

Knowledge, Perceptions and Attitudes to Mergers at the
University of the North¹

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1. The Context of Mergers

Internationally, mergers in higher education have been taking place either through government initiatives or voluntary arrangements between various institutions. Prompted by efficiency, achieving economies of scale and enhancing capacity, these mergers have been extensively documented and researched. Other drivers propelling higher education into reorganisation and restructuring include responsiveness to technology, increased access for students, globalisation and knowledge production and distribution. These challenges frame and shape the South African restructuring initiatives.

The South African higher education sector is fragmented with divides entrenched along racial lines, urban and rural institutions, advantaged and disadvantaged and universities vs technikons. In the period following the release of reform plans there has been great resistance to reform in terms of the implementation frameworks of the Department of Education. Despite the policy development process being iterative with prolonged and sustained engagement with stakeholders, there is dissent that has the potential to disrupt the reform initiatives. Notably, media coverage of mergers that have already taken place highlight the problems that are a consequence of organisational change, institutional culture clashes and slowness to adopt new institutional identities.

The Council on Higher Education Annual Report provides valuable statistics on enrolment trends in higher education indicating that the required number and range of graduates are not being produced (2001:27). Further issues that have prompted major initiatives from the government are declining enrolments, poor retention of students and low graduation rates. Several historically disadvantaged institutions have experienced financial instability due to declining student numbers, high staff turnover and governance crises. The restructuring initiatives of the Department of Education aim to avert the system from a crisis mode and deepening of the divide between the historically advantaged and historically disadvantaged institutions. It has been pointed out by the Council on Higher Education (CHE) that:

In the coming year, government will face a critical challenge in mediating diverse interests and making decisive choices. This is unavoidable. The resolution of a number of subsidiary issues depends in large part on the initial choices and decisions made about the institutional landscape. In the absence of decisions and active steering, a new landscape will emerge through a market-driven 'Darwinian' resolution. There should be no doubt that the 'winners' and 'losers' will be powerfully conditioned by past privilege and disadvantage. More important, it is highly unlikely that such a resolution will deliver the kind of higher education system called for by the White Paper (CHE, 2001:68)

It is the failure of the system judged on a range of performance indicators (access rates, throughput rates, graduate employability, etc.) that has necessitated measures by government to utilise a variety of steering and planning instruments.

2. The Proposed Merger of the University of the North

The focus of this research is on the merger as a mechanism to achieve transformation in addition to other restructuring initiatives. Alternative proposals by the sector argue the case for voluntary mergers despite cautionary statements on the selection of mergers as a mechanism to achieve goals of equity, quality, productivity, institutional sustainability and a responsive higher education system. Studies of other mergers in the education sector in South Africa find that intended goals of efficiency, financial gains and equity were not met (Jansen, 2002). The initiatives of the Department of Education in South Africa, mirror similar trends in higher education in Hungary, the United Kingdom and Australia (File and Goedegebuure, 2000). A critical study in terms of higher education focuses on the lessons learned from mergers in higher education (Fielden and Markham, 1997). Despite the relevance of the study, a note of caution must be sounded as the SA situation has a political dynamic that cannot be underplayed or underestimated. The study cites the findings of *The Economist*, 1997 which indicated that the long-term failure rate of mergers is due to neglect of the 'target's culture, structure, processes and networks' (p 4).

The National Plan for Higher Education (NPHE) developed by the Ministry of Education and released in 2001, identified additional steering instruments like rolling plans, incentive driven funding formula and mission differentiation, to be used by the Department of Education in support of a reconfigured system. The five goals identified in the NPHE are:

- To provide increased access to higher education and to produce graduates with the skills and competencies necessary to meet the resource needs of the country;
- To promote equity of access and to redress past inequalities through ensuring that the student and staff profiles progressively reflect the demographic realities of SA society;
- To ensure diversity in organisational form and institutional landscape through mission and programme differentiation;
- To build high level research capacity to address the research and knowledge skills of SA; and
- To build new institutional and organisational identities through regional collaboration between institutions. (2001:14)

The Minister constituted a National Working Group subsequent to the release of the NPHE to advise on the ‘appropriate arrangements for restructuring the provision of higher education on a regional basis through the development of new institutional and organisational forms’ (Department of Education, 2001: 4). The National Working Group’s Report was met with sector-wide alarm and some acrimony as the recommendations reduced the number of universities and technikons from 36 to 21. The University of the North was particularly affected as it was identified for a regional merger with the University of Venda in the Limpopo province and the Medical University of South Africa (MEDUNSA) that operates from Gauteng but has substantial operations in the same province.

A government gazette was issued in June 2002, which contained the Ministry’s responses to the National Working Group’s report and identified the proposals for the restructuring of higher education. Notably, there were significant departures from the National Working Group’s report, though not in relation to the proposals regarding

the University of the North. The significance of the Ministry proposals provided the impetus for conducting this research. It must be noted that at the time of writing the research, the proposals were amended to exclude the University of Venda from the merger with UNIN and Medunsa.

The University of the North was established in 1959 (in the Limpopo Province) as a college linked to the University of South Africa, in terms of the Extension of Universities Education Act No 45 of 1959. An apartheid created and funded entity, the main purpose of this Bantustan university was to provide black students with qualifications in limited fields. Since 1997 governance problems at the institution have resulted in a drop in student numbers, financial crisis and management problems that have required state intervention. At the time of this research being conducted an Administrator appointed by the Minister of Education has managed the institution. The situation between 2000-2002 could be seen as relatively stable with a positive rise in student numbers, a financial turn-around and academic restructuring of the institution partially complete.

The ministerial proposals are aimed at creating an institution in the Limpopo province that uses the proximity to Zimbabwe, Mozambique and Botswana as a strategic advantage. As a designated flagship institution, plans include addressing of both regional and national needs. Government proposals with respect to restructuring have emphasised that UNIN is to be a flagship institution along with the University of Fort Hare and the University of the Western Cape, fellow historically disadvantaged institutions. The proposed merger with Medunsa envisages growth for the institution and a widening of its institutional mission. As with any merger proposal, it has produced institutional anxiety and trepidation. It is this pre-merger phase that will be focused on in the research.

3. The KPA Study

The purpose of the research was to test attitudes of senior management of the institution to the goals and plans for the restructuring of higher education with a specific focus on the merger proposed by the Ministry of Education. A predominantly qualitative design was selected primarily because of the size of the sample and the

nature of the responses to be elicited. The nature of the study, the subsequent development of the questionnaire and choice of the sample rested on certain assumptions. These were:

- a. Knowledge of the transformation goals identified by the Department of Education
- b. Knowledge of the proposals tabled by the Minister of Education
- c. Participants in the study were part of the decision-making structures of the institution
- d. There was broad agreement at the institution that the research could be utilised by management

The strategy employed was leveraging the context and the timing of the research given that the institution was drafting a response to the merger proposals. The context can be briefly summarised as follows:

- a. The research was conducted at an institution targeted by the Department of Education for major restructuring and mergers.
- b. The period during which the research took place was prior to the final pronouncement by the Minister on the mergers.
- c. The time frame selected was designated by the Department of Education as the comment period.
- d. It was expected that results of the research could feed into the strategic planning processes of the institution.
- e. The researcher was actively involved in academic planning at the institution and was responsible for developing the institution's response to the ministerial proposals.

75% of the input came from long standing employees of the institution. Therefore, employees were entrenched in the organisational history and culture of the institution. The researcher was involved with the institution for a period of two years and was familiar with the history, culture and dynamics. The sample was dictated primarily by analysing the organisational structure of the institution and using membership of the senior management group as a criterion for selection. Selection of respondents ensured that representation was ensured from the three categories of staff commonly found in tertiary institutions namely, academics, administrative and support service staff. A conscious choice was made to work with a limited number as the focus was

driven by the need for qualitative data and required knowledge of the higher education environment on the part of respondents.

The questionnaire was semi-structured and covered the goals and objectives underpinning the restructuring, the process outlined by the Department of Education to achieve the restructuring and testing the feelings towards the proposal. In formulating the questions, the goals and objectives were rephrased to test the attitudes, knowledge and perception of respondents. The merger as the stated strategic lever for effecting transformation was central specifically in relation to the attainment of the objectives. The questionnaires were administered to 25 members of the group of 35 senior managers at the institution. Three respondents returned the questionnaire unanswered stating that they lacked sufficient knowledge on the mergers and the transformational objectives of the Department of Education. The process adopted for process of analysis was to organise responses to questions into themes as well as identify trends as indicated by the data. The summarised findings are in Table 1.

Categories	Responses
Access	Decrease in the number of institutions cannot improve access Merging of two institutions with declining student numbers will not necessarily result in increased market share Provision of a wider spread of programmes will not guarantee increased student numbers
Management Expertise	The merger would not guarantee increased management expertise as an increase in staff numbers did not necessarily mean a Concomitant increase in skills Management expertise was stretched in the current environment and the merger would be an added pressure
Institutional Identity	If historically disadvantaged institutions are the only targets for mergers, it is unclear how new identities will be formed. Concerns were expressed as to whether changes would be cosmetic and not the required deep changes New identities should not be automatically equated with better or more appropriate identities
Policy Instruments	Mergers were not equal to transformation Mergers alone would not achieve the goals Department of Education was vague, ambiguous and had provided insufficient information on the process underpinning the merger proposals Proposals were open to multiple interpretations Institutions keen to merge would have a better experience than the forced mergers
Human Resource Needs of the Country	If mergers resulted in efficient pooling of resources then the standards would improve and a broader range of product offerings would be available Not certain how the mergers would assist in achieving this objective
Institutional Culture Differences	Respondents indicated that as all 3 institutions were historically disadvantaged, institutional cultures would be similar Concerns were raised about work ethics, salary scales and threats to job security
Demographic Profiles of Staff and Students	No immediate discernible shift in the demographic profiles Catchment areas of three institutions were the same Students would maintain preferences for historically advantaged institutions
Efficiency and Productivity Factors	Research capacity could possibly improve Availability of additional resources would improve but optimal usage would have to be achieved Merger would require financial investment as all three institutions were not 'healthy'
Teaching and Learning Issues	May be affected for a short period but could improve in the post-merger phase Uncertainty and anxiety would result in poor performance Increased capacity could improve teaching and learning
Anxiety	Uncertainty of the mergers and the reality of right sizing to eliminate duplication would result in job losses Lack of clarity on the implementation of the mergers compounded the anxiety Some manifestation of the 'merger syndrome'

Table 1: Questionnaire Responses

4. Relevance of Findings

The hypothesis being tested was that attitudes to the goals and plans for restructuring of higher education would not be positive. The analysis concluded that the hypothesis was confirmed though with some riders preceding that statement. These are:

- Insufficient information on the merger process
- Uneasiness with the prospect of three merger partners
- Lack of empirical evidence to support the government position that mergers would result in the stated outcomes

Respondents indicated that it was not apparent that the proposed mergers could be linked to the goals and objectives as set out in the policy documents of the Department of Education. The over-riding concern expressed was that there was not enough information on how the mergers would take place and what steps the Department of Education would take to ensure that institutions would be provided with adequate support. Subsequent to this research being conducted, a number of the issues raised have been partially addressed by the Department of Education.

A summation of the research findings are presented not in any order of priority:

It is believed that both management of the institution and any entity about to resume merger discussions can use the findings of this research in their planning process. The findings demonstrate the following key issues:

- To attain support for a merger initiative, there has to be sufficient information available
- It is difficult to estimate the potential success of a merger if there is uncertainty on the decision-making process leading to the proposal
- Senior management will have to take responsibility for the merger, thus the onus is on the executive officers to ensure that there is sufficient discussion and capacity building prior to merger activities commencing
- There is a need to allocate responsibilities amongst senior management in a way that the core business of the institutions to be merged is not affected negatively or the quality compromised
- The cultural identities of both institutions will be affected. Management should not regard this as a soft issue and fail to take action.

- In a merger of the kind proposed by the ministry, it may have been prudent for government to facilitate discussions amongst the institutions prior to the publishing of the announcement.
- The role of government in the mergers must be clarified, as there is still a great deal of confusion with respect to time-lines and implementation frameworks.
- A number of policy initiatives proposed by the government dovetail with each other to form a coherent framework. The coherence is not apparent to institutions and this will require further inputs from government.
- There is a requirement for transformation objectives to be applied to all institutions and if any are precluded, the reasons should be cogent.

These findings highlight some of the critical success factors that must be taken into consideration in the pre-merger phase. The research raised several questions regarding the necessity of merging partners to agree with the goals, objectives and policy instruments in place. It was concluded that agreement in this respect may be a luxury, but knowledge of the same is critical to the success of the merger. It was apparent in the research undertaken, that the disagreement was not with goals and objectives but rather with the policy instruments. Quite perturbing was the discovery that several senior academics within institutions were not familiar with key policy documents pertaining to the local higher education environment. These point to a need within institutions to embark on processes to ensure that their staff are appropriately educated on these policy initiatives, given the requirements of operational implementation.

Important too is the realisation that the university environment is quite different to schools, hospitals or other public entities. Here specifically the issues of institutional autonomy and academic freedom come into play. The state has no part in the appointment of staff and thus, when instructed to carry out the mandate of government, there is resistance. This may largely be attributed to the lack of clear comprehension by staff that universities do fall under the control of the state. Thus, in the South African context there have already been challenges to merger proposals by institutions as the precise relationship between the state and the institution is still a relatively grey area.

Another requirement for a successful merger is a positive attitude on the part of merger partners. The heated debates that have followed the release of the ministerial proposals demonstrate the enormous difficulty of forcing a paradigm shift in the thinking of individuals from the personal to broader national goals. Each opposing document has argued from the position of institutions under threat, identities under siege and the perceived changing role for the institution and the key actors within the institution. Notably, the South African political environment still reflects the language of apartheid in responses, focusing more on the divides and the categorisation that again has its roots in apartheid.

The current situation in respect to the University of the North is that it is set to merge with Medunsa in 2005. Discussions have commenced and the minister has requested specific information from both merging institutions. The release of operating guidelines for merging institutions by the Department of Education in April 2003 provides an insight into the complexities of mergers. A Merger Unit has been established at the Department that is to facilitate and handle all aspects of the mergers scheduled to take place. A potential area for study is the actual integration phase as this particular merger has to take place between geographically distant institutions and includes the merger of a medical training facility that falls under a different government department. The extensive planning required for such a venture has already placed untenable demands on the management of both institutions with significant time consumed in pre-merger activity. It is felt that this particular merger will be critical to document both qualitatively and quantitatively.

The exercise undertaken has generated a great deal of data that the researcher has attempted to use within the university. It has demonstrated the need for ongoing discussion on the merger at all levels of management and staff. The process has commenced and to date there has been open and intense discussions within the university community. A specific focus of the research was on the need for management to be cognisant of the national policy initiatives on higher education. Attempts have been made to ensure that this has happened through wide distribution of material and policy documents. The negativity towards the proposals has abated since the final merger partners were announced in December 2002. The possible

positive effects of Medunsa as a merger partner are being widely discussed and debated. In concluding, the researcher believes that the kind of institutional study undertaken should be a feature of management practice. It provides important information that can be used by management and policy implementers to plan the merger processes more efficiently and effectively.

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