

**SOCIO ECONOMIC PROFILE OF THE MANAGEMENT STAFF IN MANUFACTURING COMPANIES
IN SELECT REGIONAL STATES IN EASTERN ETHIOPIA**

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INTRODUCTION

Ethiopia manufacturing companies may need to be strategically positioned to take advantage of the changes in operating conditions. Based on the rapid change in technology, there is a need for the companies to achieve greater operational efficiency taking into consideration the limited resources which they have. One of the most important challenges which today's managers face is the allocation of the company's limited resources between existing operations and new projects, hence the need to make use of capital budgeting techniques in evaluating valuable projects. In this regard, capital budgeting is a plan to finance long-term outlays, such as fixed assets like facilities and equipment (Shim and Siegel, 2008)ⁱ. The process of capital budgeting is mainly concerned with issues which range from the purchase of replacement equipment up to developing a new business or a new product, expansion of the existing and research and development. (Emery et al., 2007)ⁱⁱ.

Manufacturing sector plays a vital role in enhancing the country's economic growth and creating employment. Despite the contribution of the manufacturing sector in Ethiopia to the gross domestic product (GDP) was very low, a remarkable percentage was employed in the sector of the economy. The article is confined to the summarization of select Ethiopian manufacturing companies' management staff socio economic profile.

Objective of the study

1. To study the socio economic profile of the management staff in manufacturing companies of select regional states in Ethiopia.

Methodology

The study is based on both primary and secondary data. The primary data is collected through questionnaire which includes the aspects of socio-economic profile of the respondents. The researcher took a total sample of 337 respondents from 3,724 higher management staff in 46

companies distributed among four regional states (Oromia, Somalie, Harrari and Dire Dawa administrative council) in Ethiopia. The respondents were selected by using random sampling technique.

RESULTS AND DISCUSSION

A) PERSONAL DATA

1. Age of the respondent:

Table 4.1 Age of the Respondent

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
less than 25 years	6	1.8	1.8	1.8
25-35 years	253	75.1	75.1	76.9
36-45 years	43	12.8	12.8	89.6
46-55 years	26	7.7	7.7	97.3
Over 55 years	9	2.7	2.7	100.0
Total	337	100.0	100.0	

According to the table 4.1 the age of the respondents shows that among the employees, a majority of respondents are in the age group of 25-35 years (75.1 per cent) followed by 36-45 years (12.8 per cent). 7.7 per cent of the total respondents fall under the age group of 46-55 years, while 2.7 per cent fall under the age group over 55 years. Only (1.8 per cent) of the respondents are belonging to less than 25 years.

The age profile indicates that majority of the respondents are in working age group. Specially, the age in between 25-45 years is the time when human resource is very active and talent if they get the opportunity. This implies that most of respondents in the companies are in the active ages. Furthermore, as the age of the respondents increases, the proportion of respondents shows decreasing.

2. Gender:

Table 4.2 Gender of the Respondent

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
male	313	92.9	92.9	92.9
female	24	7.1	7.1	100.0
Total	337	100.0	100.0	

Table 4.2 describes the gender of the respondents. It has been found that 313 (92.9 per cent) of the respondents are males and 24 (7.1 per cent) are females. Even though certain efforts had been

made towards the gender issue, still it had been observed that still there is great gender difference gap in business management positions.

3. Religion;

There are 90 different languages spoken in Ethiopiaⁱⁱⁱ. About 77 languages were spoken locally. Most of these languages belong to the Afro-Asiatic family (Cushitic and Semitic). Omotic languages are also spoken, though their classification is uncertain. Additionally, Nilo-Saharan languages are spoken by the nation's Nilotic ethnic minorities.

The most widely spoken languages are Oromo (34.4per cent), Amharic (27per cent), Somali (6.2per cent), and Tigrinya (6.1per cent)^{iv}. Amharic is the only official national language of Ethiopia at federal level. English is the most widely spoken foreign language, and is officially taught in all secondary schools.

Table 4.3 Religious status of the respondents

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Islam	205	60.8	60.8	60.8
Christian	87	25.8	25.8	86.6
Valid Protestant	24	7.1	7.1	93.8
Catholic	21	6.2	6.2	100.0
Total	337	100.0	100.0	

Religious status of the respondents is furnished in table 4.3 About the Religious status, respondents of 205(60.8per cent) follow Islam, 87 (25.8per cent) follow Christianity and 24(7.1per cent) are Protestants. The Catholic religion is the lowest religion in the survey which is observed 21(6.2per cent) of the total sample respondents

Most of the firms surveyed are in eastern part of the country where Muslim population is dominated. Hence, the majority of the respondents replied Islam. However, protestant is growing and newly religion in Ethiopia especially in the central highland and some part of oromia region regional state.

4. Marital status;

Table 4.4 Marital Status of the Respondents

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Married	239	70.9	70.9	70.9
Single	85	25.2	25.2	96.1
Valid Divorce	8	2.4	2.4	98.5
Separated	5	1.5	1.5	100.0
Total	337	100.0	100.0	

Marital status of the respondents is shown in table 4.4. About 239(70.9 per cent) of the sample respondents are married, 85(25.2 per cent) are Single, 8(2.4 per cent) are Divorced and 5(1.5 per cent) are separated. The analysis indicated that more than two thirds of the sample surveyed are married and are family heads. It may concluded that most of the families are run by elderly people as such nearly 71per cent of the respondents are married.

5. Educational Qualification:

Table 4.5 Respondents' Educational qualification

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid				
undergraduate	35	10.4	10.4	10.4
graduate	218	64.7	64.7	75.1
MBA degree	22	6.5	6.5	81.6
Non BA degree	46	13.6	13.6	95.3
other	16	4.7	4.7	100.0
Total	337	100.0	100.0	

Table 4.5 portrays the educational qualification of the respondents. Asking about the highest educational qualification, the respondents answered 35(10.4per cent) are undergraduate and 218(64.7per cent) are graduate. About 22(6.5per cent) have MBA degree, 46(13.6per cent) have non MBA degree and 16(4.7per cent) have other qualifications. Despite the educational institutions are increasing in Ethiopia, the professional and educational qualification in higher management is still limited. Thus many company managers are having non-professional educational background as we observed in this study analysis.

It may concluded that most company management professionals are required to have degrees, according to the Bureau of Labor Statistics, it is suggested that depending on their position, business managers should take courses in management, economics, maths, marketing research, human relations and interpersonal communication to better hone their skills in managing people. Essentially, business managers have to learn various management techniques in college through instructions, presentations and role-playing before they can get into a business management position.

6. Working Language;

Table 4.6. Working Language of the respondent

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid Amharic	80	23.7	23.7	23.7
Oromo	219	65.0	65.0	88.7
Somali	38	11.3	11.3	100.0
Total	337	100.0	100.0	

Working language of the respondents is depicted in table 4.6. Respondents were asked about the language used in the working place. The data analysis indicate that 219(65per cent) are using Afan Oromo, 80(23.7per cent) Amharic and 38(11.3per cent) Somali language. Most of the population in Ethiopia speaks Afan Oromo and most surveyed firms were from oromia regional state. This may be the reason that they use their local language in the work place. Amharic is a national language and also used in the business communication.

7. Place of Origin

Table 4.7 Place of Origin of the respondents

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid Oromia state	194	57.6	57.6	57.6
Somalie state	27	8.0	8.0	65.6
Harrari state	34	10.1	10.1	75.7
Dire Dawa Admin Council	45	13.4	13.4	89.0
Afar state	15	4.5	4.5	93.5
South regional state	3	.9	.9	94.4
Benishagul state	4	1.2	1.2	95.5
Addis Ababa Admin council	3	.9	.9	96.4
Tigray state	1	.3	.3	96.7
Gambela state	5	1.5	1.5	98.2
Amhara state	6	1.8	1.8	100.0
Total	337	100.0	100.0	

Table 4.7 depicts the place of origin of the respondents. 57.6per cent of the total surveyed are in Oromia state, 13.4per cent are in Dire Dawa Administrative Council and 10.1per cent are from Harrari state. The remaining respondents come from various regional states and their place of origin scattered throughout the country.

Despite the majority of respondents are from those regional states surveyed, there are other nationals who come from the other states and work in these regions. They came either for better job opportunities or the company brought them to these regions.

Ethiopian nationals have the right to work and have job opportunity anywhere inside the country. However, there are certain restrictions of the regional states policy saying priority should be given to their local staffs if any business company is establishing its branch in the local.

8. Ethnicity:

Table 4.8 Ethnic Category of the Respondents

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Arab	3	.9	.9	.9
Asian/pacific island	10	3.0	3.0	3.9
Black(Ethiopian)	324	96.1	96.1	100.0
Total	337	100.0	100.0	

Table 4.8 reveals the ethnic category of the respondents. About 324(96.1per cent) of them are Black, 3(0.9per cent) are Arabs and 10(3.0per cent) are Asian. This shows that the majority of the respondents are Ethiopian. The table also indicates that the managerial positions of companies surveyed are mostly national employees.

B) HOUSHOLD COMPOSITION

9. Number of Children.

Table 4.9 Number of Children of the Respondents

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
No. of children	3	.9	.9	.9
1	11	3.3	3.3	4.2
2	56	16.6	16.6	20.8
3	29	8.6	8.6	29.4
4	33	9.8	9.8	39.2
5	50	14.8	14.8	54.0
more than 5	155	46.0	46.0	100.0
Total	337	100.0	100.0	

Table 4.9 shows that 155(46 per cent) of the respondents have more than 5 children, 56(16.6 per cent) have two children, while 50(14.8 per cent) have five children. About 29(8.6per cent) of the respondents having three children and 11(3.3 per cent) of them have one child. Only 3(0.9 per cent) of the respondents family have no children.

It may be concluded that the respondents having more number of children do not have any limitation and there is very little attempt to family planning. There is also cultural perception of getting more children rather than planning especially in eastern states. It is common to have more family members without even having the capacity to raise and feed them properly. This is the cultural set back of family planning issue in Ethiopia and the Ethiopian government is doing its effort to make a change on this attitude of the society.

10. Family Structure

Table 4.10 Respondent's family structure.

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Nucleus family	282	83.7	83.7	83.7
Valid Joint family	55	16.3	16.3	100.0
Total	337	100.0	100.0	

From the table 4.10 we can see that a majority of 83.7 per cent of the respondents are from nucleus family and the balance 16.3 per cent of them are from joint family background. In fact many Ethiopian families are nucleus family and the survey reveals the same culture. The joint family is not common until recently in the eastern regional states.

C) HOUSHOLD INCOME AND EXPENDITURE

11. Source of Family Income;

Table 4.11 Source of Family Income

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Business	53	15.7	15.7	15.7
Wage/Salary	220	65.3	65.3	81.0
Valid Both wage/Salary and Business	64	19.0	19.0	100.0
Total	337	100.0	100.0	

Researcher asked about the source of family income, which is depicted in table 4.11. The data reveals that 65.3 per cent of the respondents said their family income source is wage/salary from the company. About 19 per cent of the respondents replied that their source of income is not only salary but also income from business activities. Only 15.7 per cent of the respondents get the source of family income from solely business.

Most employees those filled the survey questionnaire get the family income from wages and salaries of their company. This is an indication that many of the employees family income depends on private manufacturing companies which they work for. Thus, the Manufacturing companies have great role on family income of their staff.

Ethiopian manufacturing companies provide employment and job creation. It is apparent that medium firms play an important role in family income: The share of family income tends to be somewhat lower in business activities, although it varies from place to place.

12. Annual family income;

Table 4.12 Annual family income

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Birr 60,000-100,000	61	18.1	18.1	18.1
Birr 101,000-110,000	76	22.6	22.6	40.7
Birr 111,000-120,000	151	44.8	44.8	85.5
Birr 121,000-130,000	24	7.1	7.1	92.6
Birr 131,000-140,000	17	5.0	5.0	97.6
Birr 141,000 and above	8	2.4	2.4	100.0
Total	337	100.0	100.0	

Table 4.12 shows the respondents annual family income. About 44.8 per cent of the respondents said that their annual family income is in between Birr 111-120 thousand. About 22.6 per cent of the respondents' family income is in between Birr 101-110 thousand and 18.1 per cent of the respondents said their family income annually is in between Birr 60-100 thousand. About 7.1 per cent of the respondents replied that their annual income is in between Birr 121-130 thousand while 5 per cent of them have income of between Birr 131-140 thousand. Negligible percentage of 2.4 have annual income of Birr 141 thousand and above.

The analysis indicates that there are various income distributions among the employee working in different firms. This may due to variation of scale of salary payment. The company wage or salary offer usually depends on the economic capacity of that company, education and efficiency of the employer. There is no uniformity of income among the respondents.

13. Annual family expenditure(approximately)

Table 4.13 Approximately annual family expenditure

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Birr 90,000 approximately	73	21.7	21.7	21.7
Birr 100,000 approximately	183	54.3	54.3	76.0
Birr 110,000 approximately	52	15.4	15.4	91.4
Birr 120,000 approximately	20	5.9	5.9	97.3
Birr More than 120,000 approximately	9	2.7	2.7	100.0
Total	337	100.0	100.0	

Table 4.13 indicates the respondents' annual family expenditure. About 54.3 per cent of them responded that they spend Birr 100 thousand annually, while about 21.7 per cent spend Birr 90 thousand annually, 15.4 per cent of the respondents spend Birr 110 thousand and 5.9 per cent spend Birr 120 thousand annually. Only 2.7 per cent of the respondents' expenditure is more than Birr 120 thousand per year.

D) ASSETS

14. Housing and living condition;

Table 4.14 Housing and Living Conditions of the respondent

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Live in privately owned house	65	19.3	19.3	19.3
Live in rent house	50	14.8	14.8	34.1
Valid Live with family	195	57.9	57.9	92.0
Live with friends	17	5.0	5.0	97.0
Live with relatives	10	3.0	3.0	100.0
Total	337	100.0	100.0	

Table 4.14 reveals the housing and living conditions of the respondents. It shows that 57.9 per cent of the respondents live with their family, 19.3 per cent live in their own house and about 14.8 per cent live in rented houses. About 5 per cent live with their friends and only 3 per cent of the respondents live with their relatives.

Acquiring own house is the most challenging problem prevailing among the respondents. Most of

them used to live with their family because they cannot afford to pay rent for their house. This is one reason that they stay with their family.

It is suggested that companies may provide some staffs houses to accommodate some of the employees. On the other hand, companies may provide loans to the employees at lower interest rates to a purchase house.

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