# CHAPTER 6 RESTRUCTURING WITS, 1998 TO 1999 THE SEARCH FOR A NEW INSTITUTIONAL IDENTITY

#### 6.1 Introduction

This chapter focuses on the 1999 restructuring exercise coordinated by a change management team known as Wits 2001, which entailed the reconfiguration of support services and academic entities. The underpinning discourse,<sup>335</sup> mode of restructuring and the new organisational design will be discussed. The search for a new institutional identity entailed a shift away from the complex transformation discourses of the 1990s discussed in Chapter 4 to the pragmatic discourse of restructuring or organising the institution differently<sup>336</sup> determined by competitive concerns. This is discussed with reference to three key questions: What was the restructuring agenda? What did the process of restructuring entail? What were the implications for the new organisational arrangements and practice?

It is argued in this chapter that, through interplay of various aspects of the institutional restructuring exercise addressed in these questions, a suitable organisational design in line with a new institutional identity underpinned by economic rationality, efficiency, performativity and market relevance emerged. Through this, the seeds of a new mode of management, distinct from the institution's legacy, were sown. Contrary to the rhetoric that institutional costs would be saved, institutional costs had to be increased to meet the costs of

Here 'discourse' refers to the underpinning connotations or meanings of words and interpretations. It also includes a way of being or behaviour.

<sup>&</sup>lt;sup>336</sup> This definition was drawn from the *South African Concise Oxford Dictionary*. (2002). Cape Town: O.U.P. p. 997.

repositioning the institution towards market oriented and income generation strategies that have resulted in commodification<sup>337</sup> trends in teaching and research.

### 6.2 The Restructuring Strategy: Underpinning Discourses

Underpinning the restructuring process was the discourse of global competitiveness with its emphasis on 'cost effectiveness', 'service delivery' and 'efficiency', all notions drawn from the private sector and neoliberal ideology. Different meanings were attached to efficiency. Efficiency meant ridding the organisation of 'wasteful' expenditures, 'idle staff' and saving time to create more time and space for academics to spend on their work, the 'core'.<sup>338</sup> The rationale for this was that the organisation was in a state of crisis<sup>339</sup> and needed to move towards becoming competitive.

The overarching framework of restructuring was informed by the 'core/non-core' distinction associated with flexible specialisation.<sup>340</sup> The assumption underlying this distinction is that organisations have a set of primary, core or central services peculiar to the organisation and other peripheral, non-central or non-core functions which are marginal to the peculiar character of the organisation.

<sup>&</sup>lt;sup>337</sup> Here I refer to 'partial' commodification as opposed to 'wholesale' commodification, as all courses, degrees and programs are not designed for buying and selling on the higher education market. The University of Pretoria and the University of Johannesburg are examples of institutions where much more widespread commodification has taken place.

<sup>&</sup>lt;sup>338</sup> Interview with Professor Patrick Fitzgerald, Head of the Graduate School of Public and Development Management and member of Wits 2001, University of Witwatersrand, 31 March 2003.

<sup>&</sup>lt;sup>339</sup> Kerchner, C. T. & Schuster, J. H. (1982). The Uses of Crisis: Taking the Tide at the Flood. *Review of Higher Education*, 5(3), 121-141. They demonstrate that an institution is in crisis when it redirects institutional energies.

<sup>&</sup>lt;sup>340</sup> Thompson, P. & McHugh, D. (1995). Work Organisations A Critical Introduction. London: Macmillan Press Ltd. p.173 – 174.

Stressing that the university should focus on its core, Professor Bundy questioned: "Why should the university run a bakery?"<sup>341</sup> He regarded restructuring to be

Aimed at freeing up resources and energies so that the University can concentrate on its core business, which is to maintain the highest standards of education and research.<sup>342</sup>

This new emphasises placed workers on the periphery in a vulnerable position and is consistent with international trends in public sector restructuring, during which historically marginalised groups such as women, blacks and minority groups are found to be located on the periphery and therefore most severely affected by restructuring.<sup>343</sup>

The distinction between core and non-core suggests further differentiation within each category. Within this logic, certain support services were regarded as being more essential to the core, such as computer services, while other support services, such as cleaning, were regarded as being 'peripheral' or 'wasteful'.

Concerns with 'cost effectiveness', 'service delivery' and 'efficiency' were particularly important in the discussions that dominated the restructuring of support services. During these discussions indicators of 'effectiveness' and 'cost efficiency' of the services were produced to compare projected costs of various options such as retaining the service or outsourcing it.<sup>344</sup> In terms of the rationale, the management of the university indicated that:

On the support services side it was acknowledged that services weren't *efficient*; floors weren't as clean as they could be, and the maintenance was lagging. So we reviewed all support services, you know, the hard services, the maintenance, including the administrative services which is your finance, your student admin, your academic administration, the

<sup>&</sup>lt;sup>341</sup> Interview with Professor Jacklyn Cock, University of the Witwatersrand, 2 December 2003.

<sup>&</sup>lt;sup>342</sup> Wits Annual Report, 2000, University Archives, Senate House, p. 8.

<sup>&</sup>lt;sup>343</sup> Clarke, J. & Newman, J. (1997). The *Managerial State*. London: SAGE Publications Ltd. p.72.

<sup>&</sup>lt;sup>344</sup> University of the Witwatersrand, Support Service Report, University Archives, Senate House.

library, the computer services and we reviewed them for two things: Is our *service delivery optimal* and is our *cost structure optimal*?<sup>345</sup>

The reasons for this concern with 'optimisation' were centred on the competitive environment of support services in large organisations and other universities. Universities were striving to optimise their unit costs, given the context of financial prudence, and Wits was interested in taking forward the ideas represented in its mission statement and strategic plan.<sup>346</sup> This is the language of economic rationality:

Economic rationality is a faith in market forces producing more efficient outcomes than government or institutional intervention. It puts economic concerns first. It supports the free market approach where possible in all enterprises, private or public...market economics 'colonises' non-economic areas of public policy and in doing so crowds out other knowledge and practices. It sees economic production as the source of all social value and all social phenomena as explicable by applying economic methods.<sup>347</sup>

Associated with economic rationality is 'effectiveness' and 'efficiency'. Effectiveness is related to whether the campus community makes the best use of its available resources to achieve its stated outcomes<sup>348</sup> and efficiency is a measurement or ratio of inputs to outputs.<sup>349</sup> In terms of the academic restructuring exercise, while the notions of 'efficiency' and 'effectiveness' were also an important consideration, academic coherence, strategic significance and the intellectual contribution of the academic entity to the institution were considered. The notions of 'efficiency' and 'financial viability' of faculties were

<sup>&</sup>lt;sup>345</sup> Interview with Mr Andre De Wet, Executive Director of Finances, University of the Witwatersrand, 25 March 2003.

<sup>&</sup>lt;sup>346</sup> In Support Service Review Reports; Slides developed by UMA. In Chapter 4, it was shown that the focus of the 1998 mission statement was more concerned with the immediate concerns of Wits.

<sup>&</sup>lt;sup>347</sup> Bessant, B. (1995). Corporate Management and its Penetration of University Administration and Government. *Australian Universities' Review*, 1, 59.

<sup>341</sup> Pigozzi, M.J. & Cieutat, V. J. (1988). Education *and Resources Sector Assessment Manual*. New York: Institute for International Research. p.60.

<sup>&</sup>lt;sup>349</sup> Cameron, K. S. (n.d). Chapter 15 Improving Academic Quality and Effectiveness. p. 325.

evident in 'The Framework for Academic Restructuring'<sup>350</sup> document and throughout the restructuring discussions on the mergers of faculties and departments into schools. In these discussions, the aim was to measure the existing efficiency levels within the various academic entities. The document stated that academic restructuring would be guided by several considerations: the number of faculties, the number of academic entities in the university and each faculty, the shape and size of the academic entities, that is, Senior Lecturer Equivalents (SLEs) to Full-Time Equivalents (FTEs) and Effective Subsidy Student (ESS) to SLEs, norms for cross-subsidisation and principles for restructuring, such as workload models to ensure 'parity' between academic entities.<sup>351</sup>

The norms of the size and shape of the academic entities were stipulated as 45 academic units at most and 15 SLEs in a unit of 200 to 300 FTE students. The Simkins three-fold model is a calculation of the number of student enrolments and the inherent costs of the various disciplines. The concept of this model was employed instead of the split between natural and social sciences which was regarded as too expensive. Faculties would be required to develop workload models for the purposes of parity across faculties.<sup>352</sup> The table below represents what was considered to be the 'cheap', 'middle' and 'expensive' disciplines, based upon the ESS to SLE ratio.

<sup>&</sup>lt;sup>350</sup> The 'Framework for Academic Restructuring' emerged after a period of 14 months, from 11 December 1998 to 23 February 2000, of workshops and discussions among members of the senior management of the institution, including deans, senior academic staff and senior members of staff from the UCT and Natal. This document provided the basis for academic restructuring and was presented to the faculties and the Academic Assembly on 16 February 2000 (C.Bundy, personal communication, Communiqué #4, February 2000, University Archives, Senate House, p.1).

<sup>&</sup>lt;sup>351</sup> Framework for Academic Restructuring, S2000/2274, University Archives, Senate House.

<sup>&</sup>lt;sup>352</sup> Framework for Academic Restructuring, S2000/2274, University Archives, Senate House, p.11- 12.

Cheap	Middle	Expensive Ratio 12: 1	
Ratio 22: 1	Ratio 18: 1		
Business	Architecture	Performing Arts	
Languages	Computers	Engineering	
Law	Education	Health	
Social Sciences	Mathematical Sciences	Life and Physical Sciences	
Public Administration	Philosophy		
	Physical Education		
	Psychology		

Table 7: The shape and size of academic entities

In some disciplines such as engineering, where there is a high level of interaction between staff and students, a 12:1 ratio between ESS and SLE was calculated, while in law, given the low student staff interaction, the ESS:SLE ratio was calculated at 22:1. The middle of the range disciplines, for example, architecture, at an 18:1 ESS: SLE ratio.<sup>353</sup>

If disciplines were to transcend these ratios, they would be considered financially inefficient.

The restructuring process most adversely affected 'soft disciplines'.<sup>354</sup> An excess of 50 SLEs was identified in the Faculty of Arts in departments<sup>355</sup> where SLEs

exceeded 3.5.<sup>356</sup> Consequently, Afrikaans and Nederlands, Religious Studies and Classics were closed and staff cut in African languages, English, History, Modern Languages and Literature. Further savings were anticipated in History through a process of natural attrition, transfers, freezing of posts and managing vacancies.<sup>357</sup>

The economic rationalist approach was also evident in the discussions around the faculty structure. Initially two models, A and B, were presented for discussion.

<sup>358</sup> Framework for Academic Restructuring, S2000 /2274, University Archives, Senate House, p. 4.

Framework for Academic Restructuring, S2000/2274, University Archives, Senate House, p. 11-12.

<sup>&</sup>lt;sup>354</sup> Disciplines associated with the Faculty of Arts and considered to be less significant in relation to the strategic importance of Science and Technology.

<sup>&</sup>lt;sup>355</sup> For more details on the breakdown of how the figures were attained and which departments were identified for SLE reductions refer to Appendix I.

<sup>&</sup>lt;sup>356</sup> Framework for Academic Restructuring, S2000/2274, University Archives, Senate House, p.1.

<sup>&</sup>lt;sup>357</sup> The plan therefore required 'no involuntary retrenchments' with excess staff offered voluntary severance packages and early retirement for staff over the age of 55, as a means of speeding up attrition in departments within Arts.

Model A	Model B	
Engineering and Built Environment	Engineering and Built Environment	
Health Sciences	Health Sciences	
Science	Science	
Humanities and the Social Sciences <sup>359</sup>	Arts	
Economics and Management Sciences	Professional Studies <sup>360</sup>	

Table 8: Initial two models presented for discussion

A similar configuration to Model A eventually won out, as Commerce did not want to merge with Education into a Faculty of Professional Studies because of their concern with the financial viability of education and the importance of fields of economics and management sciences to the development of the Gauteng province as the economic heartland of the country.<sup>361</sup> Model A differs with the new faculty configuration decided upon, because law is incorporated into Commerce and Management and not into Humanities and Social Science.

In the academic restructuring exercise, in addition to economic rationality, academic coherence, strategic significance and the intellectual contribution of entities were emphasised.

<sup>&</sup>lt;sup>359</sup> The faculties of Law, Education and Arts would be merged into the Faculty of Humanities and Social Sciences.

<sup>&</sup>lt;sup>360</sup> The faculties of Law, Education, Commerce and Economic and Management Sciences would be merged into the Faculty of Professional Studies.

<sup>&</sup>lt;sup>361</sup> Framework for Academic Restructuring, S2000/2274, University Archives, Senate House, p. 7-11.

The strategic significance rather than the financial viability of African languages (despite the significant decline in student numbers) <sup>362</sup> was emphasised. In History, Philosophy and Political Studies the strong research and intellectual contribution were acknowledged. Areas of future growth, such as the School of Education SLEs, were not affected.<sup>363</sup> Therefore economic rationality did not always dominate in the academic restructuring process.

## 6.3 The Restructuring Strategy<sup>364</sup>

The restructuring strategy involved the following steps and actions: (i) centralisation of decision making on restructuring within the Senior Executive Team (SET); (ii) the hiring of consultants to manage the process; (iii) the creation of new committees outside of existing statutory and transformation forums; and (iv) advocacy, which emphasised the necessity of restructuring and presented arguments for the outsourcing of non-core services.

#### 6.3.1 Managing Restructuring: The Role of SET

The restructuring process was conceptualised and set up by the senior university management, though academics were involved in different capacities in the academic restructuring process. Unlike with the academic restructuring process, during the support services review process, no stakeholders, such as NEHAWU and student political organisations, took part in discussions on the conception of the restructuring process, establishment of support service review committees, composition of the support service review committees, their terms of reference and the employment of a management consultancy referred to as University

<sup>&</sup>lt;sup>362</sup> Framework for Academic Restructuring, S2000/2274, University Archives, Senate House, p. 13.

<sup>&</sup>lt;sup>363</sup> Framework for Academic Restructuring, S2000/2274, University Archives, Senate House, p. 28-38.

<sup>&</sup>lt;sup>364</sup> Details of the chronological events or steps pertaining to the restructuring process are set out in Appendix J (pages 380-382).

Management Associates (UMA). Stakeholders were invited by UMA to participate in the support service review committees without any prior discussion or orientation of stakeholders as to the purpose and conception of the process. From the onset therefore stakeholders were 'boxed' into following a predetermined process.<sup>365</sup> Even so stakeholders' participation was essential, as it had become an established practice in the new South Africa and was needed to lend legitimacy to management processes.

Because there had been no opportunity to respond to the framework for support service restructuring, no collective approach to restructuring could be developed. Stakeholders tended to become too reactive to the process and issues raised, and held no independent opinions or vision of the process.<sup>366</sup> The focus was on maintaining their involvement in the process at the expense of content. This may be related to the fact that stakeholders do not have full time positions and teams that can be devoted to such processes, while the institution's management does. This places the latter in a far more powerful position.

New committees and structures, such as the support service review committees and the academic restructuring and review committees,<sup>367</sup> were established parallel and outside the existing institutional structures (for example FFACT). Top level structures such as Council and SET were retained and enhanced. It was during this process that the Senior Executive Team, which included the 'legacy' deans, emerged in the top level coordinating meetings during the academic restructuring process.

<sup>&</sup>lt;sup>365</sup> Interview with Mr David Masondo, SRC President during 1998/1999, University of the Witwatersrand, 7 June 2002; Interview with Mr Mswake, student activist and member of the South African Students' Congress (SASCO), University of the Witwatersrand, 3 May 2003; Interview with Mr Dan Motaung, University of the Witwatersrand, 15 April 2002.

<sup>&</sup>lt;sup>366</sup> Support Service Review Reports, University Archives, Senate House.

<sup>&</sup>lt;sup>367</sup> Refer to Appendix I for further detail (page395)

Bundy refers to this SET as SET 1, distinct from the Senior Executive Team after the new academic structure, referred to as SET 2, since SET 1 included the legacy deans.<sup>368</sup> This will be discussed further in Chapter 7.

#### 6.3.2 Setting a Performativity Agenda

The 'change management agenda' at Wits came from within and partly from without the institution through the employment of UMA. In the literature external parties that enter organisations as part of a 'change management agenda' are referred to as 'innovators', 'change management agents', 'champions' of change, 'heroes'.<sup>369</sup> These changes as argued by management are undertaken to 'shake up inert bureaucracies', 'release organisational energies', 'improve effectiveness and efficiency', and 'tackle systemic shortcomings and failings'.<sup>370</sup> This is a phenomenon which is common throughout the public sector.<sup>371</sup>

The management of Wits argued that employing consultants is a good idea as undertaking a restructuring exercise involves too much work for them to undertake in addition to their daily work.<sup>372</sup> The senior management argued that external facilitators were more likely to be 'neutral' and would be able to bring a 'fresh perspective' to the process and the organisation.<sup>373</sup>

<sup>&</sup>lt;sup>368</sup> Interview with Professor Colin Bundy, Vice-Chancellor of the University of the Witwatersrand, 1997 to 2001, Cape Town, South Africa, 24 December 2003.

<sup>&</sup>lt;sup>369</sup> Steward, J. & Kringas, P. (2003). Change Management-strategy and values in six agencies from the Australian Public Service. *Public Administration Review*, 63(6), 675.

<sup>&</sup>lt;sup>370</sup> Steward, J. & Kringas, P. (2003). Change Management-strategy and values in six agencies from the Australian Public Service. *Public Administration Review*, 63(6), 675. Leitzel, J., et al. (2004). Integrated Planning and Change Management at a Research University. Change, 36(1), 36.

<sup>&</sup>lt;sup>371</sup> Clarke, J. & Newman, J. (1997). The *Managerial State*. SAGE Publications Ltd.

<sup>&</sup>lt;sup>372</sup> Interview with Professor Patrick Fitzgerald, Member of Wits 2001, University of the Witwatersrand, 23 April 2003.

<sup>&</sup>lt;sup>373</sup> Interview with Professor Patrick Fitzgerald, Member of Wits 2001, University of the Witwatersrand, 23 April 2003.

The management was concerned with cultivating a legitimate process and drawing upon appropriate expertise. According to UMA, they were providing "independent facilitation and technical support to the investigations and facilitated the Review Committee's proceedings".<sup>374</sup>

Stakeholders' opinions differed. Municipal, Education, State Health & Allied Workers' Union (MESHAWU) expressed their concern that UMA was not providing a balanced view. They stated their concern that UMA's involvement in tertiary education restructuring would lead to outsourcing. NEHAWU were suspicious that there was a 'hidden agenda'.<sup>375</sup>

The physical location of consultants also influenced their location and proximity to power. UMA was provided with offices, close to the human resource management's offices, and close to the power centres within the university.<sup>376</sup>

UMA's profile points to their specialisation in restructuring. UMA is part of a larger executive management consulting firm called 'Strategy Partners Consulting'. They have experience in providing their services to both the public and private sector<sup>377</sup> and have been involved in assisting with restructuring

<sup>&</sup>lt;sup>374</sup> University of the Witwatersrand Support Services Review Recommendations to University Management, November 1999, University Archives, Senate House, p.5.

<sup>&</sup>lt;sup>375</sup> Annexure iv Minutes Workshop II in University of the Witwatersrand Support Services Review Estates and Buildings Maintenance Review Committee Report Final, November 1999, University Archives, Senate House.

<sup>&</sup>lt;sup>376</sup> Interview with Mr Papi Nkoli, Student Activist, University of the Witwatersrand, June 2001; Interview with Mr Hein Marais, University Management Associates (UMA) Consultant, March 2001.

<sup>&</sup>lt;sup>377</sup> Their private sector clients include Woolworths, Nissan SA, South African Breweries, IBM and Saambou Bank. Their public and semi-public sector clients include municipalities such as Cape Metropolitan Council, government departments (for example, the Department of Tourism) and universities. The expertise within the firm ranges from legal, economics, management, commerce and business. Strategic Partners Consulting seems to be driven by a strong concern for management change and therefore the importance of restructuring (http://www.strategypartners.co.za/).

processes, which have resulted in outsourcing both at the University of Cape Town and the University of Pretoria.<sup>378</sup>

A university drawing on consultants to legitimise restructuring is not peculiar to South Africa. Currie and Vidovich (1998) refer to the University of Arizona and Florida State University, at which the university managements appointed consultants, the Boston Consulting Group, to assist with institutional restructuring.

Restructuring came with the previous vice-chancellor and the appointment of the Boston Consulting Group and the throwing of at least a million dollars at them to produce a bunch of flow charts...It had almost no beneficial impact, but it gave the green light to restructure or managerialise.<sup>379</sup>

## 6.3.3 Stakeholders' Power and Influence in the Restructuring Process

With the formation of FFACT during 1995, stakeholders were involved in establishing the agenda, composition and representation of stakeholders in governance structures within the institution. This process was characterised by the struggle for power over statutory structures by historically marginalised groups.<sup>380</sup> This made the process highly politicised.

With the restructuring process, stakeholders did not participate in establishing the agenda, composition or representation within the support service review committees, but were merely invited by the management of the university to a

<sup>&</sup>lt;sup>378</sup> Interview with Mr Hein Marais, University Management Associates (UMA) Consultant, March 2001.

 <sup>&</sup>lt;sup>379</sup> Currie, J. & Vidovich, L. (1998). The Ascent toward Corporate Managerialism in American and Australian Universities. In R. Martin (Ed.). *Chalk Lines: The Politics* of Work in the Managed University. Durham and London: Duke University Press. p.124.

<sup>&</sup>lt;sup>380</sup> *Wits Reporter.* (1994, 22 August). Volume: 12(13). University Archives, Senate House. p.3. The details of the politicised nature of this process are discussed in Chapter 4.

predetermined process.<sup>381</sup> For example, in the Support Service Review process stakeholders were simply unilaterally selected by management and defined as 'service, user community' which included: recognised unions and the staff association, nominations from non-aligned staff, students, the management of the service and the university management.

As for the academic restructuring process, academics agreed to the composition of the review committees such as the Academic Planning and Restructuring Committees.<sup>382</sup> Collegiality in this instance characterised academics' involvement in the setting up of the restructuring process, while stakeholder participation in the conceptualising and setting up of the support service restructuring was marginalised. Drawing on Clarke and Newman's notion of 'hard' and 'soft' managerialism,<sup>383</sup> a softer version of managerialism was evident in the setting up of the academic restructuring process than in the support service restructuring process.

The implication of dividing the restructuring process into support services restructuring and academic restructuring is that participation was fractured; this lead to stakeholders not having a significant influence in the restructuring process.

While the representation in the Academic Planning and Review Committees indicates strong representation for academics, a perusal of the minutes of the support service review committees demonstrates that representation was slanted in favour of the university management and the support service management.

In each review committee there was a maximum of four to six UMA members to provide technical support, a maximum of 13 university management and service management staff, two student representatives and four union representatives which includeed NEHAWU, MESHAWU, Academic Staff Association of Wits

<sup>&</sup>lt;sup>381</sup> The details of the politicised nature of this process are discussed in Chapter 4.

<sup>&</sup>lt;sup>382</sup> For more details on the composition of the Academic Planning and Review Committees refer to Appendix K.

<sup>&</sup>lt;sup>383</sup> Clarke, J. & Newman, J. (1997). The *Managerial State*. London: SAGE Publications Ltd. p.72.

University (ASAWU) and non-aligned staff.<sup>384</sup> Management had a more powerful voice than any of the other stakeholders. Stakeholder opinions were registered, with the strongest opposition coming from NEHAWU which gained no support from other stakeholders. The strength of management's voice was clear as the discussion went according to the design developed by UMA. This focused upon reviewing the technical aspects of the support services, such as their costs and levels of efficiency. In instances in which the unions expressed their opposition to outsourcing, this was noted but did not impact upon the flow of the discussion. For example, during the estates and buildings: building care discussions when the unions expressed their opposition to outsourcing, this did not alter the design of the discussions.<sup>385</sup> A recent South African study by Govender (2004) indicates that repetition of similar ideas by a number of voices can weaken the voice and influence of stakeholders who are represented, even if their representation might be equal but their participation and voice unequal. <sup>386</sup>

#### 6.3.4 Legitimising Restructuring: The Pitfalls of University Advocacy

The support service review committees had pre-ordained terms of reference and focused on specific support services, for example, building care. Operational costs and service levels of the specific service were considered. At no stage were stakeholders within the various support service review committees given the opportunity to consider holistically the framework and implications of the various support services and their relation to each other. It was only the senior executive management who had the opportunity to discuss this, as they oversaw the work of UMA and coordinated the review process. While discussions ensued in the case of the academic restructuring, the framework for discussion of the support

<sup>&</sup>lt;sup>384</sup> Support Service Review Reports, University of the Witwatersrand, University Archives, Senate House.

<sup>&</sup>lt;sup>385</sup> University of the Witwatersrand Support Services Review: Estates and Buildings Building Care Review Committee Final Report, November 1999, University Archives, Senate House, p.11.

<sup>&</sup>lt;sup>386</sup> Govender, L. (2004). Draft doctoral thesis. University of the Witwatersrand, School of Education.

services and the reports were predetermined, because it was accepted that the situation on campus could not stay the same and therefore that restructuring was necessary.

Even though a variety of options for restructuring were workshopped within the various support service review committees, in none of the instances was the The options ranged from: (i) improving retention of services considered. coordination between services where they overlapped, (ii) changing the operational process, (iii) increasing or decreasing staffing levels, (iv) improving management systems and practices, (v) contracting external expertise to obtain the service and/or providing managerial expertise while retaining the service, (vi) undertaking a joint venture with an external provider, to (vii) privatising or closing down the service.<sup>387</sup> The options that were adopted were retaining the internal restructuring, framework autonomy, status quo. and joint venture/partnership and lastly, outsourcing.388

#### 6.3.5 Dealing with the Non-Core

The outsourcing of non-academic services within higher education institutions is increasingly becoming a growing international phenomenon.<sup>389 390</sup> The kinds of services that are outsourced include student housing, food services, health care operations, bookstores, computer services, financial management, security systems, web site design, event management, campus information technology systems, and even alumni relations.<sup>391</sup> There seems to be a growing industry in

<sup>&</sup>lt;sup>387</sup> C.Bundy, personal communication, Communiqué No.2, 22 September 1999, University Archives, Senate House, p.1-2.

<sup>&</sup>lt;sup>388</sup> UMA Recommendations, University Archives, Senate House.

<sup>&</sup>lt;sup>389</sup> King, P. (1997). Nation's Restaurant, *News:31(27)*, 57. Threatt, W.M. (1997). Overland Park. *American School and University*, 69(5), 15.

<sup>&</sup>lt;sup>390</sup> Van der Walt, L., et al. (2003). Globalisation, the Market University and support service outsourcing in South Africa: Class struggle, convergence and difference, 1994 to 2001. *Society in Transition*, 34(2), 277-278.

<sup>&</sup>lt;sup>391</sup> Kirp, D.L. (2002). The Chronicle of Higher Education, 48(27).

foodservice liaisons, which are operations that are meant to manage campus foodservice operations.<sup>392</sup> According to Threatt (1997), services that require a 'high degree of technology, constant updating, training of personnel, and expensive equipment and tools...<sup>393</sup> such as transport, pest control and food services are subjected to outsourcing.

The discourse started out with those services least central to the delivery of core functions of the institution identified for outsourcing. A common question was: 'Why should a college run its own print shop?'<sup>394</sup> While initially the discourse starts out in this way, it later goes as far as to include teaching. Discussions on teaching are not framed with reference to outsourcing; increasingly institutions turn to employing temporary staff to undertake the teaching responsibilities within the institution. <sup>395</sup>

The problem with outsourcing in South Africa is that South African higher education institutions have been a major employer of support service workers.<sup>396</sup> This reality was not sufficiently taken into account.

Between 1994 and 1999 support staff numbers at Wits fell from 14 346 to 10 817 and artisan positions decreased from 1 433 to 951.<sup>397</sup> Instead of taking this into account, Wits stressed the importance of cutting back on costs incurred in non-core services and convincing other interest groups such as academics that the

<sup>&</sup>lt;sup>392</sup> King, P. (1997). Nation's Restaurant News. *New York*, 31(27), 57.

<sup>&</sup>lt;sup>393</sup> Threatt, W. M. (1997). Overland Park. *American School and University*, 69(5), 15.

<sup>&</sup>lt;sup>394</sup> Kirp, D.L. (2002). The Chronicle of Higher Education, 48(27).

<sup>&</sup>lt;sup>395</sup> Shumar, S. (1997). The *College for Sale: A Critique of the Commodification of Higher Education*. London: Falmer Press.

<sup>&</sup>lt;sup>396</sup> Van der Walt, L., et al. (2003). Globalisation, the Market University and support service outsourcing in South Africa: Class struggle, convergence and difference, 1994 to 2001. *Society in Transition*, 34(2), 277-278.

<sup>&</sup>lt;sup>397</sup> Van der Walt, L., et al. (2003). Globalisation, the Market University and support service outsourcing in South Africa: Class struggle, convergence and difference, 1994 to 2001. *Society in Transition*, 34(2), 277.

focus should be on them, as part of the core.<sup>398</sup> The implication of this has been that Wits has neglected its social responsibility to its employees and in effect has contributed to the growing crisis of unemployment in South Africa.

#### 6.3.6 Reliance on a Top-Down Approach

Restructuring support services took one year to carry out from the time of the establishment of the support service review committees, after a decade of workshops, discussions and planning. Restructuring came with a change in the organisational structure and the management of the institution. As discussed in Chapter 4, in 1998 Professor Colin Bundy was appointed Vice-Chancellor of Wits and headed the restructuring. The support services' restructuring was the responsibility of Professor Leila Patel, one of the Deputy Vice-Chancellors, with the support service review committees chaired by Mr Andre de Wet, the Executive Director of Finance. They moved swiftly and met regularly to guide and oversee the work of the consultants, UMA. While the traditional stakeholders were excluded from the process, the pace at which the managers of the process worked hampered participation and intervention in the process. Students, in particular through their student representative council, recognised that they were not able to keep pace with the process to intervene actively and deliberately, as focusing upon university changes is not their primary activity.<sup>399</sup>

The academic restructuring process was dealt with equally swiftly. While still ongoing, the new academic structures were implemented during 2001, one year after the initial steps towards implementation. An important aspect of these swift developments is the tight managerial control over the process. Wits 2001 played an important administrative and facilitating role and provided further support to

<sup>&</sup>lt;sup>398</sup> Interview with Professor Jacklyn Cock, Previously Head of Sociology Department, University of the Witwatersrand, 2 December 2003.

<sup>&</sup>lt;sup>399</sup> Interview with Mr David Masondo, SRC President 1998/1999, University of the Witwatersrand, 7 June 2002; Interview with Mr Mzwake, student activist and member of the South African Students' Congress (SASCO), University of the Witwatersrand, 3 May 2003.

the Academic Planning and Review Committees' (APRC) work between the meetings of the Academic Restructuring and Review Committee (ARRC) by meeting fortnightly. The ARRC met approximately once a month.<sup>400</sup>

## 6.4 Opposition to Restructuring: The Tide From Below

Opposition took place against both the support service and academic restructuring.

A variety of constituencies opposed the support services restructuring, including members of organisations or communities from outside the university.<sup>401</sup> Opposition and resistance assumed different forms such as petitions, marches, critiques, and hearings with management and governance bodies.

The main opposition force was NEHAWU.

NEHAWU believes that the attack on workers' jobs through outsourcing is only one part in the general attack on the workers by employers in the Higher Education Sector and the public sector in general. The employers are doing everything in their power to shift resources from the institutions to the private companies. We believe services should keep in the institution's hands, and that cutback attacks against workers in both academic and non-academic work must stop. NEHAWU members have been, time and again, exposing the risks of outsourcing to workers and presented demands in favour of employment contracts.<sup>402</sup>

<sup>400</sup> Review of the ARRC minutes.

<sup>402</sup> Mamela, 1 February 2001, University Archives Senate House, p.2.

<sup>&</sup>lt;sup>401</sup> The most significant of these were the National Education and Health Allied Workers' Union (NEHAWU), the main public sector union, the Postgraduate Association (PGA), the South African Students' Congress (SASCO), which represented the majority of the students on campus and dominated the Students' Representative Council (SRC), activist organisations such as the Anti-Privatisation Forum (APF), staff associations such as the Academic Staff Association Wits University (ASAWU), the Technical Staff Association (TSA), the Administrative and Library Staff Association (ALSA), and an academic professional association called the South African Sociological Association (SASA) (Mr Norman Pines, 2 December 1999; Interview with ASAWU Chairperson, Dr Aubrey Blecher 2002; Mamela, 1 February 2001; Concerned Academics 12 April 2000; Anti-Privatisation Forum Communique number 1, July 2002, University Archives, Senate House).

While opposed to outsourcing NEHAWU was not opposed to restructuring.<sup>403</sup> NEHAWU strengthened its opposition stance through mass protests and took legal action against the university. This was eventually resolved through an out of court settlement during June 2004.<sup>404</sup>

In an attempt to assist NEHAWU with its opposition to outsourcing a group of concerned academics,<sup>405</sup> mostly drawn from the Department of Sociology at Wits, developed an intellectual critique of the consultants, UMA's recommendations. Their argument centred on not endorsing UMA's recommendations because the opinions were slanted in favour of cost cutting measures, the research design was weak and that the participatory process favoured managerial interests. Another source of support came from an emerging social movement, the Anti-Privatisation Forum,<sup>406</sup> that engaged in protest actions on campus. The Forum sustained its involvement even after the restructuring exercise, when members of the APF

<sup>&</sup>lt;sup>403</sup> Letter by Mr Thabiso Motaung, 15 February 2000, University Archives Senate House, p.1.

<sup>&</sup>lt;sup>404</sup> ASAWU Academic Staff Association of Wits University, Newsletter June 2004, University Archives Senate House, p.3.

<sup>&</sup>lt;sup>405</sup> The academics were: Glenn Adler, Andries Bezuidenhout, Bridget Kenny, Rachmat Omar, Greg Ruiters and Lucien van der Walt.

<sup>406</sup> The Anti-Privatisation Forum was formed in 2000 by both radical students at Wits and the initiatives of communities in Gauteng. The APF captures its origins in the following terms: "The Anti-Privatisation Forum is a broader coalition of several dozen groups, with SECC (Soweto Electricity Crisis Committee) one of the most active. But both grew out of the campaigns against Egoli 2002. The APF really came together in July 2000, when a lot of different organisations - the Anti-Egoli 2002 Committee, the Municipal Workers' Union, the Education Workers, NGOs, students, even the SACP to begin with - came together to protest against a big international conference on privatisation, 'Urban Futures', that was being held at Wits University. We set up the APF with very simple terms of reference: 'we are not here to debate privatisation, or find some 'third way' to finesse it. Everyone here has decided that privatisation is bad, and wants to do something to fight it'. Because at that time there were a lot of think tanks, debates, NGOs and so on that saw their job as derailing anti-privatisation struggles, the ANC instructed the union leaderships to keep away, although the municipal workers stayed with us for longer." (Ngwane, T., July/August 2003, Anti-Privatisation Forum Pamphlet, page 37).

assisted in organising outsourced workers who are currently part of a new casual workers' union.<sup>407</sup>

Despite these numerous efforts, council re-affirmed its decision to outsource various support services and establish a new institutional configuration, with the view to provide Wits with a competitive edge, both nationally and internationally.<sup>408</sup> The agreement to outsource affected 624 workers which significantly weakened NEHAWU<sup>409</sup> as an opposition force on the campus. By outsourcing, the university had made a moral choice in the context of universities historically not simply being educational institutions, but places of employment, and currently contributing towards an escalating crisis of unemployment within the country. Alternative options such as asking business students to run these services without altering pay or conditions of employment could have been considered.

On the academic side, while there was agreement about restructuring, there was disagreement on the content of academic restructuring.

From the School of Social Sciences:

There was strong opposition. We questioned Bundy and questioned what they called 'the federal model'. The 'federal model' allowed for departments still to exist and that they would have some authority and control. So there was a lot of confusion and the understanding at that meeting was that there would still be some control and authority. But there was a great deal of opposition because many said and many kept on saying that 'the department is the organisational expression of the disciplines' and they were okay with the departments not destroying the

<sup>&</sup>lt;sup>407</sup> Interview with Mr James Pendlebury, student activist, University of the Witwatersrand, March 2004.

<sup>&</sup>lt;sup>408</sup> Letter to the University Community by Judge Edwin Cameron, 12 June 2000, University Archives, Senate House, p.1.

<sup>&</sup>lt;sup>409</sup> Van der Walt, L. (2000). Wits 2001: Restructuring and Retrenchments. *South African Labour Bulletin*, 24(2), 43; Wits 2001, Communique No. 6, 31 May 2000, University Archives, Senate House, p.1.

disciplines which is what UCT did. They were not going to do that but still it was meant to save money.  $^{410}$ 

From the Faculty of Health Sciences:

There have been challenges there in the sense that quite a lot of people didn't buy into that new structure and didn't think it was worthwhile or particularly effective. And so there was quite a lot of conflict that needed to be resolved. And those were certainly challenges and it took quite a lot of time and emotional energy. It wasn't so much concern around devolution; it was the loss of departmental status. ... Previously<sup>411</sup> you had departments with department heads who had been appointed, as they saw it, for life as the Head of Surgery or the Head of Medicine - it was a position of status. They had a department, they had a budget, and they had control over a whole lot of things. And now they were being merged into a school and they were having someone else - a head of school placed above them and they were losing a whole lot of autonomy and authority and they couldn't see what the point of it all was and so they resisted it. <sup>412</sup>

And from the Faculty of Commerce, Law and Management:

The devolution model doesn't work for us. We don't need any of them. We do not need a Human Resources Manager, we do not need a business manager, and we need our own registrar like we used to have here. We have our own library and librarian and so on. We don't need these people. What we do need though, is we need a Dean who is here to manage this place; and it's too good a job for the head of school to do.<sup>413</sup>

From these disagreements:

What became quite clear was that one of the big issues at the beginning was who should go with whom in terms of faculties. There was a lot of power broking that went on there, lots of after hours meetings, cocktail parties, dinners, taking people out for a drink, you know, because it was rife. Calling meetings at the vice-chancellor's residence with the Deans

<sup>&</sup>lt;sup>410</sup> Interview with Professor Jacklyn Cock, previously Head of Department of Sociology, University of the Witwatersrand, 13 January 2004.

<sup>&</sup>lt;sup>411</sup> Here he is referring to the situation over a decade ago when a rotating system of head of departments was introduced.

<sup>&</sup>lt;sup>412</sup> Interview with Professor Max Price, Dean of the Faculty of Health Sciences, University of the Witwatersrand, 13 January 2004.

<sup>&</sup>lt;sup>413</sup> Interview with Professor Mike Ward, Head of the School of Business Administration, University of the Witwatersrand, 25 March 2003.

to have a kind of off the record session to try and talk through the kinds of problems they were having.<sup>414</sup>

Even though management indicates that collegiality was encouraged during the academic restructuring<sup>415</sup> process, others argue that the faculty configuration was a highly centralised, executive decision and not a democratic decision.<sup>416</sup>

Neither opposition to support services nor academic restructuring could, however, be averted. It was a consequence of the strength of the university management and the lack of unity among academics, workers and students.

In fact, many academics felt that outsourcing was acceptable as they stated:

Many academics are concerned at the likelihood of the further loss of academics' jobs as academic restructuring gets underway, and we do not support the current preservation of service jobs within the University which then forces a greater erosion of academic posts in six months time.<sup>417</sup>

The section below discusses the outcomes of restructuring.

<sup>&</sup>lt;sup>414</sup> Interview with Ms Miriam Abrams, Deputy Registrar and member of Wits 2001, University of the Witwatersrand, 19 August 2002.

<sup>&</sup>lt;sup>415</sup> Interview with Ms Miriam Abrams, Deputy Registrar and member of Wits 2001, University of the Witwatersrand, 19 August 2002.

<sup>&</sup>lt;sup>416</sup> Email conversation with Dr Nicholls, Director of the Strategic Planning Unit, 23 January 2003.

<sup>410</sup> Letter addressed to Judge Cameron by Munro, K., Basson, R., Boden, R., Bagus, R., Blight, G., Dickson, P., Enslin, P., Pendlebury, S., Rey, C., Tuson, S., Wilson, K., 1 June 2000, University Archives, Senate House, p.1-2.

## 6.5 The New Organisational Design<sup>418</sup>

As a consequence of the restructuring, peripheral support services were outsourced,<sup>419</sup> the number of faculties reduced from nine to five, the number of departments merged into 35 schools from 99 departments, new management roles and responsibilities defined, the organisational committees and decision making processes streamlined, operational functions devolved. Internally restructured support services were more closely aligned to improve the level of service delivery and entrepreneurial activities that would increase the levels of the performativity of the university. According to Ball:

Performativity is a technology, a culture and a mode of regulation that employs judgements, comparisons and displays as means of control, attrition and change. The performances (of individual subjects or organisations) serve as measures of productivity or output, or displays of 'quality', or 'moments' of promotion or inspection. As such they stand for, encapsulate or represent the worth, quality or value of an individual or organisation within a field of judgement.<sup>420</sup>

While the discussion that follows focuses upon Wits, it is important to bear in mind that a similar initiative has been evident elsewhere in Africa, for example

<sup>&</sup>lt;sup>418</sup> The move towards a new organisational structure was already evident during 1995 when the departments of Chemical Engineering and Metallurgy merged into the School of Process and Materials Engineering and during 1996 the Faculties of Medicine and Dentistry were amalgamated into a new Faculty of Health Sciences. (Wits Annual Reports: 1995 & 1996; pp. 8 & 11). Tensions were particularly evident in the Health Sciences as a result of the restructuring of the Department of Health. (Wits Annual Reports 1995 and 1996, University Archives Senate House, p.12; Deem, R. (1998). 'New Managerialism' and Higher Education: the management of performances and cultures in universities in the United Kingdom. *International Studies in Sociology of Education*, 8(1), 61-70.

<sup>&</sup>lt;sup>419</sup> Support services were outsourced from 1 of July 2000. Cleaning services were outsourced to Supercare Cleaning (Pty) Ltd; Building Maintenance to Gretev Asset Management (Pty) Ltd; Grounds Maintenance to Real Landscapes (Pty) Ltd (gardens) and Turftek (Pty) Ltd (sports fields); and Catering to Fedics Food Services (Pty) Ltd. In addition, small, medium and micro enterprises (SMMEs) were established in cleaning, building maintenance and catering (C. Bundy Communiqué # 10, personal communication, 6 September 2000, University Archives, Senate House).

<sup>&</sup>lt;sup>420</sup> Ball, J. S. (2001). The *Teacher's Soul and the Terror of Performativity*. http://www.lhs.se/atee/proceedings/Ball. Key note.

the University of Dar es Salaam,<sup>421</sup> University of Ibadan, University of Jos and Abubakar Tafawa Balewa University, Bauchi.<sup>422</sup>

Support services, such as catering and cleaning, were identified as less valuable to the core and therefore subjected to outsourcing; support services such as computer sciences, regarded as more valuable to the core, may be affected more significantly in a future round of restructuring. The definition of support services' relation to the core is therefore porous and potentially in flux. This does not change the fact that in the restructuring exercise the non-core services were clearly defined.

#### 6.5.1 Mergers of Faculties and Departments

The number of faculties was reduced from nine to five. The University of the Witwatersrand's annual report of 2000 captures what is referred to as the "New Faculty and School Configuration". This is represented in the diagram below.

<sup>&</sup>lt;sup>421</sup> Luhanga, M.L. & Mbwette, T.S.A. (2002). *Implementation of Management and Financial Reforms at the University of Dar es Salaam*, Paper presented at the International Conference of Financing of Higher Education, Dar-es Salaam, The Royal Palm, Tanzania.

<sup>&</sup>lt;sup>422</sup> Liverpool, L.S.O., et al. (n.d). *Modelling for Resource Allocation to Departments and Faculties in African Universities*, Research Paper No. 4, Association of African Universities, Study Programme on Higher Education Management in Africa.

Old Faculties	New Faculties	
Commerce	Commerce, Law and	
Law	Management	
Management		
Engineering	Engineering and Built Environment	
Architecture		
Health Sciences	Health Sciences	
Education	Humanities <sup>423</sup>	
Arts, Humanities and Social Sciences		
Sciences		
Science	Science	
Source: Wits Perspectives 1998/1999 and "Shaping the Future" Annual Report 2000		

Table 9: The New Academic Units	Table	9: The	New	Academic	Units
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The council of the university approved this new configuration in June 2000.<sup>424</sup> What the table above indicates is that the Health Sciences and the Science faculty were 'roll over' faculties, while Commerce, Law and Management became one faculty, Engineering and Architecture became Built Environment and Engineering and Education, Arts, Humanities and Social Sciences became the Faculty of Humanities. The consequence was a reduction in the number of deans represented within the Senior Executive Team.

<sup>416</sup> The Faculty of Humanities was confronted with the dual challenge of having to merge the departments into schools and further having to incorporate the Johannesburg College of Education (JCE) into the School of Education, as a consequence of the restructuring of the higher education system in South Africa. In the case of the merger of the Faculties of Commerce, Law and Management, the Faculty of Management was 'downgraded' into a school. Previously it was able to operate fairly independently and efficiently as a faculty (Interview with Professor Mike Ward, Head of School of Graduate School of Business Administration, University of the Witwatersrand, 25 March 2003).

<sup>&</sup>lt;sup>424</sup> Wits Annual Report 2000, University Archives, Senate House, p.7.

Previously Wits had 99 departments. These departments have been merged to form 33 schools. In some schools, no restructuring took place.<sup>425</sup> The faculties that experienced the least organisational restructuring were the faculties of Commerce, Law and Management, Science, Health Sciences and Built Environment and Engineering. It was the Faculty of Humanities in which the most significant departmental mergers into schools took place, as many of the departments were not regarded as being as cost effective as Commerce, Law and Management, Science, Health Sciences and the Built Environment and Engineering which translated into a reduction<sup>426</sup> in academic staffing levels. The Department of Education became the School of Education and relocated to the Johannesburg College of Education premises, which had been incorporated into Wits through the national higher education merger processes. The College and Wits Education have as yet not merged. They co-exist as separate, yet related, entities. The two entities have the same status within the Faculty of Humanities. Both sit on the Research Committee, Staffing and Promotions Committee, Faculty Executive, Faculty Research Committee and Faculty Academic Planning; the two entities also have separate budgets.<sup>427</sup>

The School of Human and Community Development is composed of the previous departments of Speech Pathology and Audiology, Psychology, Social Work and Special Education. Special Education was previously part of the Department of Education. The School of Literature and Language Studies is composed of the previous departments of African Languages, African Literature, Applied English Language Studies, Classics, English, French, German, Italian, Linguistics and Portuguese.

The School of Social Sciences is composed of the previous departments of History, International Relations, Philosophy, Politics, Sociology and Social

<sup>&</sup>lt;sup>425</sup> For more details refer to Appendix I.

<sup>&</sup>lt;sup>426</sup> For more details refer to Appendix L.

<sup>&</sup>lt;sup>427</sup> Interview with Professor Graham Hall, Rector of the Johannesburg College of Education, University of the Witwatersrand, 24 June 2003.

Anthropology. In the case of the School of Social Sciences the initial idea was that the school retain its departmental status referred to as a 'federal model'. The argument for this was that departments are the governing structure of the discipline and therefore without the departmental structure, the discipline would be undermined.<sup>428</sup> However, this was not implemented in practice. The Wits School of Arts includes Dramatic Arts, Visual Arts, History of Art, Fine Arts, Music, Digital Arts and Wits TV. It is not clear what the situation was before.

While departments were merged and created into schools, not in all instances were heads of departments done away with.

For example in the Faculty of Health Sciences, heads of departments were retained because of the discipline specificity of the departments and their specific relations with professional councils.

In the discipline that we're talking about that doesn't really apply, they are very distinct. You have for example, a Department of Pharmacy and a Department of Nursing. The Pharmacy Department is training pharmacists; the Nursing Department is training nurses. Putting them together into one school doesn't have obvious benefits. You're not going to put the students together, they're not going to suddenly start doing research together, and they're not going to change the curricula because professional councils outside determine curricula.<sup>429</sup>

In the School of Social Sciences the position of Head of Department, too, has been retained. The reason for this is the opposition from the various departments to being collapsed into one school without retaining their disciplinary boundaries.

Many of them didn't want that, they felt that they were big enough on their own to be self-sustaining. I mean a Department like International Relations is actually as big as a whole School in the Faculty of Science or Engineering. So these very big departments were put together with some smaller ones like History which is quite small, and there was a lot

<sup>&</sup>lt;sup>428</sup> Interview with Professor Edward Webster, Director of the Sociology of Work Unit (SWOP) and Senior Professor in the Department of Sociology, University of the Witwatersrand, 11 April 2002; Interview with Professor Jacklyn Cock, previously Head of Department of Sociology, 13 January 2004; Interview with Professor Paul Germond, Previously Head of Department of Religious Studies, University of the Witwatersrand, 24 February 2004.

<sup>&</sup>lt;sup>429</sup> Interview with Professor Max Price, Dean of the Faculty of Health Sciences, University of the Witwatersrand, 13 January 2003.

of reluctance, however, what they decided to do was to say to the university, "We'll go along with the School if you allow us to stay in a federal structure. If you allow us then to have some autonomy as departments still within the School" and that's the system we've gone for.<sup>430</sup>

Even though in some cases the head of department position has been retained, the head of department has been stripped of any organisational power. Recently during the quinquennial review of the School of Social Sciences, the external assessor stated that reference was made to the sentiment within the school of an earlier "Golden Age' of relative autonomy", harmony and collaboration, as opposed to the current period of tension and frustration as a consequence of the restructuring. This, some argue, is a myth in that fiefdoms were constructed and debates often escalated and culminated in personal tension and strife.<sup>431</sup>

The assessor further states:

My visit to the School revealed a less optimistic scenario. Almost everyone I met complained of low morale, and expressed feelings ranging from resigned pessimism to outright anger. Most of this was directed at anonymous administrative 'dictates' that had eroded the autonomy of departments. I heard that there had been universal opposition to the establishment of the School in 1999, and complaints that it has merely created an additional level of burdensome administration without creating any new synergy.<sup>432</sup>

Across the institution, instead of a consistent category of head of department, a variety of titles can be found such as divisional heads (in the School of Economics and Business Sciences and the School of Literature and Language Studies), heads of subject areas (such as in the Graduate School of Business Administration), coordinators (in the School of Mining Engineering), course coordinators (in

<sup>&</sup>lt;sup>430</sup> Interview with Professor Belinda Bozzoli, Head of the School of Social Sciences, University of the Witwatersrand, 11 July 2003.

<sup>&</sup>lt;sup>431</sup> Interview with Professor Michael Cross, University of the Witwatersrand, March 2004; Comment offered by Professor Jonathan Hyslop during a seminar on this thesis, University of the Witwatersrand, 6 November 2004.

<sup>&</sup>lt;sup>432</sup> External Assessor Report on Quinquennial Review of the School of Social Sciences, University of the Witwatersrand, Head of the School of Social Sciences, 1999-2004.

Education) and academic champions (in the Graduate School of Public and Development Management).<sup>433</sup>

An extreme example of the collapse of disciplinary boundaries can be seen in the School of Education, which is located in the Faculty of Humanities. There are no longer specific departments with clear disciplinary boundaries.

Disciplines such as the History of Education and the Sociology of Education simply no longer exist, as these disciplines have been replaced by the creation of various groups.<sup>434</sup>

While departmental power, and with it disciplinary power, has been undermined, interdisciplinary collaboration has been encouraged.

The disciplines in the school are Social Work, Speech Pathology and Audiology, Psychology and Specialised Education. I think if I look at how people are starting to work together people understand that you can't just bring the disciplines together in the school and continue like before; business as usual. That one now has to look at areas of collaboration, for example, across programmes like Clinical Psychology and Counselling Psychology.<sup>435</sup>

Well we didn't have to apply any pressure. You know the place where the two disciplines interface. That happened on its own. All that it took was a matter of weeks after the formation of the school. We had a couple of teas and sessions over drinks afterwards. We were talking to each other and we found that we were co-supervising in particular Masters or PhD students.  $^{436}$ 

We started it and said let's look at the development studies programme for example. It's an interdisciplinary, interfaculty programme. We're working on thinking of ways in which an interdisciplinary programme can be managed because I think even though we toss disciplines

<sup>&</sup>lt;sup>433</sup> This information I obtained through telephonic interviews with secretarial staff of various faculties and schools throughout the university, November 2003.

<sup>&</sup>lt;sup>434</sup> Interview with Professor Ray Basson, Coordinator of the Curriculum Group in the School of Education, University of the Witwatersrand, 3 December 2003.

<sup>&</sup>lt;sup>435</sup> Professor Tokozile Mayekiso, Head of the School of Human and Community Development, University of the Witwatersrand, 18 March 2003.

<sup>&</sup>lt;sup>436</sup> Interview with Professor Bernard Moon, Head of School of Geography, Archaeology and Environmental Sciences, University of the Witwatersrand, 28 March 2003.

together, we haven't really got out of the way in which we think of a discipline running. <sup>437</sup>

Restructuring was meant to produce synergies between disciplines but that has not happened at all and anyway new disciplinary programmes like demography did not need the restructuring for them to be set up as collaborations between departments.<sup>438</sup>

In fact some feel that the creation of schools and the position of Head of School have closed off in some instances the possibility of interdisciplinary work.

I sense that it might have had a positive effect in some schools and made no difference in other schools. In fact, you could also argue that it might have closed off some possibilities because of the way in which departments have been brought together. Before there might have been stronger relations between English and History and now it has been decided not to have this. They have decided which clusters should work together which is limited to interdisciplinary work within schools and not across schools.<sup>439</sup>

Schools have had varying experience of interdisciplinary programs since restructuring. In some instances this has been easier such as in the School of Geography, Archaeology and Environmental Studies, while in others it has been much more difficult, as in the School of Social Science. Furthermore, the data point to the interdisciplinary work being encouraged largely within schools as opposed to across schools. This could be related to the resource allocation model adopted by the institution, which encourages the strengthening of schools and faculties against each other.

<sup>&</sup>lt;sup>437</sup> Interview with Professor Belinda Bozzoli, Head of the School of Social Sciences, University of the Witwatersrand, 11 July 2003.

<sup>&</sup>lt;sup>438</sup> Interview with Professor Jacklyn Cock, previously Head of Department of Sociology, University of the Witwatersrand, 13 January 2004.

<sup>&</sup>lt;sup>439</sup> Focus group discussion with academic staff in the Faculty of Humanities, University of the Witwatersrand, 19 February 2004.

Prior to the creation of schools, the Graduate School, established in 1997, was the only avenue within the university through which interdisciplinary postgraduate qualifications related to the world of work were encouraged.

So the Graduate School was seen as a mechanism for fostering crossdisciplinary work because it was very difficult in the old system where the disciplines were so discreet. We didn't even have mechanisms for registering people across disciplines then. So our job was to set all of that in place. So we've done that. You know we've got new degree structures; plus programmes based in the graduate school; as they get more and more established, we give them to a school to be the host school. But when you are starting off it's quite difficult because there are many conflicting interests coming out of the different disciplines because there were disciplines and departments. Now that you've got schools, schools are able to accommodate a certain amount of crossdisciplinary work in a way that the departments, which were discipline based, couldn't. We've just given away from the Graduate School the programme in Tourism, which happens with the Science Faculty, now belongs to the Wits School of the Arts, but Tourism is not based in the Arts at all. 440

The rationale for the shift towards interdisciplinary programs was encouraged by Professor Bundy who argued that the boundaries of knowledge were expanded on the basis of interdisciplinary work more than disciplinary work. It was argued that, particularly in the Social Sciences, the discipline had become stuck and for it to grow interdisciplinarity needed to be encouraged.<sup>441</sup> In some instances interdisciplinary work flourished, for example in the School of Arts,<sup>442</sup> in other instances, such as the Social Sciences, it was felt that interdisciplinary work would emerge irrespective of the restructuring<sup>443</sup> and yet in other Schools, particularly in the Faculty of Commerce, Law and Management, interdisciplinary

<sup>&</sup>lt;sup>440</sup> Interview with Professor Caroline Hamilton, Head of the Graduate School, University of the Witwatersrand, 8 April 2003.

<sup>&</sup>lt;sup>441</sup> Interview with Professor Patrick Fitzgerald, Head of the Graduate School of Public and Development Management, University of the Witwatersrand, 23 April 2003.

<sup>&</sup>lt;sup>442</sup> Professor Jonathan Hyslop, Critical Respondent of this thesis, University of the Witwatersrand, 6 November 2004.

<sup>&</sup>lt;sup>443</sup> Interview with Professor Jacklyn Cock, previously Head of the Department of Sociology, University of the Witwatersrand, 13 January 2004; Interview with Professor Edward Webster, Director of the Sociology of Work Unit (SWOP) and senior academic in the Department of Sociology, University of the Witwatersrand, 11 April 2002.

work was regarded as being expensive in that it was extremely time consuming to develop new courses and programs.<sup>444</sup> As Ensor (2002) has shown, state legislation, particularly the White Paper (1997) and the Higher Education Act (1997) requires programmatisation, which means breaking disciplinary boundaries. This does not necessarily mean that institutions will do so. In fact, her evidence shows that even when interdisciplinary programs are developed, disciplinary enclaves have been developed within them.<sup>445</sup>

#### 6.5.2 Creating a Managerial Layer

Deans are now responsible for the implementation of all policies approved at senior level, namely, at the Faculty Board, Senate, SEG/T and the Council levels. The deans' responsibilities have expanded to include the management of human resources, finance, and student and curriculum administration, marketing and faculty facilities within the various faculties.<sup>446</sup> At school level, the heads of schools perform academic leadership and management functions. Changed responsibilities of deans and heads of schools. While in the past faculties were not required to consider their individual faculty plans and financial plans, the individual faculties are no longer only understood as academic units with a cluster of academic disciplines in which research and teaching is undertaken, but as distinct business entities.<sup>447</sup> These changes in the mode of management will be discussed in Chapters 8 and 9. The table below provides an estimate (in the

<sup>&</sup>lt;sup>444</sup> Interview with Professor Patrick Dickson, Head of School of Accounting, University of the Witwatersrand, 17 March 2003.

<sup>445</sup> Ensor, P. (2002). cited in Muller, J. *The world is not enough: responsiveness, innovation and the limits of policy in higher education.* Paper presented at a seminar hosted by the School of Education, University of the Witwatersrand, 26 November 2004, p. 9.

<sup>&</sup>lt;sup>446</sup> Framework for Academic Restructuring, S2000/2274, University Archives, Senate House, p. 17.

<sup>&</sup>lt;sup>447</sup> Functions, Responsibilities and Competencies of a Dean – HRS/5, University Human Resource Management Office, p.1-2.

absence of access to institutional figures) of the costs in the growth of management.

Position	Finances	
Financial and Business Manager x 5	R350 000 x 5 = R1 750 000	
Human Resource Management x 5	R350 000 x 5 = R1 750 000	
Heads of Schools x 35	R450 000 x 35 =R15 750 000	
<b>Note:</b> These are conservative guestimates <sup>448</sup> as they do not include the deans or the assistants of the various devolved operational functions, upgrading and renovations.		

 Table 10: Cost Guestimate of New Management Posts

If one were to consider the amount of money the university spends on the position of head of school, which is essentially a full time managerial post (which never existed before) it would amount to: 35 heads of schools x R3  $500^{449}$  per month more than a senior professor who earns approximately R400 000 per year; R3 500 over 12 months = R42 000; therefore R450 000 per year x 35 posts = R15 750 000. For head of school position there is an additional expenditure per year by the university upon a full time managerial post designed for academics who are interested in pursuing academic managerialism as a career path. These figures do not include salaries of deans, financial and business managers, human resources management and other administrative layers that have been added at both faculty and school levels. As one academic put it:

I cannot see this restructuring saving us any money. The whole new layer of bureaucracy has been created with the head of school. They are

<sup>&</sup>lt;sup>448</sup> At the time of collecting data and writing this thesis, only qualitative data and no statistical data were available through the finance division of Wits to verify the argument that costs have escalated as a consequence of academic restructuring.

<sup>&</sup>lt;sup>449</sup> Figure obtained from Professor Edward Webster, Director of the Sociology of Work Unit, 11 August 2004.

extremely well paid. I don't know by how much because these things are out of the public domain but there now is a whole new layer.<sup>450</sup>

# 6.5.3 Streamlining Faculty Structures and Speeding Up Decision Making

The new organisational design had profound implications and was accompanied by important management changes. These included: (i) new mechanisms of central control and new operational functions; (ii) integration of entrepreneurial and income generating initiatives into the university programme; (iii) alignment of strategic courses with the market; and (iv) enlargement of the student market share. Costs were not saved but invariably significantly increased<sup>451</sup> through the devolution of operational functions and duplication across faculties, increasing the salaries of deans and heads of school as a result of the expanded levels of responsibility, upgrading the campus through establishing the matrix and the student enrolment centre, and improving the media image of the institution. These issues will be discussed in more detail in the following sections.

Streamlining decision making within the organisation was achieved through the introduction of a three level academic structure, which involved the inclusion of deans into the Senior Executive Team (SET), the new faculty board structure and the new schools structure.

Prior to the establishment of SET, the Vice-Chancellor's office (VCO) consisted of the Vice-Chancellor, the Deputy Vice-Chancellors, the Executive Director of Finance and the Registrar. By incorporating the deans into the Vice-chancellor's Office, the thinking is that deans will understand the senior management's concerns more clearly and so be in a better position to convey the senior management's concerns to the faculties. Therefore there should be improved

<sup>&</sup>lt;sup>450</sup> Interview with Professor Jacklyn Cock, previous Head of the Department of Sociology, University of the Witwatersrand, 13 January 2004.

<sup>&</sup>lt;sup>451</sup> At the time of collecting data and writing this article only qualitative data and no statistical data were available through the finance division of Wits to verify the argument that costs have escalated as a consequence of academic restructuring.

implementation of decisions taken at this level within their various faculties, and vice versa.

# 6.5.4 New Mechanisms of Central Control and New Operational Functions

The internal restructuring process involved the creation of responsibility centres through the devolution of operational functions to faculties. The operational functions that were devolved include human resource management, financial management, academic administration and research. At a Strategic Planning Workshop for the institutional management including deans and heads of schools, entitled 'Lighting the Way' on 20 and 21 February 2003, the meaning of devolution was clearly spelt out. The document entitled 'General Policy Framework for Management Devolution' provides a framework for the devolution of the various operational functions. Devolution, in this document is defined as:

...a deconcentration of one or more of the following management components away from the centre of the organisation:

Accountability: obligation to account for one's actions (explains and justify);

Responsibility: obligation to carry out an action;

Authority: the power (within a framework of agreed norms) to take and implement decisions;

Capacity: ability to carry out actions – know-how, resources, and systems.  $^{\rm 452}$ 

Here 'devolution' is defined as diffusing limited power to units without relinquishing power at the centre. Devolution is therefore understood as 'deconcentration' and not decentralisation.

Responsibility centres<sup>453</sup> have to explain, justify their actions (accountability), carry out operational functions (responsibility), do this within an agreed

framework (authority) and have the ability in the form of knowledge and means whether resources or/and systems (capacity) to implement their operational functions. <sup>454</sup>

The rationale for the creation of responsibility centres is informed by the following assumptions:

That **better quality** management decisions are usually taken by managers who are closest to the implications of those decisions and who are likely to be directly impacted by those implications;

That **speed of decisions** and implementation is enhanced by elimination of unnecessary authorisation iterations;

That the **development of managers** and leaders is accelerated by increasing the scope of their management delegations.<sup>456</sup>

The core message is that the quality of decisions will improve if they are made closer to the coalface, cutting back laborious decision making process to save time and improving the capacity of more managers if they have more responsibility.

What seems to have been overlooked is the fact that this strategy could easily result (as it has done) in additional layers of management and cumbersome operational procedures that tend to undermine the desired performativity goals. For example, responsibility centres and their respective support functions had to be replicated five times across the five faculties. Four operational functions, which had previously operated with a leaner structure at central level, namely

<sup>&</sup>lt;sup>452</sup> Document 1: University of the Witwatersrand General Policy Framework for Management Devolution, University Archives, Senate House, p.1.

<sup>&</sup>lt;sup>453</sup> Responsibility centres refer to various entities or units that take financial and administrative responsibility for their independent operations while retaining accountability to the central authority.

<sup>&</sup>lt;sup>454</sup> Document 1: University of the Witwatersrand General Policy Framework for Management Devolution, University Archives, Senate House, p.1.

<sup>&</sup>lt;sup>456</sup> Document 1: University of the Witwatersrand General Policy Framework for Management Devolution, University Archives, Senate House, p.1-2.

Research, Academic Registrar, Finances and Human Resource Management, have been devolved to faculty level with a proliferation of assistants.<sup>457</sup>

By focusing on deconcentration, devolution required more adept management technologies to retain and proficiently centralise power at the top.<sup>458</sup> This was achieved through limiting the authority of the operational centres and the leadership and management of these to strategic decision making. However, in the context of deconcentration, mechanisms to evaluate and monitor the strategic alignment of operations to the centre are of paramount importance. It is for this reason that devolution has still not been finalised two years after implementation.<sup>459</sup> Some performance related systems include the performance appraisal systems, workload modelling and new regulation of the leave system. These systems are monitored and evaluated through the human resource management and quality assurance mechanisms, by the Academic Planning office, and the Centre for Teaching and Learning has been put in place.<sup>460</sup> The logic is to ensure that through devolution individual entities become responsible for their own levels of efficiency and performativity.

An unintended consequence of devolution has already been felt in research. In a document written by the DVC research, Professor Belinda Bozzoli, entitled

<sup>&</sup>lt;sup>457</sup> Interview with Professor Neil Garrod, Dean of the Faculty of Commerce, Law and Management, University of the Witwatersrand, 16 January 2002; Interview with Professor Colin Wright, Dean of the Faculty of Science, University of the Witwatersrand, 14 January 2004.

<sup>&</sup>lt;sup>458</sup> A recent study conducted on centralisation and devolution at the University of Natal and the complexity of this issue with reference to its two campuses in Durban and Pietermaritzburg shows that the managerial structure was highly centralised (Brown, D.M. (2000) Swings and roundabouts: Centralisation and devolution in a multi-campus university in South Africa. *Higher Education*, 40, 163-180).

<sup>&</sup>lt;sup>459</sup> Interview with Mr Andre de Wet, Executive Director of Finance, University of the Witwatersrand, 25 March 2003; Interview with Ms Miriam Abrams, Deputy Registrar, University of the Witwatersrand, 19 August 2002.

<sup>&</sup>lt;sup>460</sup> Interview with Mr Richard de Villiers, Director of Human Resources Management, University of the Witwatersrand, 18 February 2003; Interview with Ms Linda Murray, Director of Academic Planning Office, University of the Witwatersrand, 9 April 2003 and Interview with Professor Margaret Orr, Director of the Centre for Learning and Teaching Development (CLTD), University of the Witwatersrand, 26 February 2003.

'Problems in the Devolution of Research', it is shown that devolution has caused decisions pertaining to research to be made at faculty level. Given the financial pressures, faculties are underfunding research entities and in turn putting them under threat. She notes:

In the area of research, the devolution process has not retained sufficient oversight by the URC (University Research Committee), the DVC Research and the Research Office. The mechanisms for management and quality control, and for protecting the area of research so that a strong culture of research exists, have recently undergone a drastic set of changes compounded (in the case of finance) by changes in the University's own systems. Some modifications to the devolved system would assist in resolving at least some of the problems that have emerged. Devolution should not be seen as the giving up of all control and oversight by the 'centre'.<sup>461</sup>

Already two years<sup>462</sup> prior to the review of the system of devolution, the potential danger of devolution is being experienced, encouraging greater support for the centralisation of research to ensure the growth in research culture within the university.

#### 6.5.5 From Academic Units to Business Entities

The transformation of academic units to business entities has been based on the Attributable Income and Expenditure Model (AIEM) or the Basic Accounting and Revenue Attribution (BARAT) model. This area of resource allocation concerns all higher education systems, as external demands such as vocationalism and declining state funding are translated into an internal resource allocation process.<sup>463</sup>

<sup>&</sup>lt;sup>461</sup> Bozzoli, B. (2004). *Problems in the Devolution of Research*. The Office of the DVC Research, Senate House, p.1-2.

<sup>&</sup>lt;sup>462</sup> Bozzoli, B. (2004). *Problems in the Devolution of Research*. The Office of the DVC Research, Senate House, p.1.

 <sup>&</sup>lt;sup>463</sup> Massy, W. F. (2001). Reading 13: Reengineering Resource Allocation Systems. In D.L.L. Dill (Ed.). *The Nature of Academic Organisation: A Reader*. The Netherlands: Lemma Publishers.
 The area of resource allocation is a significant area of study and has been undertaken in great depth by, for example, Michael Shattock and Gwynneth Rigby who have set out to

The principles informing BARAT are: (i) the financial viability of a faculty which is based on income; (ii) that the main university incomes such as fees, subsidy and budgeted external incomes are included; (iii) the cost analysis of the faculty or school is based on direct costs and other university costs 'proportionally allocated according to the number of FTEs students and square metres of space occupied'; (iv) the level of cross-subsidisation which should be no more than 15% by 2005 and 10% by 2006; (v) faculty cross-subsidisation; (vi) distinguishing between

describe the different institutional models and processes of resource allocation (Shattock, M. & Rigby, G. (1985). *Resource Allocation in British Universities*. Conference of University Administrators Resource Allocation Group. Research into Higher Education Monographs of Society for Research into Higher Education (SRHE). Guildford University: Surrey).

central costs and costs incurred at the centre; and (vii) efficiency ratios in which the appropriateness of budget expenditures is determined.<sup>464</sup>

AIEM or BARAT ensures academic entities become accountable for their own incomes and expenditures and encourages them to raise third stream funding in addition to that accrued from government and student fees. Elsewhere the pressure to raise 'third stream' funding is referred to as financial diversification. This may entail introducing fees other than tuition fees, such as examination fees, charges for board and lodging, introducing education credit e.g. student loans, deferred student cost recovery mechanisms such as a graduate tax, work-study programmes, business sponsorship, short courses, consultancy and applied research<sup>465</sup> and full fee paying or fully self-supporting students.<sup>466</sup> Williams (2001) argues: as higher education moves to an output orientated system, driven both by government and by institutional management, nothing within the university, including its academic heartland, is sacrosanct.<sup>467</sup> The consequence of this entrepreneurial approach has been cited as the primary reason for the

<sup>&</sup>lt;sup>464</sup> Vice-Chancellor's Update. (2004, March). Issue No 2. University Archives, Senate House, p.2.

<sup>&</sup>lt;sup>465</sup> Woodhall, M. (1995). Financial Diversification in Higher Education: A Review of International Experience and Implications for African Universities *Higher Education Policy*, 8(1), 16-23.
Sanyal, B.C. (1998). *Diversification of sources and the role of Privatisation in financing higher education in the Arab States region*, Paper prepared for the Arab Regional Conference on Higher Education held in Beirut, Lebanon, as part of the preparation for the World Conference on Higher Education (WCHE), Paris 5-9 October 1998; Wagaw, T.G. (Professor of Higher Education, The University of Michigan). (n.d.). *Renewal, Expansion and Resourcing African Higher Education*, Paper delivered at the Conference on African Higher Education.

<sup>&</sup>lt;sup>466</sup> Kiamba, C. M. (2003). The *Experience of the Privately sponsored studentship and other income generating activities at the University of Nairobi*. A Case Study prepared for a Regional Training Conference on Improving Tertiary Education in Sub-Saharan Africa: Things that Work! Accra. September 23-25.

<sup>&</sup>lt;sup>467</sup> Williams, G.L. (2001).Reading 3 The 'Marketisation' of Higher Education: Reforms and Potential Reforms in Higher Education Finance. In D.L.L. Dill (Ed.), The *Nature of Academic Organisation: A Reader*. The Netherlands: Lemma Publishers. p.49-73.

declining access of poor students and potential stratification in higher education,<sup>468</sup> despite government efforts to introduce student loan schemes.<sup>469</sup>

The focus at Wits is on cost containment or creating cost centres, unlike in the business environment in which the focus of devolved units is the creation of profit centres. What is being passed down, both in terms of policy and practice is 'difficult rationing decisions down the line not only to service managers but to various managers themselves'.<sup>470</sup>

The drive towards cost centres has introduced the language of 'surplus' and 'deficit' which is reflected in the tables below.

<sup>&</sup>lt;sup>468</sup> Quirke, L. & Scott, D. (2002). The New Entrepreneurship in Higher Education: The Impact of Tuition Increases at an Ontario University. *The Canadian Journal of Higher Education*:XXXII(3), 85-110.

<sup>&</sup>lt;sup>469</sup> Van Harte, M. (n.d.). Can Student Loan Schemes Ensure Access to Higher Education: South Africa's Experience, Unpublished paper, University of Western Cape, Cape Town, Education Policy Unit.

 <sup>&</sup>lt;sup>470</sup> Hogget, P. (1996). New Modes of Control in the Public Service. *Public Administration*: 74. p.20.

Name of Faculty	Deficit	Surplus
Commerce Law and Management		16.48%
		22, 355, 193
Built Environment and Engineering	17.14%	
Lingineering	15, 235, 949	
Health Sciences		9.40%
		14, 795 950
Humanities, Social Science and Education	22.21% 28 260 028	
Science		3.76%
		6, 290 656

## Table 11: Deficit and Surplus by Faculty

Percentages and amounts represent the extent to which faculties are in 'deficit' or have generated a 'surplus'.

The total is a deficit of 0.01% which amounts to R54, 178.

The table on the previous page shows that the two faculties that are in 'deficit' are the Faculties of Built Enivornment and Enigineering and Humanities, Social Science and Education. The model can be replicated within faculties to establish which schools are 'deficit' and 'surplus' schools. This is represented in the table below.

Faculty	Deficit Schools	Surplus Schools
ient		Accounting: 3.45% 1.154.686
lagen		Business Administration
Man		26.90% 4.974.110
w and		Law 18.12% 8.678.423
Commerce, Law and Management		Public Development Management 66.27% 3.531.357
Col		<i>Economics and Business</i> <i>Sciences</i> 12.99% 22.695.618

# Table 12: 'Deficit Schools' and 'Surplus Schools' within Faculties

Faculty	Deficit Schools	Surplus Schools
Endineering and the Built Environment	Architecture and Planning 6.02% 1.209.659 Construction Economics Management 16.78% 1.226.711 Civic and Environmental Engineering 0.60% 61.223 Electrical and Environmental Engineering 13.41% 2.433.958 Mechanical Industrial and Aeronautical Engineering 10.14% 1.533.873 Mining Engineering 16.17% 1.397.392 Process & Materials Engineering 4.05% 374.674	Surplus Schools
Health Sciences Faculty	Engineering Support Program 168.06% 204.857 Physiology 24.14% 3.431.036 Public Health 18.12% 2.212.075	Anatomical Sciences 13.15% 2.363.047 Oral Health Sciences 15.94% 1.434.797 Clinical Medicine 15.43% 8.161.536 Pathology 2.40% 593.365 Therapeutic Sciences 6.03% 1.602.324
Humanities	Education 25.47% 11.852.875 Literature and Language Studies 32.11% 4.867.727 Social Science 30.07% 7.085.555 Wits School of Arts 29.59% 3.945.728	Graduate School of Humanities and Social Science 7.24% 127.511

Faculty	Deficit Schools	Surplus Schools
	Computational and Applied Mathematics 2 229/ 720 002	Animal, Plant and
	Computational and Applied Mathematics 3.32% 730.093 Mathematics 10.22% 2.792.460	<i>Environmental Sciences</i> 7.45% 1.238.014
	Molecular and Cell Biology 0.87% 118.524	Chemistry 1.29% 262.782
Science		Computer Science 5.02% 457.644
		Geography, Architecture and Environmental Studies 37.43% 2.673.510
		<i>Geosciences</i> 29.11% 2.064.37

What is interesting from the table is that even if a faculty is categorised as a 'surplus' faculty, all its schools are not necessarily 'surplus' schools as is shown in the case of the Faculties of Health Sciences and Science.

A key problem with this modeling of faculties is that the state of faculties' finances tends to dominate the characterisation of their relationships. In the words of one faculty member:

...I am resisting the tendency to put the Faculty in a situation of dependency in relation to other, 'richer' faculties – and that within a funding framework that is questionable from the point of view of actual costs, but even more so from the perspective of intellectual diversity. As manager of the Faculty, I find this situation demeaning.<sup>471</sup>

<sup>&</sup>lt;sup>471</sup> Letter, 11 March 2003. p. 3.

Another informant simply stated that the new system has caused *havoc*.<sup>472</sup> Competition between faculties and within faculties betweens schools, departments and units is an implication of the AIEM as shown in the distinction between 'surplus' and 'deficit' in the table above. The severity of this competition continues to be felt particularly by the Faculty of Humanities, albeit unequally, as it is projected that in 2005 the School of Education's adjunct staff will be cut to 40%.<sup>473</sup> What determines which units succeed and which do not according to Hackman (1991) is a combination of a specific unit's internal resource allocations, external or environmental power, institutional power and resource negotiation strategies despite the generalised economic climate.<sup>474</sup>

This internal economic model also sets up a seller or buyer relationship between the academic responsibility units and the support service responsibility units. A key example of this is the establishment of the Facilities Management Unit, a consequence of 1999 restructuring. What the ratio of student, staff and space does is introduce space as a consideration of the needs of an operational unit. Facilities Management is responsible for space allocation on campus and considered as a responsibility unit intending to fashion itself into a profit centre which would charge various faculties and schools for their use of space. <sup>475</sup>

<sup>&</sup>lt;sup>472</sup> Interview with Consultant, University of the Witwatersrand, 7 July 2003.

<sup>&</sup>lt;sup>473</sup> Remark by Professor Brahm Fleisch in discussion in the School of Education on the qualities needed for a new Head of School, University of the Witwatersrand, 30 November 2004.

<sup>&</sup>lt;sup>474</sup> Hackman, J.D. (1991). Power and Centrality in the Allocation of Resources in Colleges and Universities. In M.W. Peterson, et al. (Eds.). Organisation and Governance in Higher Education A ASHE Reader. ASHE Reader Services. Simon and Schuster Custom Publishing. p.268-284.

<sup>&</sup>lt;sup>475</sup> Interview with Mr Stuart Horne, Director of Facilities Management, University of the Witwatersrand, 2002.

While we currently have an initial indication of new relations that are likely to emerge within the institution between faculties, the work of Volk, Slaughter and Thomas (2001) points to possible future development. They show that further differentiation is evident between departments and within departments as resource allocation reflects processes of re-valuing of knowledge, which in turn is underpinned by gender and racial differences.<sup>476</sup>

#### 6.5.6 Enlarging the University's Student Share

The Centre for Student Enrolment,<sup>477</sup> the International Office<sup>478</sup> and Marketing and Communications<sup>479</sup> are all important components in focusing institutional energies upon the core by attracting students back to Wits. An important part of this strategy has been to develop a customer friendly environment. One of the key ways in which the university attempted to attract students to Wits was through upgrading the campus by establishing the Matrix<sup>480</sup> during May 2001.<sup>481</sup>

<sup>&</sup>lt;sup>476</sup> Volk, C.S., et al. (2001). Models of Institutional Resource Allocation Mission Market and Gender. *Journal of Higher Education*, 72(4), 387-405.

<sup>&</sup>lt;sup>477</sup> Previously the centre was referred to as the Student Enrolment Services and included central admissions.

<sup>&</sup>lt;sup>478</sup> The international office was transferred from the responsibilities of the registrar out of the student enrolment services to the deputy vice-chancellor academic external.

<sup>&</sup>lt;sup>479</sup> The student recruitment arm of student enrolment services was transferred to the Director of Marketing and Wits Enterprises. First it was called Schools Liaison now it is called Marketing and Communications. So there is a schools liaison element, which works within the marketing advertising component of that division which was there before (Interview with Dr Derrick Swemmer, University Registrar, and 27 February 2003).

<sup>&</sup>lt;sup>480</sup> The Matrix is a small-scale shopping mall consisting of 26 retailers, four peripheral outlets in Senate House, the Medical School, Oppenheimer Life and West Campus, a refurbished Campus Health, Wellness and Physiotherapy Complex, new SRC and Clubs and Societies offices and sporting facilities such as the new Beach Volleyball Courts. The Matrix was established in what was previously a student centre in which the Student Representative Council (SRC) had four shops. The Matrix is based upon a public/private partnership which is a 20 year Build Operation Transfer (BOT) agreement. What this means is that, while the university continues to own the property, the developers have been given the opportunity to run the Matrix and to upgrade it. It is their responsibility to regain the investments they may have made in the establishment of the Matrix over this 30 year period. The University gains R60 000 per year from the proceeds of the Matrix, which it in turn gives to the SRC. In addition, the SRC was given R10 000 for the loss of its operation

Developing a comprehensive advertising,<sup>482</sup> marketing and communications strategy<sup>483</sup> was another way in which the institution attempted to attract students. Improving the image of the institution through creating a distinct brand identity, 'Wits gives you the Edge', was seen as a key way to attract students after student numbers declined from the early 1990s.<sup>484</sup> This was particularly important because of public perception that crime was spilling over into Wits from Braamfontein and the inner city together with a decline in services and infrastructure of the institution.

- <sup>481</sup> Nel Wilreker Partnership was the architectural firm appointed to oversee the retail centre given their experience in establishing similar retail centres at the Rand Afrikaans University and the University of Port Elizabeth (C2000/105, University Archives, Senate House).
- <sup>482</sup> Advertising is considered to be a subset of the marketing strategy that is an all-embracing notion for 'branding' the institution.
- 483 Previously there was an advertising and marketing department, which operated in a dispersed manner; for example, the Open Day was not taken care of by the marketing division and student recruitment was handled by the student enrolment services (C2000/105, University Archives, Senate House, p.1). Developing a marketing strategy included improving the image of the institution whether through improving the annual reports, which previously were fairly antiquated and developing publications such as the Guide for Applicants. Advertising takes place at two levels: at the university wide level through, for example, advertising Wits by Appointment" and "Wits Information Day" programmes and at a specific faculty level through advertising world class education in Engineering, Health Sciences and Law. Advertising takes a number of different forms such as radio ads, TV ads and print ads (C2000/105, University Archives, Senate House. p.1). These ads present Wits as a vibrant, exciting and 'fun' institution. The message is underpinned by the institution's concerns with academic excellence, which is closely aligned with international recognition, improved quality of student life and the highest entrance requirements. Through the ads, the 30 plus project and the Vice-chancellor scholarship of R17 500 is advertised for top students who meet the entrance requirement. At the level of postgraduate student, exciting research and the opportunity to rub shoulders with the best in the country is promoted (Analysis of Radio Ads and Interview with Mr Peter Bezuidenhout, 2003).

of the four shops in the student centre (The Wits Edge, June 2002, University Archives, Senate House, p1; Interview with Mr Peter Bezuidenhout; University of the Witwatersrand, 2002; Interview with Mr Peter Bezuidenhout, University of the Witwatersrand, 2003).

<sup>&</sup>lt;sup>484</sup> This is discussed in greater detail in Chapter 4.

#### According to Mr Peter Bezuidenhout, Director of Marketing

...the image was rock bottom. This place was messy, the perceptions were that it was unsafe, untidy, standards were dropping etc. and we've tried hard to turn those perceptions around in key areas.<sup>485</sup>

There is a strong emphasis here upon 'promotionalism' as opposed to subjecting the institution to public scrutiny. According to Deacon and Monk (2001), this is a common feature of quasi-autonomous non-governmental public bodies such as universities. <sup>486</sup>

An academic excellence scholarship, specifically in the Faculties of Science and Built Environment and Engineering, was presented to students to enhance the delivery of academic 'services'. <sup>487</sup>

The feeder schools from which Wits aims to recruit students include: King David, Nirvana, St James and Greenside High. Recruitment also takes place at Model C schools and historically DET schools such as in Orange Farm, Morris Isaacson, and Isaacson. Representatives from Wits attempt to visit<sup>488</sup> between 160 and 200 schools per year.

The geographical areas from which Wits has drawn students have changed, as competition has toughened with institutions such as University of Johannesburg and Pretoria University. Approximately ten to fifteen years ago Wits drew students from Pretoria; this has changed. Wits now draws students from Gauteng and Natal, the latter being largely an Indian student base. The other area, which is

<sup>&</sup>lt;sup>485</sup> Interview with Mr. Peter Bezuidenhout, University of the Witwatersrand, 25 February 2003.

<sup>&</sup>lt;sup>486</sup> Deacon, D. & Monk, W. (2001). Quangos and the news media: 'promotionalism' and higher education in context. *Higher Education Review*, 33(2), 44-66.

<sup>&</sup>lt;sup>487</sup> University of the Witwatersrand Support Service Review Recommendations to the University Management November 1999 p.12; Letter to all members of Staff, 3 July 2000 p1.

<sup>&</sup>lt;sup>488</sup> During these visits presentations which include video footage are made to learners at schools. In addition, Wits attends career fairs to promote the institution to assist and attract students who are interested in mapping out their futures. In this way, Wits attempts to redefine the feeder schools while still drawing from the traditional schools; it includes students from schools which have historically not been drawn upon, such as DET schools, to improve equity within the institution.

advertised and growing significantly, is the number of fee paying international students. Wits now has approximately 1 500 international students and an International Students House has been built to accommodate them.<sup>489</sup>

An effective customer friendly environment has been created through the establishment of the 'one stop' Student Enrolment Centre.<sup>490</sup> This centre is underpinned by a single point service philosophy. Instead of having a student arriving to select between three different degrees for which they had applied and thereafter registering at the faculty, all first year students are channelled through the student enrolment centre. Once registered there they become the responsibility of the faculties. Retraining staff for this one stop service is essential, to improve customer service as a core component of the way people think; this is a fundamental change from the way in which staff in the student enrolment service used to work.<sup>491</sup>

<sup>&</sup>lt;sup>489</sup> Interview with Mr Peter Bezuidenhout; University of the Witwatersrand, 25 February 2003; Radio Ad on International students.

<sup>&</sup>lt;sup>490</sup> Here a personalised service to first year students entering Wits for the first time is offered, such as faculty admission, residence, financial aid or scholarships and bursaries, student cards, library and email access, parking, sports clubs and societies.

<sup>&</sup>lt;sup>491</sup> Interview with Dr Derrick Swemmer, Academic Registrar, University of the Witwatersrand, 27 February 2003; Interview with Ms Carole Crossley, Director of the Student Enrolment Centre, 17 April 2002.

# 6.5.7 Developing Market Relevant Courses: Commodification<sup>492</sup> Trends

Even after the reduction of staff, faculties were aware that they had to improve their performativity in student numbers and financial currency. The Faculty of Humanities pursued a three pronged approach to secure its market relevance. This included: (i) the introduction of a fourth year 'topping' to the generic BA focused upon vocational courses such as a BA in Journalism, Management, Tourism, Marketing or Public Administration; (ii) introducing new packages with a competitive, vocational edge in 'African studies', 'media studies', 'human resources management', 'international commerce, law and diplomacy', 'social research', 'IT for humanities', 'cognitive studies' and 'computational linguistics'; and (iii) areas of specialised professional alternatives, for example in Dramatic Arts, 'television studies' as an area of specialisation within the BA Dramatic Art. <sup>493</sup> Other areas of growth are the Graduate School of Humanities, which focuses upon attracting mid-career professionals who are interested in changing their careers, and Wits Plus focused on providing studying opportunities for part time students.<sup>494</sup>

The impact of the adoption of austerity strategies, while at the same time retaining excellence, can be seen in the Faculty of Health Sciences. The faculty responded to cutbacks on posts and filling of posts and the quality of health provisioning in the public sector by the Gauteng Health Department by acquiring its own private

<sup>&</sup>lt;sup>492</sup> These developments are not a post 1999 phenomenon but were already seen during the early 1990s. Particularly during 1997 and 1998 a number of projects were initiated under the Income Generation Programme. "The Income Generation Programme (IGP) ...includes: continuing professional education; clinical trials for producers of pharmaceuticals; management consulting services to business; and use of university lecture and residential facilities for conferences. Since coming into existence on 1 September 1997, the IGP has assisted or launched over 70 projects. There are projects in each of the nine faculties and in the Faculty of Health Sciences the University has formed a wholly owned company (Wits Health Consortium Ltd) to manage and market a wide range of products and services produced by the staff and students of the Faculty." (Wits Annual Report, 1997/1998, p. 4.)

<sup>&</sup>lt;sup>493</sup> Wits Annual Report, 1997/1998, p.21-23.

<sup>&</sup>lt;sup>494</sup> Wits Annual Report, 1997/1998, p.23- 25.

hospital Kenridge Hospital 'in order to provide superior tertiary level clinical exposure for students and staff'. Income generating, necessitated as a result of declining state funding, has been addressed by the creation of Wits Health consortium and the provision of short courses at Wits.<sup>495</sup>

In the Faculty of Engineering and the Built Environment, the greatest concerns centre around (i) the impact of labour market trends upon engineering (particularly mechanical engineering) because of the slow growth in the motormanufacturing sector, (ii) implementing programmes in areas of growth,<sup>496</sup> (iii) the faculty entering into new market collaboration, cross faculty activities in areas such as biotechnology and materials engineering with WITP (Wits Information Technology Programme), environmental issues (WISE), development studies, tourism and cultural heritage, refugee housing together with the Graduate School of Humanities and Social Science, and (iv) continuing to expand the delivery of short courses for the purposes of income generation.<sup>497</sup> In the Faculty of Law, Commerce and Management, short courses and certificate programmes are offered in Commerce, Accountancy and Economics.<sup>498</sup>

<sup>&</sup>lt;sup>495</sup> The short courses offered include certificate, executive and professional development courses and courses given by a member of Thusano School of Public Health (TSPH), a section 21 company, to which Wits, Pretoria, Potchefstroom, University of the North and the University of Venda belong. Other strengths of the faculty include its large annual research outputs (Academic Programme Review Committee Faculty of Health Sciences Round One 11 May 2000, University Archives Senate House, p.1-16).

<sup>&</sup>lt;sup>496</sup> Examples of these are: real estate, an environmental option in Civil Engineering, Information Engineering in Electrical Engineering and Engineering Project Management, a MEng by coursework only and a new five year qualification in Architecture and Planning.

<sup>&</sup>lt;sup>497</sup> These are offered by the Centre for Continuing Engineering Education in the Schools of Built Environment and Construction Management. Like the Faculty of Science, this faculty sees itself establishing a Graduate School for Postgraduate Students. Problem areas for this faculty are the salaries, equity issues and maintenance of equipment (S2000/1365B Academic Restructuring Summary Report and Recommendations: 9; Report of the Academic Planning and Restructuring Committee for the New Faculty of Engineering and the Built Environment (undated), University Archives, Senate House, p.1-14).

<sup>&</sup>lt;sup>498</sup> Academic Planning and Review Committee Report Amalgamation of the Faculties of Law, Commerce and Management, University Archives, Senate House, p.1-4.

## 6.5.8 Integrating Entrepreneurialism into University Business: Indices of Commodification

Making Wits more market relevant is an attempt to ensure that the institution's level of performance both in relation to inputs and output increases. A range of entrepreneurial initiatives has flourished at Wits.<sup>499</sup> These include the generation of third stream funding by faculties and schools, the establishment of Wits Enterprise, Wits Language School, Wits Business School, offerings of short courses, Wits Plus, Wits Health Consortium and the Centre of Material and Process Synthesis (COMPS). The two initiatives that generate the largest incomes are the Wits Health Consortium and COMPS. While these initiatives operate independently, the institution is currently exploring ways in which to integrate the synergy of these initiatives through Wits Enterprise.

#### 6.5.8.1 Wits Enterprise

Wits Enterprise was established in April 2001 as a commercial business through which the university and individual staff members can obtain additional funding by ongoing commercial activities. It is a private company with an independent legal identity.

Wits Enterprise is the new company formed at the University of the Witwatersrand to manage and promote commercial and industrial opportunity. Wits Enterprise offers South African and international businesses access to research, technology transfer and innovation, training and development programme assistance, with recruitment and expert consulting. Whatever a company's involvement with the academic sector, Wits Enterprise can add value to its activities.<sup>500</sup>

<sup>&</sup>lt;sup>499</sup> Fostering income generating activities in higher education in Africa is becoming a growing area of concern as state allocation of funding has dwindled significantly. Successful ingredients of income generating activities include: (i) developing a positive attitude; (ii) encouraging teaching and research staff to become involved; (iii) developing an entrepreneurial culture; and (iv) developing partnerships with the private sector (Butare E.A. (2003). *Income Generating Activities in Higher Education: The Case of Kigali Institute of Science, Technology and Management (Kist), A case study.* Paper prepared for a Regional Training Conference on Improving Tertiary Education in Sub-Saharan Africa: Things That Work!, Accra. September 23-25).

Studies on the commercialisation of research, which is partly what Wits Enterprise intends to do, demonstrate that the mere establishment of such entities does not guarantee success but that a combination of the economic environment, technical progress and the university's strategy are all important in contributing to success.<sup>501</sup>

Wits Enterprise is mainly owned by staff and it is envisaged that in the future staff will own 70 % of the company with 30 % owned by Wits. The company will be involved in the sale of short courses, consulting, contract research and intellectual property licence, as there are many products that individual academics have given away in the past which have made others rich and from which Wits and individual staff members could have prospered. The company will be a private company and will sell the work of various 'activity groups' such as faculties, schools, or groupings.<sup>502</sup>

#### 6.5.8.2 Centre of Material and Process Synthesis

The Centre of Material and Process Synthesis (COMPS) was formed at the beginning of 1999, to provide access to industry to the latest cutting edge techniques through a multidisciplinary approach to problem solving. To achieve this, COMPS works with, for example, the Wits School for the Environment (WiSE), Molecular Sciences Institute (MSI) and the Centre for Applied Mining Exploration Geology (CAMEG). COMPS is a consulting group which has been responsible for developing the field of Process Synthesis.<sup>503</sup> The work undertaken

<sup>&</sup>lt;sup>501</sup> Laperche, B. (2002). The Four Key Factors for Commercialising Research. *Higher Education Management and Policy*, 14(3), 149-175.

<sup>&</sup>lt;sup>502</sup> Interview with Mr Peter Bezuidenhout, CEO of Wits Enterprise, University of Witwatersrand, 6 June 2002.

<sup>&</sup>lt;sup>503</sup> COMPS works closely with the following research entities within the university: the Wits School for the Environment (WiSE), Molecular Sciences Institute (MSI), Centre for Applied Mining Exploration Geology (CAMEG), Schonland Research Institute, Economic Geology Research Institute – Hugh Allsopp Laboratory (EGRI-HAL), Climatology Research Group, Atmosphere and Energy Research Group, SASOL Centre for Innovative Environmental Management (SCIEM), Animal, Plant and Environmental Sciences (APES), Conservation and Restoration Biology Research Group, Centre for Electrochemistry,

by COMPS includes short to long term research projects,<sup>504</sup> and a series of inhouse training courses that can be customised to requirements in the areas of process synthesis and optimisation. <sup>505</sup>

#### 6.5.8.3 Wits Health Consortium

The Wits Health Consortium (Pty) Ltd (WHC) is non-profit organisation; it is a wholly owned subsidiary company of Wits which began operating in February 1998. The company was established to source and manage funds derived from commercial and grant funded research activities for the university's Faculty of Health Sciences in order to retain skilled intellectual capital, independently resource academic departments and develop research capacity. The WHC is the umbrella legal entity for the faculty's 72 large donor funded research units and 59 research sites involved in contract clinical research, staffed by over 400 faculty academics, clinicians and support research personnel. Research areas of strength include Paediatric and Adult HIV and Infectious Diseases, Women's Health and Reproductive Health (with one researcher awarded the OBE in 2001), Community Health and Health Policy Development, Pulmonology, Paediatrics, Cardiology, Psychiatry, Oncology and Molecular Biology.

#### 6.5.8.4 Wits Language School

The Wits Language School is located in the School of Literature and Language Studies. It specialises in offering short courses for the purposes of generating an income. The idea is that:

You pay and we teach you. It is therefore an Income Generating Project to sell the intellectual capital of languages. That is what we are doing.

<sup>504</sup> COMPS: An Introduction to a New Multidisciplinary Consulting Service. p. 2.

<sup>505</sup> COMPS: An Introduction to a New Multidisciplinary Consulting Service. p. 2.

Geotechnical and Geo-environmental Engineering, Minerals Processing Group and Continuing Engineering Education (CEE) (Interview with Project Manager, June 2003 and An Introduction to a New Multidisciplinary Consulting Service).

So that is an experiment; which so far is running well, which has grown; our turnover last year was 1.9 million which is good. <sup>506</sup>

The Wits Language School is undergoing a steep formative stage.<sup>507</sup> The Language School has a relationship with Wits Enterprise.

They (Wits Enterprise) get 10 % of gross from our nett income. So that's year-to-year. But by so doing we're shareholders with Wits Enterprise. So we know that we are giving money to Wits Enterprise, but we will get it back again when dividends are [declared] in Wits Enterprise if and when Wits Enterprise becomes profitable. So Wits Enterprise performs a critical function for us. They advise us on business strategy, they advise us on financial strategy and financial management; and they advise us on marketing. <sup>508</sup>

## 6.5.8.5 Accessing a New 'Student Market': Gaining Access to Part Time Students Through Wits Plus

Wits Plus was established in November 1999 with Professor Kathy Munro as its director. The rationale for forming Wits Plus is explained by three objectives which underpinned the founding senate document: the centre would add a new category of student to Wits and so be a factor in turning around the then (1998/99) downward trend and contribute to an overall rise in student numbers particularly in the Faculty of Arts; the centre would pay careful attention to the relationship of costs to income and ensure that an initial investment was converted rapidly into sound long term profitability; the centre would also fulfill a social purpose by widening access to a new category of student, the mature, working adult. In other words Wits Plus is essentially an entrepreneurial activity to assist the institution in generating income by increasing student numbers. Staff who teach at Wits Plus are paid for doing so; therefore individual staff members are able to top up their salaries (although this is considered to be minimal).

<sup>&</sup>lt;sup>506</sup> Interview with Dr Nhlanhla Twala, Head of School of Literature and Language Studies, University of the Witwatersrand, 27 March 2003.

<sup>&</sup>lt;sup>507</sup> Interview with Dr Nhlanhla Twala, Head of School of Literature and Language Studies, University of the Witwatersrand, 27 March 2003.

<sup>&</sup>lt;sup>508</sup> Interview with Dr Nhlanhla Twala, Head of School of Literature and Language Studies, University of the Witwatersrand, 27 March 2003.

From all the reports submitted by Wits Plus to senate from 2000, it is clear that Wits Plus has succeeded in becoming financially viable, sustainable and income generating activity.<sup>509</sup>

Currently, there are attempts to consolidate Wits Health Consortium and Wits Enterprise into a single entity. These parellel initiatives offer the university the opportunity to diversify its income base. At the same time, they create the conditions for academics to transform themselves into what Slaughter and Leslie refer to as 'Academic Capitalists'<sup>510</sup>. This is discussed further in Chapter 9.

### 6.6 Restructuring Begets More Restructuring

Mckinley and Scherer (2000) argue that because restructuring tends to produce 'cognitive order' for senior executives and 'long term environmental turbulence', restructuring becomes a 'self-reinforcing loop'.<sup>511</sup> The signs of this are already evident at Wits.

During 2004, SET decided to implement a 'financial turnaround strategy'. The reason for this is offered by SET:

In 1997 the University embarked on a process of review to trim costs and to project the financial needs of the University for the next five years. The expected recovery did not take place at the levels envisaged and the planned deficit budgets that we experienced over the last three years

<sup>&</sup>lt;sup>509</sup> Course income in 2001 was R2 million, with R600 000 excess which almost covered the R615 000 net loss from the first year and "...meant that Wits Plus now breaks even two years ahead of the projected roll-out figures and ahead of any subsidy income" (Report to senate on the work of Wits Plus Centre for Part time studies for the year 2001; 6). With the first subsidy income in 2002, Wits Plus will earn its first profit. Finances of Wits Plus are organised in an economic manner by retaining a small staff and getting lecturers and tutors involved on honorarium basis (Interview with Professor Kathy Munro, Director of Wits Plus, University of the Witwatersrand, 8 July 2003.).

<sup>&</sup>lt;sup>510</sup> Slaughter, S. & Leslie, L.L. (1999). Academic Capitalism. Baltimore and London: The Johns Hopkins University Press.

<sup>&</sup>lt;sup>511</sup> McKinley, W. & Scherer, A.G. (2000). Some Unanticipated Consequences of Organisational Restructuring. *Academy of Management Review*, 25(4), 735-752.

have exceeded the recovery capacity of the University's resources and reserves. The University's reserves have been substantially depleted. <sup>512</sup>

This means that the institution had made no financial savings. A financial manager has stated that there are no savings within the system even with respect to the support services outsourcing, as the companies involved want to make money from the endeavour.<sup>513</sup> One of the reasons cited for this is the change in government funding formula, which before allowed institutions like Wits to capitalise on the growth in enrolment figures. The new arrangement requires subsidised student enrolments to be negotiated with individual institutions. Government formula was made explicit during 2004 and is productivity and output orientated.

This adds a great deal of pressure on universities to improve their research and teaching outputs over prescriptive periods and, more significantly, ties government subsidy to these objectives. <sup>514</sup> This is another example of the continual and increasing influence of government regulations upon institutional behaviour.

Internally, the financial turnaround strategy includes a review of non-academic, research or administrative entities, which commenced during 2004.<sup>515</sup> The focus, particularly on continual cost savings, generating more income through

<sup>&</sup>lt;sup>512</sup> *Vice-Chancellor's Office Update*. (2004, June). Issue No. 4. University Archives, Senate House, p.1.

<sup>&</sup>lt;sup>513</sup> Interview with Financial Consultant, University of the Witwatersrand, 17 July 2003.

<sup>&</sup>lt;sup>514</sup> *Vice-Chancellor's Office Update*. (2004, June). Issue No. 4. University Archives, Senate House, p.1.

<sup>&</sup>lt;sup>515</sup> *Vice-Chancellor's Office Update.* (2004, June). Issue No. 4. University Archives, Senate House, p.1.

fundraising and third stream funding in order to bolster the university's reserves,<sup>516</sup> is consistent with the 1999 restructuring exercise.

The reason for this process besides changes in government funding is pay increases to a 'senior heavy' staff complement. Even so management has not conducted a critical appraisal of the 1999 restructuring exercise.

### 6.7 Conclusion

In this chapter I have argued that, after approximately 40 years of largely unchanged organisational design and management, under the leadership of the Vice-Chancellor Professor Colin Bundy a new organisational design was implemented at Wits. The new organisational design is characteristic of the global tendency of public sector organisations to adopt private sector practices. The new organisational design may be characterised as typically managerial, not only in its form but also in its underpinning discourse and the process of restructuring, in which management dominated and meticulously drove the restructuring process forward. More specifically, the new organisational design characterised by fewer faculties and departments, streamlined decision making processes, devolution of operational functions, the transformation of academic units into business entities and the flourishing of entrepreneurial initiatives is allowing Wits to create for itself a new institutional identity which is more market sensitive and competitive.

More involvement by academics in conceptualising academic restructuring is evident. This indicates the university management's concern with ensuring collegiality during the academic restructuring process.

<sup>&</sup>lt;sup>516</sup> *Vice-Chancellor's Office Update*. (2004, June). Issue No. 4. University Archives, Senate House, p.1-3.

Despite the restructuring exercise, however, the university still experiences financial problems and continues to be driven towards further restructuring initiatives. None of these have resolved any of the deep seated social problems of financial access to Wits. On 28 and 29 April 2004, in addition to the financial turnaround strategy, students embarked upon mass protests<sup>517</sup> caused by the shortage in financial aid available to them. As was the case prior to 1999, as discussed in Chapter 4, the university continues to demonstrate its inability to plan accurately for the future of the institution.

In Chapter 7 I consider the case of the Senior Executive Team.

<sup>&</sup>lt;sup>517</sup> University of the Witwatersrand, Statement from the Vice-Chancellor and Principal, Professor Loyiso Nongxa, 27 April 2004, University Archives, Senate House.