the quality of the two programs.

The final conclusion of the interim evaluation (1) found that USAID had been correct, without exception, in providing assistance to the three programs, and (2) recommended overwhelmingly that USAID continue this support by designing future assistance to help these organizations follow recommendations from the interim evaluation report.

The planned final evaluation was delayed until after the beginning of the Gulf crisis. In the meantime the Mission concluded that a PACR, rather than a final evaluation, should be performed to assess the project's success. The Mission believed that adequate documentation was available to measure the success of the project.

This PACR was undertaken to evaluate the final status of the project after its PACD of July 31, 1992, and also, to provide an analysis of its success and lessons learned. Since then, no follow on activities have been discussed. The PACR is based on comprehensive monitoring during project implementation, review of project documentation, progress reports, and discussions with USAID members.

3. PROJECT ACCOMPLISHMENTS, OUTPUTS AND INPUTS

3.A. Project Goal

The goal of this project was to achieve better business management practices and the availability of more managers with both general and specific skills.

3.B. Project Purpose

The project purpose was to institutionalize an education and training process and transfer the necessary technology to improve the quality and increase the quantity of trained Jordanian business managers available in general and specialized skill areas.

3.C. Project Outputs

The project outputs were expected to include: 300 new MBA and MA graduates; 13-16 FEAS staff members and 9 JIM staff members trained or their skills upgraded; 3,400 managers trained at JIM; FEAS curricula developed or upgraded; training aids installed; and research projects undertaken.

Some of the major outputs were achieved while others were not. Only 42 MBA degrees have been granted thus far, and future projections for graduations are unknown; however, a total of 306 students continue to be enrolled in the University's MBA and MA programs, so the final number of graduates will be greater than at present. A total of 50 MA degrees in Hospital Administration have been awarded. A total of 14 FEAS and JIM staff members were trained or their skills upgraded. The target of 3,400 managers trained by JIM was exceeded by far: 7,110 managers were trained. The project was also successful, to varying degrees, in improving the curricula and in installing appropriate computer training aids, but little research was undertaken as a result of the project.

3.D. Project Inputs

The GOJ inputs to the project were estimated at the equivalent of \$2,355,000. The Jordanian inputs consisted of personnel to be hired in connection with the project and computer facilities maintenance, including site preparations and support training. Additional support was provided in the areas of office equipment and library materials for the Jordan Institute for Management.

USAID inputs totaled \$5,000,000 which met all U.S. technical assistance, and curriculum development costs for the project. This included support to the Jordan Institute for Management, and

FEAS. Technical assistance was provided in three categories: 1) Long-term technical advisors (U.S. faculty) to FEAS, 2) Short-term advisors to JIM; and 3) Short-term technical advisors shared between the two institutions. In some cases, U.S. faculty members substituted for FEAS faculty members who were on long-term training upgrading their skills in accounting, management, and marketing.

4. PROJECT BENEFICIARIES

The project beneficiaries included the Jordanian private sector. Increased training and competence are crucial for the future development of business enterprise in the Hashemite Kingdom of Jordan.

The ultimate beneficiaries of the project will be the Jordanian people who will benefit from the economic growth made possible by it. The more immediate beneficiaries are the enterprises to which more and better educated and trained managers will be available and those who receive education and training and thus increase their earning power. Most of these benefits are very difficult to quantify. The one readily quantifiable benefit is the number of FEAS faculty, graduates and training participants who have received education and training under the project. During the life of the project 42 MBA students graduated, 50 Masters students received their degrees, of whom 11 were female, and 7,110 JIM participants completed management training.

Moreover, the managers educated and trained under the project were able to train others within their respective companies and other companies. In fact, in Jordan it has become quite common for executive level managers to change companies and go between the private and public sectors. This exchange of personnel, educated and trained in sound management principles and techniques under the project, provided a wide and positive spread effect throughout Jordanian society.

5. PROJECT BACKGROUND AND IMPLEMENTATION

The project was developed to contribute to Jordan's management training needs by providing assistance to two well established Jordanian institutions: the Faculty of Economics and Administrative Sciences (FEAS) at the University of Jordan and the Jordan Institute for Management (JIM).

5.A. FEAS

Prior to this project, FEAS, over its 18 year history, had graduated over 4,000 BA students, most of whom found jobs in the private sector. FEAS is comprised of five departments:

Accounting, Business Administration, Economics & Statistics, Political Science, and Public Administration. The project assistance focused on the Department of Accounting and the Department of Business Administration.

The MBA program was started in 1983, with twenty-eight students enrolled. Most of the MBA students had work experience, and held full-time jobs during the day, attending classes during the evenings. Approximately 306 students are currently enrolled, and 42 have graduated and received their MBA degree.

Throughout the life of project (LOP), staffing remained adequate in accounting, however, the Business Administration Department still needs strengthening. Also, additional faculty members are needed in marketing and finance. The MBA program faced serious managerial problems throughout the LOP due to the lack of a full-time director. FEAS was unable to release a faculty member full-time to cover the administrative responsibilities of the Department.

The faculty of FEAS was well trained and versed in their areas of discipline. However, the project was unable to increase the level of academic publications from FEAS staff. Various techniques were attempted before the PACD with little results.

The major obstacle for implementation of the FEAS MBA program was faculty salaries. Compensation for faculty members at the University commences with a base salary which is then adjusted for the area of specialization. Unfortunately the salary structure for FEAS faculty was adjusted to only sixty percent of the base salary rate. This resulted in a disparagingly low rate for FEAS faculty and lack of loyalty by seasoned faculty members. This was a major problem throughout the project despite various warnings to the President of the University by USAID and the Institute for Resource Development (IRD) contractor. Various requests were made to index the base salaries of the Business Professors with the Engineering Professors. The salary issue was the single impediment to building a sustainable MBA program. USAID was unable to overcome this problem throughout the life of project.

The graduation rate for FEAS was extremely disappointing due to start-up problems with faculty course scheduling, thesis supervision and other administrative problems. The majority of MBA students enrolled in the program have full time jobs and attend school part-time. Coupling schooling with work demands and family obligations has caused students to drop courses and sometimes terminate the program. This has had a significant affect on the graduation rate of the program.

A review of the acquisitions for computers and book materials confirms that the procurement was very successful. The impact of

this technology transfer part of the project was substantial. Library materials are being used by students and the computer labs are being heavily utilized.

5.B. Health Services

The original objective of the Health Services Management component of this project was "to institutionalize an education/training process and to transfer the necessary technology to improve the quality and increase the quantity of professionally competent Jordanian health managers."

The principal inputs of the project included technical assistance, participant training, training aids, and research grants.

The expected outputs included: students who graduated with the Master's Degree in Health Services Management; staff upgraded and/or trained; curricula upgraded and developed; research projects undertaken; and training aids installed.

The Health Services Management program was established to prepare manpower for the administration of health services in Jordan and neighboring countries. This program was established in 1984 with USAID support and in consultation with the World Health Organization. The courses were designed to prepare qualified individuals who sought careers as administrators of health services.

Students chose to specialize in the following fields:

- A. Public Health Administration
- B. Hospital & Health Facilities Administration
- C. Health Economics and Finance

There were two tracks in each specialty: The first included study of core courses (12 hours), specialty courses (15 hours) and writing a thesis (9 hours). The second track included study of core courses (12 hours), specialty courses (24 hours) and sitting for a comprehensive written examination based upon the material which the student studied during the program.

A contract between FEAS and the Institute for Resource Development, Inc., (IRD/Westinghouse) was signed on June 26, 1986. The contract called for IRD/Westinghouse to provide visiting faculty members to FEAS, procure audio-visual, library and computer commodities, and sponsor Ph.D. candidates and professorial research/training sabbaticals in the U.S.

The institutional capacity of the Health Services Management program within FEAS has clearly been improved as a result of this

project. In fact, it is doubtful that such a program would even have been initiated without the support that the USAID project provided.

The graduate Health Services Management program has thus far been successful in producing a significant output of graduates over a relatively short period of time.

For a program which has only been in existence for nine years, the Health Services Management program has been successful in producing a significant number of graduates due to U.S. faculty support. This has been achieved with very limited faculty resources and support personnel. The situation was enhanced after the Jordanian faculty members returned from postgraduate studies in the United States.

The graduation of 50 Masters Degree candidates during the life of project to immediate employment as Administrators of Health Services reflects an impressive degree of relevancy of courses and recognized need for this program. Eleven of the masters candidates were women. Also, there were 16 diploma graduates of whom two were females.

Without the resources from USAID it is unlikely that the University would have been willing to provide the necessary funds for the continuation of the Health Services Management program.

5.C. Jordan Institute for Management

The Project Grant purpose was to achieve better management practices and availability of more managers with both general and specific skills. This was the end result of the training activities.

JIM provided training to 7,110 participants, exceeding the target of 3,400. JIM provided middle-level technical training in five areas of management: accounting, finance, production management, marketing, and computer science. According to JIM records, training courses were provided to persons with the following background: 47 percent administrative, 37 percent financial, 9 percent production, 4 percent marketing, and 3 percent other. Thirty percent of the courses were given to financial institutions, 24 percent to government, 23 percent to industrial, 8 percent to commercial, 8 percent to transport, and 7 percent to others. A majority (65 percent) of participants had BA degrees, 17 percent had technical diplomas, 17 percent had high school degrees, 5 percent had MA's, 1 percent had Ph.Ds., and 2 percent were below high school level education.

JIM participants came from the middle- and lower middle-level managerial and support staff. According to key people in the private sector, JIM has earned its reputation for being a mid-

level manager training institution.

During the LOP 50 Jordanian companies represented 80 percent of the participants. Another 250 Jordanian companies provided participants for training at JIM representing the other 20 percent of the participants. JIM has trained 7,110 participants in the last nine years. This means that in those 50 companies an average of 142 course offerings were attended by each company or approximately 16 training slots filled per year per company. IRD/Westinghouse introduced new courses during the LOP. IRD developed and conducted the courses with a JIM staff member as assistant professor. From 1988 onward, IRD professors and JIM staff developed and conducted the same courses jointly in order to transfer the technology and provide hands on experience for JIM professors.

JIM's introduction of computer facilities opened up opportunities for new courses and also for upgrading other course offerings to include computer-based training in management, accounting, finance, and marketing. According to JIM staff, the computer facility has made a significant difference in their course offerings and their capability to provide up-to-date courses.

JIM has conducted informal surveys and follow-up to a limited degree and believes that Jordanian businesses are taking some actions on the training received. They are somewhat cautious about this conclusion because they recognize that top-level Jordanian managers do not attend JIM training courses and, because the Jordanian business culture is such that there is minimal delegation of authority and trust to delegate authority, there may be varying limitations on the ability of the trainees to implement changes.

The Grant was limited to creating new courses, upgrading some existing JIM courses, assisting in developing a computer center, and providing training aids and library books. Participant training was an input to support these four principal activities. IRD technical assistance was designed to be short-term consulting for some new course development but not necessarily for institution-building.

According to the interim evaluation, JIM credits the short-term training in the United States for the impetus for developing the management and marketing courses as well as the new computer science courses. They state that their institution has gained prestige by merely being associated with IRD and because, as they put it, JIM had the foresight to obtain outside assistance and thus gain more exposure to training excellence. Critics maintain that JIM is now respected as a more complete training institution.

JIM places considerable emphasis on their institutional

capability in computer science. They place strong emphasis on their ability to draw students because of the computer center. JIM has provided new computer courses to new participants. Since 1987, JIM had introduced and re-designed most of their courses to include computer-based learning. They consider this a major achievement.

There had been a substantial increase in demand for library materials and training aids. This was directly related to the expertise of IRD in selecting the appropriate materials and programs. JIM credits the project for its innovations in selecting outstanding materials for use by their management trainees.

The project's technical assistance model worked well. The advisors received favorable reviews from both JIM and the participants. There is evidence that their new courses have been integrated into the JIM curriculum. Their placement of library materials and training aids was excellent. The computer center opened up opportunities for new courses and technology transfer.

6. LESSONS LEARNED AND SUSTAINABILITY

There were six lessons learned from this project.

First, the agreement with the Faculty of Economics and Administrative Sciences was hampered considerably by the salary issue for FEAS staff. This issue created a tremendous impediment to keeping staff. This caused low morale and encouraged qualified staff to look for better working opportunities which created a transient environment for the MBA faculty. The lesson learned is that a Condition Precedent should have been implemented in the project requiring all FEAS faculty to receive commensurate salaries on par with the engineering college.

The second lesson learned is the need for a better understanding of part-time vs. full-time MBA students and of the impact of this point on FEAS project assumptions. The project estimated there would be 300 MBA and MA graduates at the end of five years, but after eight years there were 42 MBA and 50 MA graduates. Better calculations regarding projections and expectations needed to be made during project design.

The third lesson learned is the need for a Condition Precedent for designated faculty and administrators to be in place before the initial disbursement of funds. The FEAS faculty was extremely thin in management areas and attempted to utilize overburdened professors for administrative responsibilities of the school. Joint appointments with other faculties should be pursued to maximize faculty use at no additional cost to the University.

The fourth lesson learned is that the University of Jordan, when developing future MBA and MA programs, should place more emphasis on strategic management and resource allocation. The University did prove that, with proper technical assistance, it is capable of developing and implementing respectable programs in new disciplines.

The fifth lesson learned is that future JIM projects should plan for more joint training programs which provide for improved technology transfer and implementation.

The sixth lesson learned is the need for JIM to design short-term courses for several Jordanian instructors at one time in an established institution in order to maximize short-term training dollars. The Grant needed a more focused approach to training and an increased long-term relationship with established universities and training institutions.

The sustainability of project accomplishments is assured. However, the quality of the programs may suffer due to a lack of resources. Due to the GOJ's fiscal constraints, FEAS and JIM may suffer financially, which may affect future outputs.