

DURBAN UNIVERSITY OF TECHNOLOGY

**The Transformation of the South African Higher Education
sector through Mergers – The Case Study of the Durban
University of Technology**

BY

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DECLARATION OF OWN WORK

I, Gopalkrishna Chetty, hereby declare that this thesis is the result of my own investigation and research and it has not been submitted in part or in full for any other degree or to any other University.

.....

G. Chetty

ABSTRACT

Since the advent of democracy in 1994, South African society has been undergoing a rapid transformation. By the time the second democratic elections had come around, the focus had turned to transforming and restructuring the higher education sector. Mergers became an instrument in the hands of the Government to restructure and configure the higher education landscape. Mergers are not new and have been used by many countries to transform or restructure their higher education sector. However, comparison with higher education mergers in other countries would point to the most ambitious change programme ever undertaken in recent times, especially given the large scale of mergers and incorporations that were planned for the South African higher education sector. The Durban University of Technology merger which took place in 2002 preceded the main wave of the Government decreed mergers that took place in 2004 and in 2005.

This thesis focuses on contributing to the knowledge of higher education mergers by investigating higher education mergers in South Africa from a micro as well as macro perspective. At a micro level the study undertaken is a case study of the Durban University of Technology (DUT), the first merged higher institution in the country, while from a macro perspective, an examination into the impact that mergers have had on the transformation of the higher education sector. This second part has been undertaken through a perception survey of staff at merged institutions. The emphasis is on providing a detailed analysis of DUT merger in terms of its problems, pitfalls and peculiarities. It covers an examination of the processes, procedures, practices and trials and tribulations when two or more higher education institutions merge.

This study is guided by two central research questions. The first is: What can be learned about higher education mergers as examined through the Durban University of Technology (DUT) case study? The second question, whether higher education mergers have been successful or otherwise in South Africa? In particular this question seeks to elicit whether the broader goals and objectives of higher education transformation have been or are being achieved or accomplished through mergers in the sector.

The literature review emphasized a conceptual understanding of higher education mergers, merger processes and steps. The review also touches on the limitations and gaps in higher education literature when examined from a

South African perspective. In particular a detailed study of the South African merger policy development was undertaken.

The DUT merger experience allows one to draw a distinction between what is termed the technical merger issues and the soft issues. Technical aspects of a merger would simply be those aspects that have to be done to ensure the physical merger of two or more institutions. In a sense it is the soft issues which shape the merger process. These soft issues largely relate to people, the consultation with stakeholders, the negotiations and the cultural dimensions.

Despite the assumption that voluntary mergers are generally easier to negotiate and execute because of the perceived greater involvement of stakeholders, the DUT case provides no evidence to support this position. If anything, the DUT merger although voluntary was at best difficult and beset with people and human relations problems. The findings from the case study point to the following: Government initiated mergers (forced mergers) are less likely to failure because of a greater national agenda; that an all new embracing style of leadership is needed when institutions undergo great changes such as through a merger; that where trade unions exist they will become powerful forces if people management issues are neglected or dealt with poorly during the merger. A genuinely co-operative and consultative process is the way to go; that to overcome past cultural differences a new cultural identity must be established early in the merger by sharing the new vision and mission of the new entity; that mergers could be understood and managed in three distinct phases, which are, the pre-merger phase, the integration phase and the consolidation phase. Equally there are a number of merger steps. By reviewing the processes, procedures and practices of the DUT merger, a model has been developed to understand how mergers take place.

In respect of the perception survey of merged institutions, respondents saw some benefits accrue to the academic goals and there were some efficiency gains. More students came into the higher education system. Not many were complementary about their state of physical resources including teaching and learning facilities. Some even felt that teaching and learning were set back during the merger period and this is backed up by key statistics for example like pass rates and dropout rates. Given the difficulty with the softer issues in mergers, much of the blame seems to have been directed at Management and Leadership. Nearly 50% of respondents felt that mergers did not result in high quality Management, while a slightly lower percentage of 42% thought that

mergers did not help establish high quality Councils. Many thought that their governance structures and systems were also weakened.

Mergers are complex and it invariably affects the entire institution. It requires careful planning and preparation, inclusivity and a developmental approach to mergers. It also requires effective leaders to manage change of such magnitude. These are the ingredients to ensuring successful higher education mergers.

Keywords: higher education mergers, institutional mergers, merging, mergers, South African university mergers, staff perceptions.

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LIST OF ABBREVIATIONS/KEY ACRONYMS

CHE	Council for Higher Education
DIT	Durban Institute of Technology
DUT	Durban University of Technology
MLS	M.L. Sultan Technikon
NCHE	National Commission on Higher Education
NPHE	National Plan for Higher Education
NWG	National Working Group
TN	Technikon Natal

CHAPTER 1

OVERVIEW OF THE STUDY

1.1 Introduction

Mergers are a rather common phenomenon these days, with corporate or business mergers having captured most of the attention, largely due to the substantial rand or dollar volume deals. Merger activity has not been restricted to the business sector and over the last few decades has seen a spread and an increase of such activity in the public sector. Governments across the world have pursued public sector reform as a response to changes in the geo-political order, globalization of society and the economy and the technological revolution. The way Governments have approached these reforms included adopting mergers as an instrument to changes in the public service, municipalities, local government, hospitals and in the higher education sector which is the focus of this study. The history of higher education points to a natural disposition by colleges and universities towards guarding of their autonomy and to a significant extent preferring to operate independently. Despite this history of wishing to “go it alone”, higher education institutions were not spared the mergers which occurred in the late twentieth century(Lang and Eastman, 2001: 5).

In fact many present day large and prestigious American, European and British universities have evolved out of mergers(Goedegebuure,1992). Higher education reform had taken place in several countries across the world and therefore, South Africa is not unique in reconstructing and configuring its higher education sector. Mergers for publicly funded institutions have taken place largely through the interventions of governments whilst the voluntary approach has prevailed in the private higher education sector.

Harman and Harman(2003: 29) observed that given the new pressures facing higher education institutions, mergers are certainly the route that more countries have been closely looking at or are pursuing, when they restructure or reform their higher education sector. They did this in the quest for greater efficiency, higher quality and in the face of reducing budgets. Through mergers and incorporations, larger institutions have been created with the consequence being the closure of some. The experiences in Australia, United States of America,

Norway, Sweden, Finland, the Netherlands, Great Britain all point to this (Meek, 1988; Goedegebuure, 1992; Skodvin, 1999 and Harman, 2000). The need for such reorganization and reconstruction of higher education has also stemmed from changes in broader society, the impact of the economy, labour market considerations and changes in the development, production and dissemination of knowledge and skills, as well as at times national conditions.

The heralding of a new democratic government for South Africa in 1994, brought with it an expectation that to overcome the racially based historical past, virtually every sphere of society needed to be transformed. To this extent the education system was one such area that needed to be overhauled and transformed to reflect the ethos of a new nation, but more importantly to overcome the vestiges of an apartheid system of education. The Ministry of Education envisaged that a transformed higher education sector will be more responsive to the needs of a developing 'new' country. There was a general acceptance post 1994 that the continuation of the existing higher education system was not desirable and something new ought to be put in place, to meet not only the changing political landscape but to ensure that the new system was responsive to the needs of the nation. This response includes the traditional functions of a higher education system, which is to provide high level of skills, knowledge and research so that the country and the citizen may survive and grow both in a local as well as global economy and in South Africa's case contribute significantly to the notion of a "Developmental State". The recognition of the latter as a critical additional role that the higher education sector should play and support arises from the acknowledgement that a vast majority of South Africans have been disadvantaged through apartheid and its iniquitous education system in particular. Hence, new approaches need to be developed in the context of a learning paradigm which will benefit a significant portion of the disadvantaged citizens.

For the new Government these broad goals and objectives could only be realized through a planned restructuring and transformation of the higher education sector. The key instruments for the configuring of a new higher education sector were to be mergers and incorporations.

While this study could have been pursued in any number of academic disciplines, it was felt that the best possible location would be in Human Resources Management. When the research was first contemplated, an important observation was that mergers and in particular the Durban University of Technology merger which is the case study, seem to have a very profound

effect on staff. More so that higher education mergers were beset with a number of problems and difficulties related directly to staff and staffing matters and human relations in general. It seemed that restructuring and mergers seem to awaken behaviours that are generally uncharacteristic of an academic institution. So this observation led amongst other reasons to pursue this study in the human resources discipline, although it must be added, that it is not a narrow study for example of morale, motivation, job satisfaction or any other associated human resources area of study. These behavioural issues are certainly covered extensively in the case study and reported findings. The second and compelling reason is Universities exist to ensure the development of high level skills and knowledge for its citizens, resulting in a nation not only being competitive but its citizens can survive in a new globalised environment. Under this banner the restructuring and reorganization of the higher education sector brought with it the prospect of meeting the objectives of the country's Human Resources Development strategy given the new democratic dispensation. Mergers involving higher education institutions is about strengthening them so that they better respond to human resources needs in the broadest possible context. Hence the rationale for locating this study in the human resources discipline.

The remainder of the chapter covers the scientific orientation to the research.

1.2 Background to the problem

Few would deny that restructuring of complex institutions such as universities is at best a challenging task; however, for South Africa this was extremely important, given our historical past. A wave of mergers took place in the higher education sector beginning in 2001 with the only voluntary merger, followed by the bulk of the imposed (forced) mergers in 2004 and 2005. Dibetle(2009: 1) in looking at a range of problems that have arisen from restructuring of higher education institutions observed the following, "four years into university mergers, student and staff are still grappling with problems such as transportation between campuses, mistrust, downgrading and freezing of posts and 'neglect' of township based campuses, racial tension, disparities in salaries, cronyism or nepotism and the refusal to embrace new cultures or tradition". Equally true is that several merged institutions have made progress.

While there is a growing body of literature on higher education mergers, there remain a number of questions that still need to be answered and these cover

such merger issues as planning, negotiations, implementation and outcomes (Lang and Eastman, 2001). Harman and Harman(2003) concluded that there is also relatively little in the literature on the cost of mergers both in financial as well as in human terms, the impact of cultural factors and what the longer term savings were or could be realized. Wan(2008) observed that there are only a limited number of micro-level studies that deal with the effects of merger on the basic units within institutions involved. Viewed from South African perspective, mergers in higher education are a relatively recent phenomenon. Therefore questions on the success or otherwise as well as an assessment and evaluation of these mergers and the impact thereof on the transformation of the higher education landscape still need to be significantly addressed.

This thesis focuses on contributing to the knowledge of higher education mergers by investigating higher education mergers in South Africa from a micro as well as macro perspective. At a micro level the focus is a case study of the Durban University of Technology (DUT), the first merged higher institution in the country, while from a macro perspective, an examination into the impact that mergers have had on the transformation of the higher education sector.

Although the case study in this thesis is detailed and therefore enhances the understanding and contributes to the knowledge of mergers within the higher education context, the findings of the case study are not intended to be generalized to other higher education institutions. Neuman citing the case study of neighborhood movement in Minneapolis made the following observation “as with any case study, while we can accurately specify the causal process within the case, generalizing is more difficult”(2003: 33). Yin(2009: 39) on the other hand does suggest that analytic generalization can be used whether your case study involves one or several cases. Yin is suggesting that case study researchers should aim towards analytic generalization and not to think about a single case study as akin to a single respondent in a survey. This is done by developing a theoretical framework for the case study that is to be conducted. This theoretical orientation helps with generalizing the results of the case study. While the major part of the research is the micro study, the macro study is undertaken through a survey with merged institutions. We return to these points later when discussing the design of this research.

It is important to contextualize mergers within the post 1994 developments in South Africa. A number of pieces of legislation were promulgated post 1994 in all spheres of public life, including ones for the Higher Education sector. The

overall purpose of these new pieces of legislation was to overhaul the social, economic, political, cultural institutions and other structures so that they begin to be aligned with the new democratic dispensation unfolding in the country. The higher education sector saw a number of pieces of legislation come into existence described more fully in latter parts of this thesis. Importantly these various pieces of legislation sought to address the various challenges that faced higher education given the changes taking place in the country. These challenges as observed by the Deputy Minister of Education were the following:

- “the continuing pursuit of the fundamental transformation of higher education to create a responsive, credible and efficient sector.
- To widen access to higher education and afford poor students the opportunity to study.
- To link access to success and quality of outcome. As it exists now many students exited the system wastefully.
- To produce African intellectuals, the scholars interested in actively pursuing and developing new knowledge about the continent. The view being that Africa desperately needs intellectuals who focus on Africa.
- To confront the pandemic of AIDS. The higher education sector has to make a contribution to addressing this major national challenge.
- To ensure that student governance and more especially the manner in which Management must provide support to students leaders.
- to promote cultural diversity and an inclusive institutional culture in our higher education institution” (Surty, 2004)

The Deputy Minister of Education also pointed out that one of the reasons for instituting the mergers was to achieve efficiency at both systemic and institutional level(Surty, 2004). Efficiency was not meant to be an end in itself, but rather a means to an end. The end in the case of the higher education sector was the transformation of the sector in the broadest possible sense.

Asmal, the former Minister of Education under whose watch mergers and incorporations were introduced to transform the higher education system, was emphatic that the ‘primary purpose of the mergers was educational’(2009). Of course in the grand scheme of things, the ex Minister of Education may very well be right, however many would agree that ‘educational’ would feature very low down on the list of the purpose of South African higher education mergers. Myers and Goldman(2008) point out those South African higher education

mergers were informed by political and ideological motives and not economic growth or institutional survival or sustainability. Minister Asmal also asserted that the intention was to create higher education institutions that were sustainable and responsive to national needs.

This research will focus on the two central and substantive goals that Asmal saw as underpinning the institutional restructuring proposals, as these form the test of the success or otherwise of mergers in the higher education sector. These were:

- “To imagine new possibilities for the higher education system, free from the racial prisms of our past, to imagine a higher education system that is neither black nor white, English- or Afrikaans-speaking but South African. In short, to reconstruct and create institutions with new identities and cultures consistent with the vision, values and principles of a non-racial, non sexist and democratic society.
- To create effective and efficient institutions that are responsive and contributes to the changing skills and knowledge needs of South Africa in the context of rapidly changing world fuelled by globalization and information and communication revolution”(Asmal,2009: 3).

Comparison with higher education mergers in other countries would point to the most ambitious change programme ever undertaken in recent times especially given the large scale of mergers and incorporations that were planned for the South African higher education sector. Therefore change of this magnitude relies for its success on substantial planning and preparation, good leadership, significant involvement of as many stakeholders and interest groups, appropriate level of financial and human resources and generally supportive external publics. Without these types, quality and quantity ingredients, mergers and incorporations are bound to suffer significant setbacks and even outright failure. These are the important merger elements that have to be examined in any study of mergers in the higher education environment.

1.3 Research Questions

This study is guided by two central research questions. The first is: What can be learned about higher education mergers as examined through the Durban University of Technology (DUT) case study? DUT was borne out of a merger of M L Sultan Technikon (MLS) and Technikon Natal (TN). This was the first higher

education merger in South Africa, unique in that it was a voluntary merger which preceded the main wave of forced mergers of 2004 and 2005. The emphasis is on providing a detailed analysis of DUT merger in terms of its problems, pitfalls and peculiarities. This study is at a micro level, an examination of the processes, procedures, practices and trials and tribulations when two or more higher education institutions merge. Micro study here implies not only the impact of the merger on individuals and basic units within participating institutions as Goedegebuure(1992) implied, but includes merger processes at the (inter) institutional level that reflect how mergers are negotiated which he termed meso-level studies. Invariably a study at the micro level leads one to raise the question of mergers from a macro perspective. Hence the second question, whether higher education mergers have been successful or otherwise in South Africa? In particular this question seeks to elicit whether the broader goals and objectives of higher education transformation have been or are being achieved or accomplished through mergers in the sector. In analyzing a complex process of institutional merger from a macro perspective, it is hoped that the major driving force behind mergers and their rationale can be made evident. This type of information can be useful in our understanding of the dynamics that operate within the higher education system. This information is in particular valuable for policy makers at various levels of government.

1.3.1 The First Central Research Questions

The magnitude of academic, administrative, legal, governance and student service processes present in a higher education merger makes it a complex and encompassing project. Therefore this case study was not aimed at limiting merger issues in any way, but rather to cover many aspects in order to provide a comprehensive and holistic understanding of higher education merger at a micro level. It may be that some elements of the case description are better done than others and this would simply reflect the sourcing of information and data.

In order to construct this case and understand how merging takes place as well as the dynamics surrounding these processes, the first central question has been expanded into a number of sub questions.

1. What are the factors that shaped the merger process at DUT? This is based on the assumption that while there is an implicit theoretical framework for merger process activity, there are other contingent and contextual factors that shape the merger process. In preliminary research

for policy purposes, factors such as the nature of management (leadership), the nature of trade unions (staff), the nature of students including student leadership, the cultural nature of the institutions, the institutional politics and the politics of the government played as much a defining role in the shaping of the merger process activities as that of factors in implicit merger theories.

2. What are the key merger process steps or actions which ought to be undertaken in order to conclude a higher education merger satisfactorily. The general assumption being made is that the merger activity can be divided into three broad process steps, namely pre-merger planning, the legal phase, merger integration and consolidation phase. This assists with dealing with the question of how mergers are best planned, managed and executed.
3. Are there fewer merger steps /tasks to be undertaken in voluntary merger as compared to forced mergers?
4. What conclusion can one draw about the “success or otherwise” of the DUT merger.

1.3.2 The Second Central Research Question

While mergers and incorporations have been prescribed by the State as part of an explicit agenda of transformation, equity and efficiency of the sector, the important question is whether the use of such instruments have been the appropriate choice. Therefore the second central question has been expanded as follows:

1. Have mergers assisted with the revitalization of the academic project/goals?
2. Is the higher education sector in a better position to contribute to national socio-economic development as the result of mergers?
3. Have mergers brought about any benefits or improvements in the areas of Governance and Managerial leadership of the sector?

4. Are there financial efficiencies gained and/or general sustainability improvements as the result of merging?
5. Did mergers contribute to the improvement of number of key human resources indicators which includes: staff equity, staff productivity, improved working conditions and job satisfaction?
6. Have students benefited from mergers which would include: improved access, learner support programmes, improved facilities and student life?

1.4 Importance of the Research

As already pointed out mergers in higher education elsewhere in the world, especially in the Western world occur fairly regularly as compared to South Africa where they have been effective since 2002. While there is a growing body of research in higher education mergers in South Africa, it is not well developed as yet (Kistan, 2006; Ogude, 2005; Van Staden, 2005; Wallis, 2005 and Finallyson, 2005). Lang and Eastman (2001) concluded that on the whole the literature on higher education merger is not sufficiently well developed. In particular the theories of higher education merger remain largely undeveloped (Goedegebuure, 1992). Lang (2001) further asserted that the literature on planning, registration and management of higher education mergers is almost non-existent. Much of the literature is also anecdotal and tends to deal with the main drivers for mergers, the role of the key participants and the kind of academic and administrative structures that emerged as a result. Nevertheless anecdotal evidence is critical in piecing together how mergers came about in higher education institutions, the forms that they take, the processes that unfold, the difficulties associated with merging two or more institutions, establishing why certain ones are more successful than others and the general outcomes of mergers.

The general value of this research is that while it contributes to the knowledge of higher education mergers, it does so from a South African perspective. This study is important in that it records and documents the first higher education merger in South Africa, especially that this took place in so called 'uncharted waters'. The DUT merger had to design and lay the road which other institutions travelled on in their respective mergers. The additional value lies in making an assessment through a perception study, whether mergers have been successful

or otherwise in South Africa and whether they have been the appropriate instrument to transform the higher education sector.

The study also contributes to our understanding of the following aspects and issues of higher education mergers:

- Historical developments, including policy making leading up to the mergers in the higher education sector in South Africa.
- The manner in which institutional politics shapes government politics and vice versa in the course of executing government policy.
- How to plan, manage and execute mergers in light of institutional politics.

1.5 Limitation and Delimitations of Study

The limitations identified in this study are set out having taken cognizance of the research approach and methods used.

- This study is mainly on the development of one detailed case study – the merger between Technikon Natal and M L Sultan Technikon. Single case studies as explained earlier provide little basis for making broad generalizations. Therefore it is not intended to generalize the findings to other higher education institutions. However the findings certainly contribute to knowledge about higher education mergers and in particular about how to plan, implement and consolidate such mergers.
- There was no intention in this study to answer one specific aspect of merging between two or more institutions in detail. Rather the approach has been to cover widely all facts of a merger between two or more institutions, with the intention being to make this a broad study, which contributes to various aspects of higher education mergers especially at a practical level.
- The researcher was the primary instrument for collecting and analyzing the data. It is important to note that the researcher was a critical contributor of information for this thesis on the basis of having personal knowledge, resulting from been extensively and intimately part of the DUT merger exercise. Hence this is acknowledged as a limitation in that

the possibility of bias could have crept into the research study. Since this would raise concerns of ethics, validity and reliability of data collection.

- In respect of the findings arising from the analysis of the case study, it should not be seen as absolute, but rather as a contribution to the understanding of higher education mergers at the coal face and the dynamics that play itself out during the merging process.
- In addressing the second central question, a questionnaire has been used to gather the data from staff of the merged institutions. No hypothesis has been set for the quantitative research approach, which may be considered a limitation. However the preferred design approach was not to go the hypothesis setting route but rather report the results in the form of basic descriptive statistics and to evaluate this against current theoretical literature perspectives.

1.6 Thesis Chapters: Outline

Chapter One covers the background, the research problem and the scientific orientation of this thesis. The chapter also provides the rationale for the study and examines theories on higher education mergers with a view to situating the study.

Chapter Two deals with the theoretical perspectives of higher education mergers; here various concepts are clarified as well as a distinction is drawn between various forms of inter-institutional cooperation versus pure mergers. A discussion on voluntary versus forced mergers is covered including an examination of factors that constitute successful mergers. The chapter concludes with an examination of the theoretical perspectives on merger planning and implementation.

Chapter Three is the extension of the literature survey, whose focus is on the historical development of higher education merger policies in South Africa. A detailed historical trace is undertaken to examine how mergers became a preferred way of reconfiguring the higher education landscape in South Africa. The developments are traced from the year 1994.

Chapter Four is an exposition of the research methodology used to explore the research questions in this study. Both qualitative and quantitative approaches have been used in this study. The first part is undertaken through a descriptive and interpretative case study with the merger of Durban University of Technology being the case. The quantitative part is undertaken with all merged institutions by means of a questionnaire. The various methods and tools used to collect data for this study is described.

Chapter Five is the first of the three chapters covering the Durban University of Technology merger case study. In this chapter the origins and path of the Technikon Natal and M L Sultan Technikon merger is discussed. The accent is on the earlier merger history and in particular the factors that had contributed to the decision to merge. The nuances and the discussions that prevailed during this early period form part of this chapter.

Chapter Six addresses the post merger. Its focus is on the most significant aspects of any merger and that is what happens immediately after the two institutions are merged. How are Departments, Units and Faculties integrated? How are people issues managed and dealt with post merger? The same question could be raised for any other functional activities as applicable for the management of a higher education institution. This chapter looks at the integration activities of the organization from an academic, administrative, human resources, student affairs as well as leadership and governance perspectives and tries to address this in reasonable detail.

Chapter Seven is the final part of the merger case study and the focus is on the consolidation and the settling down of a new organization. In particular the chapter covers the difficulties and opportunities post merger when a merged organization has to refocus its mission and vision in line with new academic mandates. In this case of becoming a University of Technology (UOT)

Chapter Eight is an analysis and evaluation of the case study. The first central question is addressed. The chapter further reviews and reflects on what the case study reveals about theory and practice.

Chapter Nine concludes the case study. In this chapter the major findings are summarized, followed by the development of the conceptual model for the understanding of higher education mergers. The chapter also covers basic tips for practice.

Chapter Ten contains the results from the survey undertaken with merged higher education institutions to establish whether mergers have been successful or otherwise.

Chapter Eleven is a discussion on the findings from the survey. These results would point to whether mergers used by the policy makers as an instrument to configure and transform the South African higher education landscape has been an appropriate one. The second central question is also answered in this section.

Chapter Twelve is a general review and conclusion of the thesis. Recommendations for further research in the area of higher education mergers are made.

1.7 Summary

In this chapter the broad overview of the study was dealt with. In particular the background to the study was presented together with the focus of this research. It is clear that there are two distinct approaches to dealing with the research questions but are driven by a common thread of understanding of higher education mergers from micro and macro perspectives. The importance and usefulness of this research was discussed together with broad design principles.

CHAPTER 2

THEORETICAL FRAMEWORK AND REVIEW OF LITERATURE

2.1 Theories Underpinning Mergers

Eastman and Lang(2001) observed that despite some useful contribution by Leo Goedegebuure, Grant Harman, Lynn Meek and others, generally theories on higher education mergers remain largely underdeveloped. If we were to examine mergers from a business sector perspective, the assessment is economically oriented and largely evaluative in nature and very little to do with process. Hence much of the inquiry is into efficiency, profitability or market size. For these studies Goedegebuure observed, the theoretical frameworks are built on rationalist perspective that is stressing profit maximization in a neo classical economic tradition(1992). In contrast mergers studied from a social science perspective often focuses on the process of mergers rather than outcomes. In these cases the theoretical frameworks are built on the 'political nature of the merger' and the emphasis can be on conflict, interests and intra-organization bargaining. Goedegebuure(1992:27) citing the work of Chambers,1987; Konnen,1984 and Starkweather,1981 pointed out that mergers studied from a social science perspective are more often exploratory in nature. Hence the theoretical frameworks are rather diverse and can range from political-economic and ecological theories to power, bargaining, and conflict and communication perspectives. Sehoole(2005) pointed out that a bulk of merger studies are also a theoretical and limited to narratives of localized cases. These are papers and articles written from the perspective of informed participants and therefore tend to deal with certain aspects of the merger process for example the 'integration' phase.

Goedegebuure proposed the 'resource dependency' approach in order to frame merger studies. This theory works on the assumption that an organization reacts to changes in their environment that is affected by the acquisition of resources. There is no doubt that this theory offers the basis to understand why institutions merge. Sehoole(2005) basing his work on South African college mergers offered politics and political explanation for the nature and outcomes of higher education mergers, but acknowledged that this sits uncomfortably with dominant theories for how and why mergers occur. The reason for this is that politics and

contestation is treated as a sideshow somehow disconnected from merger process and outcome, sometimes it is relegated to a secondary explanation from an organization change perspective and at times the resource dependency theory negates any rival explanation to understand conflict and contestation (Goedegebuure, 1992; Eastman and Lang, 2001; Zekan, 1994 and Sehoole, 2005). Therefore Sehoole in his study suggests contingency theory to explain merger processes and outcomes. Here contingency theory is viewed as being complex political interactions and this includes conflict, contestations and compromises which impact in one way or other on the merger.

The case study, while being descriptive and interpretative, is analyzed through a combination of exploratory, qualitative and quantitative methods. Hence the study is not premised on any substantive a priori hypothesis. However the general assumption is that merger processes and outcomes are shaped by contingent and contextual factors. While not negating the resource dependency theory, the view is that from a South African perspective the intervention of the government to restructure the higher education landscape was not largely premised on economic considerations or resources in general but significant political considerations were the order of the day. In fact the Government put in a substantial amount of financial resources to ensure that the political agenda succeeded. While the resource dependency theory is supported by the experiences of European Higher Education institutional mergers, as well as those mergers in America, it remains questionable to the South Africa experience as explained above.

Given some of the above reasons, this study therefore uses the grounded theory approach to offer a useful contribution to the understanding of higher education mergers, especially on planning and merger implementation. Grounded theory is a widely used approach in qualitative research developed by Glaser and Strauss in 1967 (Borgatti, 2009). Grounded theory is a qualitative research method that uses a systemic set of procedures to develop an inductively derived theory about a phenomenon (Strauss and Corbin, 1990:24). Essentially the purpose of grounded theory is to build a new theory given the evidence. The view held by the researcher is that while not negating existing theories to test the DUT merger experience, in particular by examining the merger processes and issues widely, gives one the opportunity to build new theory.

While grounded theory shares several goals with positivist-oriented theory (Neuman, 2003:50), for the purposes of this thesis the constructivist approach to grounded theory as expounded by Kathy Charmaz (2000) as quoted by Soobrayan (2003:12) is preferred. The constructivist approach to

grounded theory assumes the existence of multiple realities and acknowledges that the researcher mediates these realities through his own perceptions and those of the respondents contributing to the case study. By adopting a constructivist approach to grounded theory gives the opportunity to recognize the researcher's own role in interpreting and constructing the worlds of those researched, but also when writing such realities, do not simply describe them. Rather it allows one to see those realities and one's interpretations and experiences of the merger relative to each other. Finally it should be pointed out that an existence of an objective and knowable truth is a positivist ideal and this is at odds with the constructivist approach adopted in this study. I therefore do not claim to seek the truth but rather interpret the case within the described context, thus any emergent theory would be contingent on my interpretive frameworks and those of my respondents.

2.2 Review of Related Literature

Despite all the attention given to mergers in the private sector, the public sector has not been spared from merger activity. As in the private sector, public sector mergers are driven and shaped by the political, economic and technological contexts in which they take place. This would be equally true for the higher education sector. The environment for higher education has been rapidly changing as the result of globalization, new information technology, increased market competition, dwindling financial resources from governments and other powerful forces.

Harman and Harman observed that given the new pressures, mergers are certainly the route that more countries are closely looking at or pursuing when they restructure or reform their higher education sector in the quest for greater efficiency, higher quality and reduction in public budgets(2003:29). The objective to create larger institutions has resulted in mergers and closures of institutions in higher education. The experiences in Australia, USA, Norway, Sweden, Finland, the Netherlands, Great Britain and Japan, all point to this(Meek, 1988; Goedegebuure, 1992; Skodvin, 1999; Harman, 2000 and Wan, 2008). Similarly the South African government in its transformation of the higher education sector post-apartheid certainly favoured the route of mergers and incorporations. During the apartheid era, education was placed under 11 different government departments serving different race and ethnic groups. This system not only caused racial divisions and polarization in society but also led to wasteful

duplication. The higher education sector, in particular, was devastated by inequities arising from inefficiency and inequalities.

While there is a growing body of literature on higher education mergers, there remain a number of critical questions that still need to be answered. Observations made by Lang and Eastman(2001) nine years ago on the paucity of literature on merger issues such as planning, negotiations, implementation and outcomes still hold true today. This is despite very important contributions to this area by, amongst others, Millet(1976); Meek(1988); Goedegebuure(1992); Martin and Samels(1994); Fielden and Markham(1997); Rowley(1997) and Harman(2000). The above mentioned issues remain the critical areas for assessment of the success or failure of a higher education merger. In addition to these areas the cost of mergers both in financial and human terms and the impact of cultural factors should be examined.

Sehoole(2005) in his study of South African college mergers points out that a bulk of merger studies are atheoretical. These are papers and articles written from the perspective of informed participants, whose focus is with the main drivers for mergers, the role of key participants and the kind of academic and administrative structures that emerged as a result. Nevertheless anecdotal evidence is critical in piecing together how mergers come about in higher education institutions, the forms that they take, the processes that unfold, the difficulties associated with merging two or more institutions, establishing why certain mergers are more successful than others and the general outcomes of mergers.

Viewed from a South African perspective, mergers in higher education are a relatively recent phenomenon. Therefore questions on the success or otherwise, as well as an assessment and evaluation of these mergers and the impact thereof on the transformation of the higher education landscape still needs to be significantly addressed. More importantly much of the body of literature poses particular difficulties from a South African perspective. As alluded to in the introduction, the South African restructuring of higher education has been a politically driven process, with the primary goal of getting rid of apartheid. While the South African merger and restructuring experience is unfolding in the context of reconstruction and development, the international literature deals primarily with merger experiences in developed countries e.g. United States of America, Australia, Canada and the United Kingdom(Hall, Symes and Leucher, 2004). Furthermore a critique of international literature points to a lack of analytical and

theoretical rigour(Goedegebuure, 1992; Eastman and Lang, 2001 and Hall, 2004).

Notwithstanding the above limitations, the sections that follow highlight the perspectives on merger assessment from the literature. In order to deal with the two central research questions later in the thesis, the literature review covers a conceptual clarification of mergers and juxtaposes it against other forms of inter-institution cooperation. It is followed by a review of the nature of higher education mergers with reference to the tasks and steps performed to realize a merger (process steps). Finally this literature review concludes with an examination of the South African higher education sector with specific references to merger policy development in South Africa.

2.3 Conceptual Clarification of Mergers and Other Forms of Institutional Cooperation

Critical to the understanding of higher education mergers is the terminology that is used to describe mergers versus other forms of inter-institutional cooperation. As Daniel Lang(2002) observed, mergers are sometimes characterised as being an extension of inter-institutional cooperation and sometimes they are seen as being unique in a continuum of other structures, for example federations and consortia. Yet the characteristics of mergers are somewhat similar to other forms of cooperation and often are pursued for the same reasons.

For the purposes of this thesis the definitions of merger put forward by Goedegebuure(1992) and Harman and Meek(1988).

“A merger in higher education is the combination of two or more separate institutions into a single new organisational entity, in which control rests with a single governing body and a single Chief Executive and all assets, liabilities and responsibilities of the former institutions are transferred to the single new institution or to a continuing institution”(1992:16).

This definition and literature on mergers tends to stress that merging entails a radical change. We see not only governing systems of institutions being affected but the “souls” of the merging institutions are also affected(Skodvin, 1999). The institutional changes include abandoning existing forms of governance, change in institutional norms and values, objectives and the academic programmes. In addition, there tends to be an overall change to many organisation’s procedures and systems. Therefore it is not surprising that many writers/researchers on

mergers, both in the public and private sectors, tend to describe these changes resulting out of mergers, as being dramatic and drastic (Bruckman and Peters, 1987; Martin and Samels, 1989; Marks, 1997 and Fagan, 2000).

From a higher education perspective, mergers would constitute the most extreme form of inter-institutional organisation solutions and change. The key element of a merger is that the original organisations cease to exist and in its place comes a totally new organisation. While the terms “co-operation” or “combination” are often used to subsume consortia, federations, affiliations, associations and even merger; they are practically different. A federation is not an affiliation and an affiliation is not a consortium and likewise a merger is not any of the above. Despite the differences between the various forms of inter-institutional cooperation, they do occupy a common theoretical continuum in that merger is only one of a number of organisational instruments which can be used to link individual higher education institutions. Harman (1999) in explaining the series of Australian government initiated mergers developed such a continuum and located each form of inter institutional cooperation on it. This continuum is illustrated in figure 1.

Figure 1: Organisational Linkage Continuum

Voluntary Cooperative Agreement	Formalised Consortium	Amalgamation with Federal Structure	Amalgamation with Unitary Structure
<div>Cooperation</div> <div>Coordination</div> <div>Unitary Structure</div>			

Source: Harman 1999, p. 5.

At the far left of Harman’s continuum is a voluntary agreement between two or more institutions. This type of agreement may be simply a memorandum of understanding or they could take the form of legal agreements. Such collaboration is often organised by individuals or departments within the institution. By and large it includes academic collaboration or the use of expensive or specialised equipment/facilities. Moving to the right we tend to find more formalised agreements commencing with the Consortium. Consortia are formed to provide common services to participating institutions. For example, a Central Applications Office in Kwa-Zulu Natal could be established on behalf of a number of higher educational institutions or such services as a

library service or it could be jointly owned university companies. Further along the continuum we get full mergers or amalgamations covering federal type institutions. This type of higher education structure does not exist and neither have they been planned for the South African higher education system. The unitary merger which is at the one end of the continuum is probably the purest form of merger, where a new institution is borne.

While Harman's model (continuum) may explain inter-institutional cooperation especially mergers in Australian post-secondary system, it does not fully refer to the institutional motives for cooperation, observed Daniel Lang(2002:158). In Australia, and the same could be said of Netherlands and now in South Africa, the initial motivation for inter-institutional cooperation came from government as part of its broad attempts at rationalizing and re-organising the higher education sector. In the absence of government intervention and pressure, few universities and colleges in the countries mentioned would have generated self-interest in wanting to cooperate with other institutions, let alone even attempt mergers.

In the South African higher education sector, while consortia were formed at a regional level, it seemed that competition rather than cooperation/collaboration was the order of the day. Lang(2002) was therefore of the view that when there are institutionally generated reasons for considering merger, the model of Harman does require further elaboration. Hence Lang and Eastman saw the possibility of two additional forms being part of the continuum and these being "Affiliation" and "Management by Contract". In his modified continuum for inter-institutional cooperation, he places "Affiliation" and "Management by Contract" to the right of "Federations" largely because it allows the least autonomy relative to consortium and federations and hence it is closest to mergers(2001).

In the pursuance of inter-institutional cooperation, there are several forms that institutions of higher education may use to combine. When the merger of Technikon Natal and M.L. Sultan Technikon was mooted, some of the principal participants thought the way to realise the merger was to keep the existing institutions/campuses largely intact, i.e. a multi-campus model, while other role players wanted the two institutions to be totally integrated, yet both groups saw their models as the merging of the institutions. Similarly, in their study of mergers in British higher education, Temple and Church tend to interchange some federations with mergers, thus giving the impression that there is no difference between them (cited by Martin and Samels, 1994: 209-228).

2.3.1 Mergers, Consolidations and Transfer of Assets

An examination of the typology of higher education mergers indicates that merger is only one of a number of ways that can be used to link separate higher education institutions. While many writers on mergers in higher education tend to rely on similar definitions, Samels in particular tries to distinguish between pure mergers, consolidations and transfer of assets(1994:24). His approach suggests that mergers can be expressed or take a variety of forms and this view has been reinforced by Harman(2003:31).

Essentially, Samels defines what he calls pure mergers as agreements in which institution A is merged into institution B and institution B is seen to be the legal successor of this merger. The dissolution of institution A can be voluntary or by decree and this is mostly determined by the legal and governing issues around the merger. In this pure merger the institution B inherits both assets and liabilities of A. Once this merger is effected, legally it is irrevocable because A ceases to exist further. One could draw the conclusion that institution B would be enhanced by the other institutions identity, especially in acquiring academic programmes it does not have through this merger. In effect Samel's merger is akin to a takeover, whereby, more often than not, the smaller institution is taken over by the larger institution. This type of arrangement is termed 'incorporation' from a South African higher merger perspective.

In contrast to the pure merger, Samels sees "consolidations" as denoting a form of merger whereby two institutions are collapsed into a new College or University. In this process institution A and B becomes C. The new institution tends to start with a new name, governing authority, mission and vision. Under this form, the new institution reflects a diversity of degree/diploma programmes inherited from the two combined institutions.

To a very significant extent, 'consolidations' are really true mergers, where a new identity is born out of the combination of two or more institutions. South African higher education mergers have largely taken this form, as well as incorporations. Consolidations generally take up more time and effort to organise because it involves issues like new name, appointing a new Chief Executive, the new academic structure, the courses to be offered and decisions on whether there is going to be rationalization of programmes(Harman and Harman, 2003).

Takeover or pure mergers tend to be a little simpler to implement. Using the Samels notion of pure merger, which is akin to takeovers, the lead institution does not have to change very much its form and structure, because it would tend to absorb the merging partner. One should equally keep in mind that even with the pure merger, there could be onerous agreements concluded between the parties that make it difficult for a simple absorption exercise.

Finally we reflect on transfer of assets as a possible form of merger. In this form, institution A transfers and assigns its rights title and interest in some or all of assets to institution B (Samels,1994). Institution B simply continues to maintain and operate the programmes transferred to it. While there may be different motivations for transfer of assets, in the South African higher education context, this approach has been used by the Government to rationalise expensive academic programmes. For example, it was envisaged that there should be only one Music School/Department for the KwaZulu-Natal region because of the cost of maintaining such a programme. This is a typical type of programme where there is a very low student to teacher ratio. The Department of Education largely decided that the ex-University of Natal (now University of KwaZulu-Natal) be designated the Music School and all other music schools in the other higher education institutions in the region must be transferred, into the one at University of Natal. In effect this was simply the transfer of assets and teachers only to the new enlarged Music School at the University of Natal. The transfer of assets/academic programmes are now being more widely used by the Department of Education as part of restructuring the higher education sector in South Africa. Another example that is pointed as a merger but has all the hallmark of the transfer of assets has been the merger of the Dentistry Schools of the Universities of Western Cape and Stellenbosch which is now located at the University of Western Cape (incorporation). In any event transfer of assets could also take place by agreement between institutions, resulting in the strengthening of the institution's academic programmes.

In understanding the forms of inter-institutional cooperation, we recognise that there is only one continuum, which includes mergers. While merger has certainly been a significant form of inter-institutional co-operation, it's not necessarily an independent form. In fact it shares a number of fundamental characteristics with other forms of cooperation, especially that of 'federations'.

Attention is now turned to examining the critical characteristics of merger in the context of my earlier definition. It is this form of mergers that have taken place in the South African higher education sector.

2.4 Types of Mergers

There are a number of ways of classifying and conceptualising merger forms. The form of a particular merger has the impact of affecting and influencing not only the merger processes but also the kind of problems or difficulties likely to be experienced. As well as the success and outcomes that are likely to be achieved.

2.4.1 Voluntary and Forced Mergers

One of the factors that influence the merger process is whether the merger is a 'voluntary' or a 'forced' one. Voluntary mergers take place when the institutions themselves initiate the merger, while forced mergers tend to be largely interventions or directives from governments. The general assumption that voluntary mergers are easier to organise, manage and are more successful is based on the view that there is greater involvement and ownership by staff and other stakeholders in negotiations and implementation of the merger.

The case of the merger between Technikon Natal and M.L. Sultan Technikon remains to date the only voluntary merger in the South African higher education sector, the rest of the higher education mergers being classified as 'forced' mergers. As Skodwin(1999) observed, it may often be difficult to ascertain whether the merger is forced or voluntary. His argument is that even voluntary mergers are forced by a variety of circumstances, amongst others, financial exigencies.

In most countries, mergers in the higher education have been involuntary, in that governments have intervened directly to ensure that mergers do take place, often as a result of restructuring their higher education sectors. In other instances, governments have given general direction in the course of restructuring the sector, but largely left it up to individual institutions to decide on the question of mergers.

In countries like Australia and the Netherlands, the governments have tended to drive home their policy reforms by making use of incentives(Harman, 1986:567; Goedegebuure and Meek, 1991). In these two countries, mergers took place as a reaction to both education policy and competition between higher education institutions.

An indication of forced versus voluntary mergers across many countries are contained in Table 1. This table drawn up by Skodvin(1999) has been expanded to include South Africa, Hungary and Vietnam.

Table 1: Examples of Forced and Voluntary Mergers in a Few Countries.

Countries	Forced	Voluntary
Australia (1960s “the binary system” 1987 -90 “the unified system”)	X	
USA (1960 – 1997)	X	X
Canada (the reform of college education, the creation of Cegeps in the new 1960s. The establishment of a new regional network university the 1990s)	X	X
Norway (the state college reform in 1994)	X	
Sweden (the university and college reform in 1977 and the establishment of Mid-Sweden University in1993)	X	X
The Netherlands (HBO reform 1983-87, and the new voluntary mergers from 1988)	X	X
Belgium (Flemish college reform 1994)	X	
Germany (Gesamthochschulen during the 1970s, Fachhochschulen during the 1980s)	X	X
Great Britain (the polytechnic reform during the 1960s and 1970s, and new voluntary mergers in 1980 – 1990s)	X	X
Finland (the polytechnic reform, (1991 – 95)	X	
South Africa – Higher Education reform. Only one Voluntary merger - 2003 onwards involuntary mergers.	X	
Hungary – 1990’s Geographic based dissimilar institutions	X	
Vietnam – specialist institutions combined in major universities	X	

Major Source: Ole-Jacob Skodvin, 1999, Mergers in Higher Education – Success or Failure Tertiary Education and Management 5:65-80.

While voluntary mergers have taken place in the Netherlands, USA, Canada, and Sweden as well as in Great Britain, by far the mergers in higher education across the world have taken place at the behest and intervention of governments. Also voluntary mergers are more often pursued by private higher education providers for reasons that are very similarly to business sector mergers. This being financial difficulties or alternatively to improve their strategic positions in the market place as was evident in the United States.

It is assumed that voluntary mergers are generally easier to negotiate and execute because of the perceived greater involvement of stakeholders as well as the opportunity of the merging institutions to control the pace and timing of the merger. However, there is little evidence in the literature in higher education mergers to show that there is a vast discrepancy between a voluntary and forced merger process steps. Neither is it evident that there are fewer merger steps/tasks to be undertaken in the process of the pre-merger planning, implementation or consolidation of the merger arising largely because it is a voluntary merger as compared to a forced merger.

2.4.2 Horizontal versus Vertical Mergers

Another way of classifying mergers is within and across fields of study. Borrowing from the private sector literature on mergers, we can appropriate the notion of 'vertical' and 'horizontal' mergers and find equal applicability for this to mergers in the higher education sector. Botha(2001: 275) quoting Walter and Gitman describes a horizontal merger as between companies with "identical products operating in the same or different markets", this effectively means that a company could acquire in this type of merger a supplier or a customer. Therefore, from a higher education perspective, a horizontal merger would take place where two higher education institutions provide similar academic offerings. An example in the context of the restructuring the South African higher education sector would be the merger of the Dental Schools of the University of Western Cape and that of the University of Stellenbosch. The same would apply where two Further Education and Training Colleges (FET) are merged.

In contrast, a vertical merger is when a buyer-seller relationship exists or could exist between companies and such a merger requires that the target company management "shift from serving the market to linking with acquiring or parent firm"(Botha, 2001: 275). In essence, it would give backward integration to the company, to assimilate the sources of supply and forward integration towards the market. The similarity between a vertical and horizontal merger is that both occur with companies within the same line of business and the difference between such types of mergers tend to reside in the products.

When applying this definition to the higher education mergers, vertical mergers take place between institutions in different areas of specialization but in similar academic fields. The merger of a Technikon and a University to form a

Comprehensive University is an example of a vertical merger. Another example would be the merger of a nursing college at undergraduate level and university department specialising in nursing only at postgraduate level.

From a practical point of view, it would seem that horizontal mergers would be easier to negotiate and manage because they are usually similar in nature. However, some authors have pointed out that this can also be a very difficult type of merger to integrate (Harman, 1999). This stems from the fact that while the two similar departments/programmes are being integrated, there may be a variety of associated problems, amongst which are human resources related matters such as retrenchments or elimination of the duplicated programmes.

Similarly, vertical mergers can be complex to manage and integrate although they may be different types of institutions with different programmes. The integration could be bedevilled by cultural and traditional differences. Furthermore, in the course of a vertical merger, the vision, mission, values and a re-examination of the teaching programmes may also come under review or be completely changed, hence adding to the complexity of such a merger. The creation of the Comprehensive Universities in South Africa was not intended to simply be a merger of a Technikon and a University with the programmes left intact, but rather it was intended that a new institution with a differentiated identity from each of its respective past, would be created from the seeds of both institutions.

Beyond horizontal and vertical merger types, the complexity of organisations merging with varied product lines or in different segments has resulted in other forms of mergers, viz: diversification and conglomerate. A diversification merger is a merger between organizations which are located in a different line of business and produce a similar type of product, while a conglomerate merger is a merger between organisations which are located in a different line of business and produce a different kind of product (Goedegebuure 1992:19).

Goedegebuure (1992) drawing on these private sector forms of mergers, adapted them for high education mergers as depicted in Table 2.

Table 2: A Typology for Higher Education Mergers

Academic Fields	Product Orientation	
Similar Different	Similar	Different
	Horizontal	Vertical
	Diversification	Conglomerate

Source: Goedegebuure's Types of Mergers (1992:24)

When examining Goedegebuure's typology, it is clear that all participants (institutions) have one line of business, i.e. higher education. Certainly, while all institutions are in the higher education business, these are definitely differentiation within the sector, with some institutions providing teacher training, others nursing, and some being Universities of Technology, Comprehensive Universities. While this differentiation in higher education is largely based on academic disciplines, the product range are much narrower, this being Teaching, Research and more recently Community Service.

Therefore, basing his typology of higher education in mergers on academic fields and product orientation, Goedegebuure provided the following definition of the different merger forms(1992: 23):

- "A horizontal merger is between institutions which operate in similar academic fields and are orientated towards a similar type of product.
- A vertical merger is between institutions which operate in similar academic fields and are orientated towards a different type of product.
- A diversification merger is between institutions which operate in different academic fields and are orientated towards a similar type of product.
- A conglomerate merger is between institutions which operate in different academic fields and are orientated towards a different kind of product".

As a way of illustration, rather than what is currently reality in South African higher education sector, a merger between a University, a Technikon and a Technical College of yester-year would be classified as a conglomerate type merger, resulting in different qualifications and programmes being offered.

The above classification does not in any way reveal anything about merger process and merger outcomes. There is no current evidence in the literature that

indicates that the merger process steps of negotiating and implementing a merger would be any different between the different types of mergers. All it would suggest is that there ought to be varying degrees of complexity of the task on hand when merging under the horizontal type versus the vertical or that of the conglomerate merger type.

2.4.3. Two Partner or Multi Partner Merger

Another way of classifying mergers is to see whether it is between two institutions or multiple institutions. One can hypothesize that with multiple merging institutions, the entire merging process tends to become very complex, especially if they have to be pursued at the same time. International higher education merger experience points to mergers that are two partners as well as multi partnered. The merging of Technikons Pretoria, Northern Gauteng and North-West is an example of multiple partner mergers. In the Australian set of mergers from 1960 to 1981, Harman(1999, 2000: 349) reports that what became known as the Razor Gang initiative resulted in an amalgamation process whereby 13 institutions were created from 37 previous institutions. In this phase of mergers, eight of higher education institutions were merged from between 3 and 5 institutions.

Two partners or multiple partner mergers in higher education can also take place within a single sector or a cross-sector. The notion of single or cross-sector arose out of a historical differentiation in higher education in many countries in the world. In these countries the higher system provided for teacher training colleges, technical colleges, agricultural colleges and traditional universities. Similarly in South Africa, Universities and Technikons while classified as higher education institutions existed in a binary system. On the other hand historically Colleges of Education and Technical Colleges were administratively managed by the Provincial Governments in South Africa. From a South African perspective of mergers, a single sector merger was between technikons or universities while the cross sector occurred as the result of the incorporation of colleges of education into either a technikon or a university and these latter two institutions themselves being selected for merger. The example of the University of Port Elizabeth and P.E. Technikon together with the Port Elizabeth campus of Vista University typified a cross sectoral merger. Similarly, structural changes in higher education in Australia prior to the 1980's took place in the College of Advanced Education sector (CAE). The Australian higher

education system like the South African one was a binary system, i.e. composed of universities and colleges or similar. Post the 1980's the mergers that took place in Australia occurred between the University and colleges for advanced education. These cross sectoral mergers by its very nature can be complex and problematic in that they have different mission and objectives and tend to serve distinct segment of the market. Moreover, these different types of institutions are often funded differently(Harman and Cunningham, 1995).

2.4.4 Incorporations (Acquisitions)

Finally, a type of merger which has been termed 'incorporation' in South Africa but elsewhere in the literature on higher education mergers is referred to as 'consolidations and acquisitions'(Samels,1994:26). In this form of merger, one institution, the incorporating or acquiring institution, remains largely unaffected in nature and form, while the other institution is largely absorbed into the former. The restructuring of the Colleges of Education in South Africa, followed this format. Colleges of Education were incorporated into either Universities or Technikons which had either Departments or Faculties/Schools of Education.

As this is a consolidation or incorporation exercise, the merging processes are generally simplified and it lacks the complexity present in "pure mergers". Even if there are similar or same process steps to be covered as in the case of pure mergers, the incorporating institutions generally wield enormous power in this type of merger. The experience of Colleges of Education, which we will return to later in this thesis, reveal that acquired higher education institutions have little or no say in dictating the general direction of the merger and its outcome (Soobrayan,2003).

2.5 Merger Process

Higher education merger literature does not provide a singular path for dealing with the practical aspects of a merger. Most writers however tend to share a common recognition of a minimum of three phases or stages to operationalizing a merger, though they may use different labels for these phases. Botha (2001: 275) reviewed the stages of merger proposed by Brews(1993), Price (1999), Somers and Bird(1990) and O'Flaherty and Conway(1990) and these are summarized in Figure 2.

Figure 2: Phases of a Merger

Brews	Price	Somers	O'Flaherty
Formulating the merger strategy	Start-up Phase (3-9 months)	Pre-merger	Pre-merger
Screening and evaluating potential candidates.			
Implementing and integrating the merger	Transitional phase (3-6 months)	Post merger (1-3 months)	Merger transition
	Integration phase (7 months to 2 years)	Transition period (18-24 months)	Post-merger
	Closure phase		

Martin and Samels(1994:229) in contrast, examined a group of successful growth mergers as well examples of bankruptcy bailouts and put forward a five phase approach for effectively undertaking a merger. This suggested approach will ideally suit institutions pursuing a voluntary type of a merger. The first phase commences with an institutional self assessment. The focus is on establishing the merger preparedness, shared mission, planning and appropriateness of institutional match. The assessment covers educational needs, student affairs, employer market surveys and an economic impact analysis. A thorough assessment allows the institution to decide whether it will benefit from a growth merger. Phase 2 commences with 'pre-merger strategic planning'. In this phase the Executive leadership together with key stakeholders reach agreement on a list of institutions that could become possible merging partners. Initial

approaches are then made with those institutions. Still part of the pre merger planning, a joint merger task force with broad stakeholder representation begins planning the post merger institution and the process by which it would be achieved (Martin and Samels, 1994). Phase 3 is largely the development of the merger plan. Phase 4 is 'merger implementation'. Here various task committees are formed in both academic and administrative functional areas to ensure that integration and implementation takes place. The final Phase 5 relates to 'post merger consolidation and community building'. For Martin and Samels (1994: 231) the activities in this phase could occur over several years. The merger is consolidated and a new institution is developed.

Lang and Eastman (2001:102) whose merger process steps are very similar to that of the South African Department of Education (Guidelines for Mergers and Incorporations 2003), set out three basic stages. The first commences with negotiations with institutions who generally having different set of interests. Once there is an agreement to merge, a period of "transition" is entered into which involves planning and preparation for the merger. The final phase is "implementation" and this phase commences on an agreed date between the parties. The period that continues thereafter in the implementation phase rests largely on how long the former institutions take to disappear and for the merged institution to function as an integrated whole.

The merger process phases approach proposed by the Department of Education is as follows, the first is the 'pre-merger phase'. This largely is a legalistic phase and serves the purpose for merger negotiations and preparation. This phase is followed by transition and interim phase in which the active players are the interim Management and Council. The final phase is the 'post –merger phase'. The implementation now continues apace resulting in new structures, systems and procedures for the new institution.

Goedegebuure (1992) whose authoritative work on mergers in higher education points to a four stage process and suggests that these can be operationalized in different ways. Figure 3 depicts these stages. These stages in any merger process tend to point to a number of factors that will shape and contribute to the operation of a merger. Phase 1 will be triggered off by external factors and these are economic, the community and in the South African Higher education experience by the government. Similarly phase 2 is also largely shaped by external factors and partly by internal factors. The involvement of Governing Councils in taking a decision to enter into a merger is a key factor in phase 2.

Figure 3: Stages in Merger Process

Stage	Beginning Event	Ending Event
1.Pre-existing condition	Anonymity	Initial Contact
2.Enabling Forces	Initial Formal Contact	Initial integration of resources
3.Dynamics of implementation	Initial integration of resources	Full integration of resources
4.Stabilization	Full integration of resources	Revised and accepted organisation

Source: Goedegebuure: 1992:25

Phase 3 and 4 are significantly shaped by internal factors, i.e. the Management and Stakeholders that are intimately involved in managing the integration of the institutions.

Rowley(1997), in commenting on merger processes, points to the importance of a preliminary evaluation before going ahead with a merger. Her research points to the disappointment with their mergers' expressed by institutions who conducted little or no evaluation of the institution they planned to merge with. Her findings also show that on average the process of merger took more than a year but less than two with certain health colleges completing more rapidly than the norm(1997:252). The findings of Martin and Samels(1994) in respect of the time it takes to merge estimated that it takes five years to make merging happen and ten years for the wounds to heal.

2.5.1 Merger Steps

Given the different phases in a merger process, there are equally a number of steps or tasks to be undertaken which can neatly fall under each of these phases described earlier. These substantive steps can in most instances be undertaken sequentially while others can be undertaken independently of each other. This emphasizes the complexity and the dynamism of mergers when carried out. Hence the environment will dictate what steps are acceptable and necessary for merging and what will result in problems for each merger. The work of Geodegebuure(1992), Martin and Samels(1994), Fielden and Markham

(1997), Harman(2000), Botha(2001), Lang and Eastman(2001), Hay and Fourie (2002), Tearle(2002), and Harman and Harman(2003) point to the carrying out of a number of merging steps to bring a merger to fruition. These include the following:

- Getting to know the other party, that is holding informal discussions. In business terms putting out the 'feelers'
- A feasibility study. This could be a cursory study to test for compatibility or it could be also be part of a full due diligence study.
- Laying out the objectives for merger. This is giving mandates to your negotiators, giving them parameters for achieving certain objectives. Often more useful in voluntary/economic mergers rather than government initiated mergers.
- Bringing your key stakeholders early into the merger process. Particularly important in higher education mergers as staff are the most important asset and resource.
- The nature and form that negotiations take is largely dependent on the culture of the merging in institutions, who leads the negotiations, and the positions of each institution. Therefore planning and preparations are key in unfolding mergers.
- Critical in undertaking a merger is performing a due diligence. This is not simply a financial exercise. For higher education mergers it should cover amongst others the academic programmes and support systems.
- A written merger agreement is preferable to an agreement that is based on goodwill. Far more difficulties arise when there is no written document to fall back on in contentious areas as the merger unfolds.
- Mergers are only successful if there is a high level of planning undertaken, which includes the setting up of a merger office and task teams covering as many areas of the academic business. The greater the involvement of staff from both merging partners in planning and preparing for the transition and subsequent integration, the more likely of success.
- There are often a number of legal considerations when carrying out higher education mergers, including how staff and governance matters are dealt with. The bringing into being a new institution is a complex exercise fraught with difficulty. New structures, policies and procedures have to be developed to ensure that effectiveness is achieved in the integration of administrative and academic departments and units.

2.5.2 Factors Shaping the Merger Process

Irrespective whether mergers are voluntary or forced, the important factor that make for successful mergers include the process, the inducements and the support both internally and externally. Recent articles on mergers also point out that *process* is deemed to be an important ingredient of success(Lang and Eastman, 2001). It is well acknowledged that there is a higher failure rate of corporate mergers and this is often attributed to poor implementation(Kirsten, 2000). It seems that most attention is paid to 'making the deal' rather than transition and integration of the merger. Therefore effective implementation is sound management. This factor is equally important to higher education mergers that are not conditioned by 'deal making' or financial considerations. Various other factors shape merger processes and this includes the effect of culture, trade unions, stakeholders and institutional and government politics.

2.5.2.1 Leadership

The importance of effective leadership in a merger is critical to ultimate success. Lang and Eastman(2001) quoting the study of Karen Hult(1987) on mergers in public agencies in the United States, found that management and leadership were important factors. This study concluded that even with favourable external conditions and a carefully designed merger; individuals (leaders and managers) seize upon or miss chances to promote change or channel behaviour in certain directions. In contrast on issues of leadership and merger process, Lang and Eastman(2001) quote the study of Dennis, Lamothe and Langley(1999) into the merging of two Canadian teaching hospitals. Their research found that the outcomes of merger were very similar, despite having different management strategies and processes. Hence their conclusion that the contexts for the two mergers are similar but the processes of merging are different, the fact that the results are similar is a reflection of the context. They saw the context as having a profound effect that it neutralized the differing processes. The importance of citing this research here is not to show that leadership does not matter, but to indicate that where weak or pedestrian leadership is exercised during mergers, this can be overridden by the contextual factors. This could be simply the power of the government, or the cultures of the respective organisations. The role of excellent leadership to ensure that in merger planning, new levels of academic excellence are achieved cannot be understated. Further, good leadership during the combination allows for economies of scale and greater overall

efficiency. At the end of a merger, much of the assessment as to the merged institution's success or otherwise is attributed to the leadership performance of the top leader as well as others in leadership/management.

2.5.2.2 Effects of People and Culture

In more recent times it has been acknowledged, especially by progressive organisations, that employees are greatly affected by mergers and are integral to its success or failure. The work of Bruckman and Peters(1987) in evaluating a large number of merger studies shows that merger activity leads to merger stressors. At an individual level these manifest as physiological and psychological symptoms even if the merger is successful. The real consequences are:

- Loss of employee loyalty
- Lowered morale and productivity
- Inability to attract and retain suitable staff

Many of the stressors that arise during merging are obvious today. Job uncertainty, loss of security, transfers, demotions, change in reporting relationships and a loss of control over one's professional life. Many physiological effects displayed by employees of merging organisations both in business and public sectors include: headaches, insomnia and gastro-intestinal problems. Certain employees also resort to taking of drugs and higher consumption of alcohol.

The clashes of culture between the merging organisations can present many problems as well. Culture concerns the internalization of a set of values, feelings, attitudes, expectations and the mindsets of the people within an organisation. Importantly of course, organisation culture exists at two levels, the first being the values shared by the people working in the organisation and secondly is the value of the organisation irrespective if membership changes. During merger transition and implementation the former level impacts significantly on the new merged unit, department, faculty or even the entire institution. Even when institutions are structurally similar, two culturally different institutions could result in conflict during the period immediately following the merger. This often results in anger, anxiety, communication problems and feeling of uncertainty about the future. As Kirsten(2002) observed, this negative

thinking and emotions as the result of the merger process leads to characteristic resistance to change.

Tearle(2000) identified a number of typical problems that relates to people and culture after the merger has been decided upon, as well as during the implementation stage. These are:

- Emotional roller coaster.
- A feeling of being in a void. No points in making new plans.
- Bad publicity about the merger.
- Counterparts attempt to get to know each other but do not trust each other.
- The 'us' and 'them' mentality develops.
- Everyone wants to know what is happening.
- A feeling of loss as teams are split up and merged into new teams.
- New leadership is not working effectively.
- Unclear roles.
- Resignation of key people.
- Resentfulness of those not given positions they expect.
- Low morale.
- Rumours
- Jockeying for positions
- Competitors exploit the confusion
- Lack of focus. No strategy
- Need to build new culture distinct from the previous institutions.

Therefore it is evident that potential exists for a planned merger to go horribly wrong and even fail, if little or no attention is paid to the human relations aspects.

2.5.2.3 Politics and Micro-Politics Shaping Merger Process.

It may be argued that politics and micro-politics are embedded in the earlier factors of people and leadership described above and therefore do not merit special mention. However merger literature seems to point otherwise to the impact or the effect that they have on influencing merger forms, processes and outcomes(Jansen, 2002; Soobrayan, 2003 and Sehoole, 2005). The work of

Jansen and associates(2002) sought to establish that the origins, processes and effects of mergers are contingent on the interaction of institutional politics (micro-politics) on the one hand and government politics (macro-politics) on the other hand. By implications, Jansen's thesis is that merger origins and end cannot be explained by conventional wisdom only. That is, there being a uniform set of outcomes, provided that certain steps are carried out, which then ensures merger success. This was an approach that was taken by Goedegebuure (1992). In sum, the argument presented is that large scale studies on mergers have relied on organisation theories to explain the determinants, course and outcomes of mergers. The most common of the above theories has been the one expounded by Goedegebuure(1992), that of the resource dependency theory. On the basis of this theory institutions will recognize that they are in trouble and would need to adapt to the changes in their environment, very much on the basis of survival instincts, hence the need for mergers and restructuring. Jansen(2002) through the analysis of five South African merger case studies, points to a different experience and therefore does not support the assumption of rationality that underpins the resource dependence theoretical orientation.

In fact Jansen's cases (three of them) show that even when faced with evidence of poor financial position, dwindling student numbers, and other problems and that it would be better for these colleges to share their resources and expertise to survive, they resisted this. These institutions preferred instead of going it alone or requesting special attention from the Government, even when their mergers or incorporation were fait accompli. Jansen(2002: 3) while not negating the resource dependency perspective, sought to provide an alternative explanation, namely "that politics and political explanation might provide more trenchant explanations for the rationale, the resistance and the results of mergers especially in contexts with strong traditions of stakeholder politics and in which institutional identities are racially fractured, financially unequal and historically recent in formation"

Soobrayan (2003) identified three themes in respect of micro politics. They are:

- Micro politics is inevitably entwined with power and leadership.
- Micro politics is necessarily a study of conflict.
- Micro politics is part of the darker side of institutional life.

Interesting for this study of higher education mergers is the notion that micro politics could be also viewed rather differently, that being part of the underhand, darker side of institutional life. Soobrayan(2003: 7) quoting the work of Hoyle

(1986) says: “Micro politics is best perceived as a continuum, one end of which it is virtually indistinguishable from conventional management procedures but from which it diverges on a number of dimensions – interests, interest sets, strategies and legitimacy - to the point where it constitutes almost a separate organizational world of illegitimate, self-interested manipulation”.

Given the various merger case studies in higher education, it is evident that both macro and micro politics play an important role in defining how quickly the new merged institution settles down and begins to realize the new vision, mission, goals and objectives.

2.6 Evaluating Mergers: Success Factors

Higher education merger literature observed Harman(1999) tends to be largely historical and sociological and in particular, focuses on the environment, the merging partners and the merger process. Therefore an analysis and evaluation of higher education mergers would be generally broad and cover a number of factors that would point to its success or failure. On the other hand, the literature on mergers in the business world indicate that such an evaluation is generally more focused and tends to be reduced to an examination of the efficiencies arising out of the merger, the profitability of the merged entity and significantly the impact on the market (i.e. market share). Most of the literature on financial and economic analysis examines the forces impacting on the acquisition, or merger, the outcomes of the merger and importantly the share value and the potential of the newly merged organization. In contrast the academic merits/demerits tend to be neglected within the application of the above paradigm to higher education mergers.

However, there are differences of views expressed by higher education scholars on the relevance of private sector mergers(Goedegebuure, 1992 and Botha, 2001). Some argue that business merger literature is not easily transferable, while others feel that many concepts can be borrowed and adapted for use in higher education mergers. Certainly, a critical factor used to measure success is the ability of the new institution to ‘sustain’ itself. While this factor is equally applicable to both private sector and higher education mergers, the difference is that in the private sector this is equated to ‘profitability’. In contrast ‘sustainability’ in higher education means good financial management or profitability and includes being relevant, offering the right type of programmes and spending the funds wisely.

Harman drawing primarily on the Australian merger experiences as well as observations made from other countries identified the following factors that had contributed to successful mergers(1999 and 2000).

- Strong leadership together with commitment by staff to the merger.
- A shared vision of the future benefits from the merger.
- Inclusive process of consultation with all staff, management and to some extent, students. This would extend to involving staff in planning and integration of the merger.
- Discussing the effects of the merger would have on staff and students. This would include giving guarantees of security of employment.
- A carefully thought out merger plan for merger negotiations and implementation.
- Implementing a merger speedily after agreement is reached.
- Build a common purpose and strong sense of loyalty to the new institution. This is essentially a creation of a new culture and to build a new organization structure that demonstrates the new organization.

Harman(1999 and 2000) concluded that these success factors were not often easy to meet. Botha(2001:276), reflecting on South African higher education context and general merger literature, identified a number of areas which could be problematic thus contributing to the failure of the mergers. The problematic areas can be grouped as follows:

- The choice of a merger partner
- Enabling legislation as well as internal policy
- Timing of the merger
- A clearly defined merger plan and management of the plan
- People issues

Few scholars on mergers would dispute the importance of the human resources element in any organization restructuring including that of mergers. Price (1999:39) observed that "...issues of culture, values, behaviour and working styles should be carefully managed from the very beginning of the process".

Equally, merger literature certainly points to the impact on mergers on staff. In particular, mergers cause staff to become anxious, experience disruption and loss of commitment to the new institution. Some experience shock, anger and depression(Bruckman, 2000; Schuler and Jackson, 2001 and Padayachee(ud) Unpublished). These experiences result in lowered levels of morale, drops in productivity, perpetuate absenteeism and impact on the new merged entity.

In determining whether mergers are successful or failed the following contextual factors are of importance(Harman, 1999 and Skodvin, 1999):

- (1) Success of merger may be assured if one of the partners is the dominant partner – to a significant extent this could be interpreted to be the question of size. However, a dominant partner may still upon reflection consider the merger to be unsuccessful. This is borne out by the South African context.
- (2) Institutions that are physically close to each other are more likely to achieve economies of scale and hence be successful. The alternative can also be postulated that where campuses or institutions are physically separated by significant distances there remains the general inability for these campuses to be integrated properly in the merger.
- (3) Mergers improve the future position of the new institution. This was equally borne out by Rowley's(Fielden and Markham, 1997) survey that pointed to merger benefits were often greater than anticipated.
- (4) Equally, merger success or failure was often characterized by wishing to meet external political interests and needs and yet at the same time needing to maintain autonomy.
- (5) Mergers often result in individual needs being overrun by the need to meet organizational goals.
- (6) Failure of mergers is also attributed to inadequate planning. Voluntary mergers proved to be more successful than forced mergers.
- (7) Another factor impacting on success or failure relates to the “top-down” approach which has been found not to deliver optimum results. The literature on higher education mergers sees a consultative approach as a better way to go.
- (8) Accomplishing a few objectives well is better for a successful merger; it is preferable to an all out ‘total onslaught’ approach.

2.7 Concluding Comments

Literature on merging processes and outcomes points to a substantial number of tasks and steps to be undertaken. The success of mergers is the result of meticulous merger planning, a detailed yet imaginative design, grounded in a grasp of the unique elements of both institutional cultures is an essential component of significant lasting change, observed Martin and Samels(1994). For higher education mergers to be successfully carried out it is necessary that implementation strategies are carefully planned and that priorities are identified. While merger literature advances the principle of moving quickly with the implementation once the decision to merge is taken, failure to be as inclusive as is practical during implementation may cause delay and even result in merger failure. Finally literature points to academic benefits, for example a greater number of programmes and at times more multidisciplinary courses. However, we find other benefits lauded for example, greater efficiency and economic benefits just do not materialize.

CHAPTER 3

HISTORICAL BACKGROUND: POLICY DEVELOPMENT

3.1. Introduction

The democratic elections in 1994 brought an expectation from the masses of the population, that South African society will be reconstructed, with the general aim being the creation of better life for all its citizens. To this end Higher Education was seen as a possible driver to stimulate economic growth, by contributing to providing the required high level of skills and knowledge to the citizens. However, South African Higher Education itself was deeply fractured and divided in the same way as many other parts of society. For the Higher Education Sector to play any meaningful role in the development of a post apartheid society, it needed to undergo radical transformation. By the time the next democratic elections were held in 1999, the Government had come to realize that in respect of several facets of South African society, it had to play a much stronger interventionist and steering role for the necessary changes to take place. Therefore the restructuring exercise of the Higher Education Sector in South Africa has been an example of a strong interventionist role played by the State. In driving this change in the sector, the Government decreed that mergers and incorporations take place as part of its transformation, redress and equity agenda.

In this chapter we trace and examine how mergers became an important preferred way of transforming the Higher Education Sector, in order to eradicate the ills of apartheid. These policy developments on mergers and incorporations are tracked from the inception of the National Commission on Higher Education (NCHE) until mergers were proclaimed by the Minister of Education. This review also focuses on the various factors that shaped and contributed to the mergers and incorporations, as well as the goals and outcomes envisaged. The Government's policies on mergers and incorporations as enunciated through various commissions/task team/committee reports and briefs discussed below, provide an important framework to evaluate the 'success' or otherwise of South African higher education mergers.

3.2. Pre- 1994 Developments for Higher Education

The period just before the elections for a new democratic Government saw a flurry of anti apartheid activity at Higher Education Institutions in South Africa. Much of this activity took place at the Historically Disadvantaged Institutions (HDI), who were all Black Institutions. A few liberal White Institutions classified as Historically Advantaged Institutions (HAI), also actively participated in the fight against apartheid. The Higher Education landscape at the time of democratic elections is depicted in Figure 4. These staff members and students from HDIs and some HAIs were actively debating, the most appropriate policy options for Higher Education, in a new democratic dispensation in South Africa (Moja and Hayward, 2000).

Figure 4: The Institutional Landscape of South African Public Higher Education, 1994

Authority	Universities	Technikons	Total
House of Assembly (for Whites)	<p>11</p> <p>English: University of Cape Town, University of Natal, Rhodes University, University of the Witwatersrand</p> <p>Afrikaans: University of Orange Free State, University of Port Elizabeth, University of Pretoria, Potchefstroom University, Rand Afrikaans University, University of Stellenbosch</p> <p>Distance: University of South Africa</p>	<p>8</p> <p>Cape Technikon, Technikon (of the Orange) Free State, Natal Technikon, Port Elizabeth Technikon, Pretoria Technikon, Vaal Triangle Technikon, Technikon Witwatersrand</p> <p>Distance: Technikon of South Africa</p>	19
House of Representatives (for Coloureds)	<p>1</p> <p>University of the Western Cape</p>	<p>1</p> <p>Peninsula Technikon</p>	2
House of Delegates (for Indians)	<p>1</p> <p>University of Durban Westville</p>	<p>1</p> <p>ML Sultan Technikon</p>	2

Department of Education and Training (for Africans)	4 University of North, University of Zululand, Medical University of South Africa, Vista University	2 Mangosuthu Technikon, Technikon Northern Transvaal	6
Republic of Transkei	1 University of Transkei	1 Eastern Cape Technikon (Transkei Technikon)	2
Republic of Bophuthatswana	1 University of North-West (University of Bophuthatswana)	1 Technikon North-West (Setlogelo Technikon)	2
Republic of Venda	1 University of Venda	0	1
Republic of Ciskei	1 University of Fort Hare	1 Border Technikon (Ciskei Technikon)	2
Totals	21	15	36

SOURCE: The Council on Higher Education (CHE). 2004 Report South African Higher Education in the First Decade of Democracy: Pretoria: 40.

In addition to the abovementioned development, three initiatives began to shape and create the platform for a post apartheid Higher Education policy (Council on Higher Education(CHE) Report, 2004). The first was the National Education Policy Investigation(NEPI), a civil society initiative with origins in people's education movement(CHE Report, 2004: 24). The second initiative arose from the policy forum of the Union of Democratic University Staff Associations (UDUSA) and the third was the Centre for Education Policy Development (CEPD) which was linked to the African National Congress(ANC).

The African National Congress drafted a policy for education and training in January 1994(Moja and Hayward, 2000: 337). This policy document laid down some thoughts for a transformed higher education system. It also proposed the establishment of a national commission to investigate and to make recommendations on the entire Higher Education system. This kick started the formulation of new policy for the sector.

Of importance here is that each of these different initiatives for a transformed higher education sector held sacred the following principles: non-racialism, non-

sexism, democracy, redress and a unitary system. While mergers were not explicit in these initial policy debates and initiatives, it would have been difficult to address the abovementioned principles without radically reconfiguring the higher education landscape.

While a Higher Education Task Team(HETT) was set up early in 1994, preoccupation with the enormous amount of work needed to simply consolidate existing 15 Departments of Education into a single Department forced the implementation of any recommendations on higher education to be delayed for almost two (2) years. This included the establishment of a higher education branch in the Department of Education.

3.3. The National Commission on Higher Education

The National Commission on Higher Education(NCHE) through a most consultative process set in motion a framework for a new higher education dispensation in South Africa. Its work gave rise to subsequent Higher Education Policy Development in South Africa. While the National Commission on Higher Education did not recommend mergers, it did however envisage a transformed Higher Education system to overcome the legacy of the apartheid past, would in the future have to be planned, governed and funded as a single coordinated system. One would argue that this would have meant that the existing binary system of Universities and Technikons when collapsed into a single coordinated system, would have invariably led to mergers or restructuring of these institutions, even if these were undertaken on a voluntary basis.

The Commission's proposals rested on three pillars, the first being "increased participation" which would have addressed amongst other things, the needs of equity and redress(NCHE report, 1996). While the Commission strongly supported the process of 'massification' of the Higher Education System, which would have resulted in increased student participation, it acknowledged that this would come at a significantly higher expenditure in higher education, for which there are obvious limits. The NCHE strongly advocated that because of the envisaged increasing student enrolment in the system, that this must be countenanced by ensuring a proper quality system and processes.

The second pillar was a policy of "greater responsiveness" of the system, in particular this was to meet the challenges of the post apartheid society that

was on a 'change' trajectory, as well as being in a state to respond to a new world order, that of globalization. Higher education system in being responsive would have had to change and adapt its content, curriculum, modes of delivery as well as develop more participatory forms of governance.

The final pillar was "increased cooperation and partnerships". This was a very important pillar in that the NCHE envisaged cooperative governance existing both at the system as well as at the institutional level. It did not promote or support State control for the Higher Education sector, but rather given the necessary changes required to move away from the country's apartheid past, it saw this cooperative approach as being State supervision. Essentially it envisaged a system in which the higher education sector continued to enjoy all the freedoms especially around what and how it taught. In turn the State gave the resources and broad policy directives especially around national imperatives. Interestingly of course the State did years later begin to intervene in the Higher Education System, when it realized that some of the goals it had set for the system were not being accomplished or followed through and hence its decision on restructuring through mergers.

3.4 The Green and White Paper

Following the release of the NCHE report, a Green Paper was released by the Department of Education. Upon receiving public comments on the Green Paper, the Department of Education went on to develop a White Paper. This White Paper was released in the form of a Draft White Paper by the Minister of Education - Professor Bengu. The Minister was of the view that there were certain omissions which were critical for Higher Education transformation and therefore he was not willing to release such a document as a White paper, but rather in a draft form. After a further round of discussion, consultation and revision, the White Paper 3 – a programme for Higher Education Transformation was released on the 15 August 1997.

As Professor Bengu stated in his foreword, the intention of the White Paper was to ensure "...the Higher Education system must be transformed to redress past inequalities, to serve a new social order, to meet pressing national needs and to respond to new realities and opportunities"(White Paper 3, 1997: 3).

The Green Paper drew upon the many recommendations contained in the NCHE report, and equally many of the recommendations were also strengthened by the Ministry in the Green Paper. In particular, observed Moja and Hayward(2000) the vision, principles, goals and objectives described in Chapter One of the Green Paper were made much clearer especially stressing the Government's commitment to equity, democratisation and justice as compared to the views expressed in the NCHE report.

The envisaged transformation of Higher Education Sector was going to take place through the development of a programme - based system, which was to be planned, funded and governed as a single coordinated system. Hence the policy on restructuring and on mergers that was to unfold later was informed by the above principle. The White Paper recognised that the size and the shape of higher education, was determined by individual institutional decisions on student enrolments and programme distribution and this approach was problematic to a future envisaged system. This remained uncoordinated with the historically advantaged institutions continuing in many cases to strengthen themselves by expanding into the geographic catchment areas of other higher education institutions, thus weakening those institutions further.

The White Paper proposed that one strategy would be for the Department of Education in consultation with the Council on Higher Education (CHE) to develop a national higher education plan. In this plan, the targets for the size and shape of the system, its growth, programme mixes and participation rates would be articulated. The plan would amongst other things begin to assist in the reshaping of the institutional landscape(White Paper 3, 1997, Section 2.10).

The programme based planning approach would foster general cooperation between institutions and consequently this should lead to the reconfiguration of the institutional landscape(White Paper 3, 1997, Section 2.42). The White Paper, drawing on the recommendation of the NCHE in respect of the development of regional consortia and partnerships, saw this as an opportunity for the realization of new constitutional and organisational forms in the long run (White Paper, 1997 Section 2.43 and 2.44). In particular, collaboration between institutions would have resulted in:

- Developing and delivering programmes
- Reducing the overlapped duplication of programmes

- The refocusing of the institutional culture and missions of both Historically White Institutions (HWIs) and Historically Black Institutions (HBIs) within the national system
- The building of academic and administrative capacity where it was needed
- Being responsive to regional and national needs for academic programmes, research and community service.

Significantly of course, the White Paper proposed that to undertake the abovementioned task, the Ministry in collaboration with CHE would assess the number and type of institutions needed to meet the goals of a transformed higher education system. The envisaged outcome would be to consolidate or retool higher education institutions, for new missions and goals. The case for the strong emphasis on transformation and the reorganization of the landscape of the higher education sector, was articulated in the White paper as follows, “narrow self-interest cannot be allowed to preclude planning which may lead to institutional mergers and closures and the development of new institutional forms where these are necessary”(White Paper 3, 1997, Section 2.45).

The White Paper certainly envisaged that the Minister of Education will be in a position to make informed decisions on these matters in terms of the Higher Education Act. To a significant extent, the strategies for regional collaboration or that of institutional collaboration was seen as taking place through voluntary collaboration, which would have in any event resulted in the apartheid barriers breaking down. Through this approach in the long term would give rise to new institutions, very much along the lines of the approach adopted by the DUT, a voluntary merger.

3.5. The Advice of the Council of Higher Education (CHE) – i.r.o. Shape and Size of Higher Education.

The pivotal turning point in merger policy development came from the advice given by the Council of the Higher Education (CHE) to the Minister of Education. This set in motion the restructuring of the higher education landscape, through mergers. The advisory report came at a time when a number of significant developments were occurring within the South African higher education sector, which would have hastened the restructuring and the decision to pursue mergers. These developments occurred in the period between the release of the White Paper and that of the National Plan for Higher Education. The first

significant development which began a little earlier than 1997, was the significant exodus of the black students from historically disadvantaged universities to historically white institutions and to the technikons. This resulted in the historically disadvantaged universities finding themselves in a worse predicament than before. Their finances were dwindling, related to among other things, huge amounts of unpaid student fees, as well as directly to the apartheid approach to the financing of Black institutions. Many of the Black institutions were on the brink of financial bankruptcy.

The second development that impacted on the sector was that many historical advantaged institutions who were generally financially stable, took the opportunity to expand their operations sometimes across country. They offered their programmes on the door step of another University. This approach weakened especially the Historically Disadvantaged Institutions, amongst whom were the likes of the Universities of Zululand, Fort Hare and the North. These institutions were not able to compete with such an expanding University. So, competition rather than cooperation which had been envisaged in the White Paper became the order of the day. The recommendations from the NCHE on regional collaborations proved to be unworkable in the main, although there were some effort at regional cooperation in different parts of the country.

The new Minister of Education appointed after the second democratic election was keen to begin to implement some radical changes to the higher education system. He had witnessed that the earlier envisaged changes had not materialized. The strategies espoused in the White Paper on institution voluntarism as a way to transform the sector and realize new organisational forms and types had not been effective. Against this background the Minister of Education sought the advice of the CHE on the 'size and shape' of higher education in South Africa, to which he stated, "cannot be left to chance if we to realize the vision of the rational seamless higher education system, responsive to the needs of students of all ages and the intellectual challenges of the 21st century" (Council on Higher Education (CHE), 2000:5).

The Minister in approving the establishment of the CHE task team signalled his expectations as being the following: the team had to conduct a considered and far-reaching review that answered the President's question: 'is higher education, will higher education be, a system for the 21st century?' (CHE, 2000:6). The team was required to provide the Minister with a set of concrete proposals in respect to shape and size of the Higher Education System and not just a set of general principles which serve as guidelines for restructuring. The Minister was

emphatic in this respect and went on to say, 'I cannot over emphasize the importance of the point until and unless we reach finality on institutional restructuring, we cannot take action and put in place the steps necessary to ensure the long-term affordability and sustainability of the higher education system'(CHE,2000:6).

The Task Team pointed out the following: 'the problems and weaknesses of the Higher Education System will not disappear on their own or be overcome by institutions on their own. They must be confronted and overcome in a systemic way'(CHE, 2000: 2). This gave the first glimpse of what really was being suggested i.e. a direct intervention by the State in the higher education sector.

3.5.1. The CHE Recommendations

The CHE recommended that the reconfigured higher education sector in South Africa should be differentiated and diverse but also integrated and a coordinated system(CHE, 2000:34). For the CHE 'differentiation' was expressed as being the social and educational mandates of institutions, which was gained by offering a particular programme at a particular level of the national qualification structure. 'Diversity' on the other hand was viewed as the way the institutions carved out their missions in order to respond to these mandates.

The CHE(2000: 64) proposed that the mandates of institutions should be the following:

1. Bedrock institutions whose focus would be to offer quality undergraduate programmes, limited post graduates up to masters level and most research would be related to curriculum, teaching and learning.
2. Institutions whose focus on offering quality undergraduates programmes, comprehensive postgraduates leading up to doctoral level programmes and research would be very extensive
3. Institutions whose focus would be quality undergraduates, extensive postgraduate taught and research up to masters level, selective offerings of doctoral types programmes. Research would be in selected areas.
4. Distance education institutions and
5. Private Higher Education.

The above was proposed as the future shape of the higher education system. On the basis of these mandates, the Task Team envisaged that there would be

a reduction in the number of institutions through 'combinations'. In respect of the size of the higher education, the task team was of the firm view that there should be no closures of institutions because the higher education system needed the capacity that existed in order to meet the student demand and to operate effectively(CHE, 2000: 50).

The Task Team also saw their proposal of 'combinations' as offering opportunity for different outcomes than the ones as they put it, 'that are a legacy of apartheid'(CHE, 2000: 60). In particular, it argued that combinations will advance the reconstruction of the higher education system in South Africa and achieve social goals. It will contribute to greater levels of collaboration among higher education institutions, reduce unnecessary duplication and promote efficient use of resources.

The Task Team's recommendations contained a four step approach to reconfiguring the higher education system. While pointing out that such reconfiguration cannot be achieved overnight, the suggest process were as follows:

'Consultation around the reconfiguration proposals, an iterative process around institutional mandates and missions, the development of a national plan by the Department of Education and this would be followed by combinations and development of institutional missions and strategic plans'(CHE: 2000: 67).

In undertaking these activities, the Task Team cautioned that care should be taken when proceeding with combinations. There should be appropriate structures with necessary financial resources and human resources expertise to assist these combination processes. Due attention be paid to human and labour relation issues, as well as the rights and obligations of all parties.

Finally the task team was very clear about where the legal basis for its recommendation on combinations existed. It pointed out that section 23 of the Higher Education Act of 1997 already made provision for the Minister to merge two or more public higher education institutions into a single Institution. What the Task Team sought to do was urge the Minister of Education use his already available legal powers to merge institutions. In order to give credence to its proposal of combinations and to show that it was indeed practical and feasible, it gave a number of practical examples across the country of higher education institutions that could be combined, including the benefits thereof.

3.6 The National Plan for Higher Education

The primary purpose of the National Plan was to ensure that the South African higher education system transforms itself as envisaged in the White Paper (National Plan for Higher Education – referred to as NPHE, 2001, Section 1.1). The Plan points to the very extensive consultative process commencing with the National Commission on Higher Education in 1995, followed by the Green and White papers in 1997 and then the advice provided by the Council on Higher Education to the Minister. Hence, the Ministry pointed out that this plan was aimed at implementing the changes needed in the South African Higher Education sector, thus bringing an end to any further need for consultations.

The National Plan addressed five key policy goals and strategic objectives. When these goals and objectives are realised, it should result in the transformation of the higher education system. Of particular importance to this research is the fifth goal and strategic objective, “to build new institutional and organisational forms and new institutional identities through regional collaboration between institutions”(NPHE,2001,Section1.6.1). This goal solidifies the restructuring of the higher education landscape through mergers.

The plan sets out the priorities in restructuring the institutional landscape as the following:

- To reduce duplication and overlap in programme and service provision.
- To promote the joint development and delivery of programmes.
- To enhance responsiveness to regional and national needs for academic programmes, research and community service.
- To help build academic and administrative capacity.
- To refocus and reshape the institutional culture and mission of institutions as South African institutions(NPHE, 2001, Section 6).

The National Plan acknowledged that there was some collaboration between higher education institutions. However, this remained largely related to infrastructural projects that were funded by donors. There was little or no collaboration in respect of, “reducing programme duplication and overlap, building academic and administrative capacity, enhancing responsiveness to regional and national needs and more importantly, laying the basis for new institutional and organisation types”(NPHE, 2001, Section 6.1). This of course laid the foundation for significant direct intervention by Government not only to transform the higher education sector but also to decree ‘forced mergers’.

The Ministry endorsed the CHE's thinking that the sustainability and transformation of the higher education system requires a reduction in the number of institutions. However, the Ministry chose not to accept the process suggested by the CHE to restructure the higher education landscape, as one could argue that such process would have taken much longer to realize the transformation goals desired by the Government. In the first instance the Ministry put to rest the notion of voluntarism to restructure the higher education system. It believed that the Minister must exercise the full powers available to him in terms of the Higher Education Act (Act No 101 of 1997), i.e. the power to merge two or more institutions into a single institution (NPHE, 2001, Section 6.4). The Ministry was of the view that its plan of mergers will not result in any geographic sites being closed.

Closer examination of the National Plan points to no singular factor that makes its case for mergers or for new institutional and organisational forms (NPHE, 2001, Section 6.4.1). While this is so, it is not too difficult to argue that the fundamental case for mergers would be the overcoming of the country's apartheid past that shaped the higher education system. This factor, 'the apartheid past' has been referred to, a number of times in the Plan. Furthermore the plan contained a proposal to undertake a feasibility study in respect of reducing the number of institutions and to establish new institutional and organisational forms. Therefore the goal of building new institutional identities and cultures were intended to be an outcome of mergers and incorporations. Other reasons given for merger strategy, which originated from the CHE report and supported by the National Plan included, low enrolments, low intake, small sized institutions, staff racial and gender composition and generally low output.

A two pronged approach to mergers was proposed in the National Plan. The first was to re-emphasize institutional collaboration at the regional level, in particular a restructuring strategy in terms of programmes and infrastructure which would include the rationalization of the provision of costly programmes. There were a number of such rationalised programmes regionally. For the DUT, the Department of Light Music was an immediate target for rationalization and was duly incorporated into University of KwaZulu-Natal (ex University of Natal). However such incorporation was not without complications, for example the entry requirements to the programmes were different between the both institutions, Light music was offered at DUT but no such programme ran at University of Kwa-Zulu Natal and the qualifications of staff at DUT was far lower than the requirements at the University.

The second strategy proposed was the development of new institutional and organizational forms and this was to be led by a National Working Group(NWG) appointed by the Minister. The National Working Group was required to undertake regional feasibility studies, advise the Minister on new institutional structures including mergers and on the question of a single distance education institution between the three public distance providers(NPHE, 2001, Section 6.6.2).

In conclusion, the National Plan in so far as it related to establishing new organisational forms and new institutions, pointed to the strong interventionist approach required of Government. This plan which was to be implemented was to be 'centrally driven'. The plan also made it very clear that in the pursuit of a merger strategy, it was building new institutional identities and cultures(NPHE, 2001, Section 6.2).

3.7 National Working Group (NWG) Recommendations on Restructuring the Institutional Landscape

In per the National Plan, the Minister of Education, established the National Working Group(NWG) in April 2001. The NWG took note of the principles and goals for transformation as enunciated in the White Paper, these being:

Equity and Redress

Democratisation

Development

Quality

Effectiveness and Efficiency

Academic Freedom

Institutional Autonomy

Public Accountability (NWG Report, 2001: Section 1.2).

In order to shape its recommendations, the NWG developed a set of performance indicators and benchmarks, on which it had consulted with the various Stakeholders in higher education. Further information was gleaned from the fledgling Higher Education Management Information System (HEMIS), while acknowledging limitations of available appropriate data because of shortcomings in the old South African Post School Education Management Information System (SAPSE); it drew conclusions about the effectiveness of the 36 higher education institutions. The significant conclusion reached was that the higher education system is “well below the optimal level that should characterise a healthy and well-functioning system”(NWG Report, 2001: Section 2). Resulting from the above conclusion, it made its case for mergers and incorporations by coming to the conclusion that all 36 South African higher education institutions were not “fit for purpose” (Hall, Symes and Leucher 2004: 40).

The NWG report was released publicly in February 2002, with the core recommendation being to reduce from 36 to 21 higher education institutions. In making a case for the reduction of the number of institutions through mergers and incorporations, it provided a detailed set of reasons based on regional analysis by also focussing amongst other things on quality, sustainability and equity.

Despite all the earlier signs, the institutional landscape was to be radically reconfigured; the report was received with shock by the higher education fraternity. Strong concerns and criticisms were levelled against the report (CHE, South Africa Higher Education in the First Decade of Democracy Report, 2004: 43). These criticisms centred on the lack of adequate consultation, the poor methodology employed, faulty data used, the inappropriateness of the benchmarks and the focus being narrowly on mergers. The Minister of Education, in releasing the Ministry’s response to the NWG recommendations, noted the level of criticisms by saying “...while we may continue to differ on the precise modalities of restructuring, I would like to appeal to all higher education institutions and constituencies to set aside what appear at times to be no more than short-term institutional interests in favour of the common good”(Ministry of Education (2002) Transformation and Restructuring: A new Institutional Landscape for Higher Education: 1).

3.7.1 General Recommendations

The recommendations of the NWG were twofold. The first related to a number of general issues and the second were the establishment of new institutional and organisational forms on a regional basis.

The general NWG recommendations were the following:

- To continue to collaborate at a regional level as and when opportunities present themselves in respect of expensive smaller programmes, examples of these would include highly specialised postgraduate studies.
- While the various established consortia were acknowledged to promote inter-institutional cooperation/collaboration, they were not supported in becoming another governance tier at a regional level to strengthen these consortia. However, support was given to regional collaboration by having a mix of incentives and sanctions when it came to programme approval.
- No support given to technikons being re-named Universities of Technology but a suggestion was made in that an alternative name like “Institute of Technology” could be considered. The thinking here was that the Universities and Technikons could operate as higher education institutions, but with distinct programmes and missions.
- It favoured mergers taking place between Universities and Technikons and in anticipation then created a new type of higher education institution to be known as a comprehensive institution.
- Agricultural and Nursing Colleges were recommended to be integrated into the higher education system by way of mergers and incorporations with Universities and Technikons.
- Supported the National Plan in so far as to regulate satellite campuses and their unplanned proliferation.
- In respect of the proliferation of distance education programmes at residential institutions, the NWG noted that this was motivated by financial gain(NWG, 2001: Section 2.4). Therefore it preferred curbing this practice by setting stringent criteria for the offering of such programmes by residential institutions.

3.7.2 Regional Recommendations

In consolidating and merging institutions the NWG recommended the creation of the following new institutional and organisations forms per region(NWG, 2001: Section 3). These are summarized as follows:

Eastern Cape

1. The Port Elizabeth Technikon and University of Port Elizabeth are to be merged into a unitary institution. The Vista Campus in Port Elizabeth to be incorporated into this comprehensive institution.
2. The Border Technikon and Eastern Cape Technikon are merged with sites at East London and Umtata.
3. The Universities of Fort Hare, Rhodes and the Medical School of the Transkei to be merged. The new institution would be developed at the East London Campus.
4. The remainder of academic programmes of the University of Transkei would be discontinued.

Free State

1. Technikon Free State and the University of the Free State to remain independent institutions.
2. The Bloemfontein campus of Vista University to be incorporated into University of Free State and the Welkom Campus to be incorporated into the Technikon.
3. A recommendation was also made in respect of Nursing and Agriculture College being incorporated into either of the two institutions.

Gauteng

1. Rand Afrikaans University, the University of Pretoria and the University of Witwatersrand were recommended to be retained as separate institutions. The University of Pretoria would incorporate the Mamelodi Campus of Vista University.
2. Technikons Northern Gauteng, North-West and Pretoria to be merged into a unitary institution with two sites, one at Technikon Pretoria and the other at Technikon Northern Gauteng.

3. Technikon Witwatersrand and Vaal Triangle Technikon be retained as independent institutions, Vaal Triangle Technikon would take over the facilities of the Sebokeng Campus of Vista University.

KwaZulu-Natal

1. Following the voluntary merger of Technikon Natal and M.L. Sultan Technikon, Mangosuthu Technikon to be merged with the new institution.
2. The Universities of Durban-Westville and Natal would be merged into a unitary institution.
3. The University of Zululand would remain independent but become a Comprehensive University type.

Northern Province

1. The University of the North, University of Venda and Medunsa recommended to be merged into a unitary institution.
2. Colleges of Nursing and Agriculture to be considered for incorporation into the new institution.
3. In medium to long term Medunsa's programmes and infrastructure to be relocated to the Northern Province.

North-West

1. The Potchefstroom University for CHE and the University of the North-West be merged into a unitary multi campus institution.
2. The Nursing and Agricultural Colleges of the provinces were recommended to be incorporated into the new institution.
3. The students and staff of the Sebokeng campus of the Vista University to be incorporated into the new institution.

The Western Cape

1. The University of Cape Town, the University of Stellenbosch and Cape Technikon were recommended to be retained as independent institutions.
2. The Peninsula Technikon and the University of Western Cape to be merged into a unitary comprehensive institution.
3. The Western Cape College of Nursing should be merged with the new comprehensive institution.
4. The Dentistry Schools of the University of the Western Cape and University of Stellenbosch to be merged into a single school and based at the new comprehensive University.

3.7.3. NWG's Thoughts on Implementation

The National Working Group was acutely aware that its recommendations would be meaningless without the full commitment of Government to fund such a radical reconfiguration of the Higher Education sector. It went so far as to suggest that the new institutions should not be burdened by the debts of the merging institutions (NWG Report, 2001: Section 8.1). It further pointed out that appropriate support and expertise be given to merging institutions. Importantly, the NWG suggested that due consideration be paid to human resources issues and in particular a social plan be developed to minimize job losses.

The NWG saw the Interim Councils as the most important player in the merger implementation process. Not only did the Interim Council appoint the Interim Management, but they also provided the critical support over and above their normal governance role during the merger phases. The NWG went so far as to suggest that the Interim Council should also appoint merger managers to oversee and assist the process. Given this huge responsibility envisaged for Interim Council members, it is no coincidence that the NWG suggested that these members should have considerable experience of the structures, operations and culture of higher education institutions. Above the skills and knowledge required, the Interim Council members should have impeccable integrity and be highly respected individuals (NWG Report, 2001: Section 4).

Equal to the success of any merger was the commitment of the institution and especially institutional stakeholders. The NWG also pointed to a number of issues that ought to be addressed for the merger to be successfully completed (NWG Report, 2001: Section 4). These include the following:

- The establishment of new governance structures as well as the development of the institutional statutes.
- Developing and establishment of new academic structures and integration of academic programmes.
- Developing and negotiating new conditions of service and remuneration.
- Establishment of a new tuition fees structure and fee regime.
- Integrating the administrative, financial and computer systems and procedures/processes.
- Consolidating budgets and other financial practices.
- Integrating the various support services such as libraries, student services and admissions.
- Planning and preparation for the utilization of facilities and infrastructure.
- Reconciling institutional cultures and ethos.

3.7.4 Issues Falling Outside the NWG Terms of Reference

Finally a brief examination is presented of issues identified by the NWG which were viewed as critical to the successful reconfiguration of the higher education system but fell outside their terms of reference. Some of these observations are mentioned here because they invariably have the potential for causing mergers or incorporations to fail as integration proceeds.

Leadership, Administration and Management Capacity

The NWG picked up on a critical factor that influences the success or otherwise of any organisation and this is leadership and management. In the case of mergers the quality of the leadership and management provided at all levels will invariably decide how rough or smooth the merger experience will be for that organisation. Ample evidence is available in the recent South African higher education sector history to point to a relationship between strong leadership and

management in an institution and institutional stability. To this end the NWG suggests that management and administrative capacity be enhanced through rigorous training. Although valuable in its own right, it is often a longer term solution. It may not be sufficient at the point of merger if the new institution is found lacking of skilled and knowledgeable staff to carry out all the merger processes and tasks. In particular, the strengthening of middle management levels was a critical aspect of realising merger and restructuring exercise.

Governance

One of the major factors, noted the NWG, was a lack of clarity between different governance structures, for example Council, Management, Senate and Institutional Forums and this invariably led to institutional instability. Therefore, the NWG recommended a review of the structure and functions of Councils as well as training for the Council members. Importantly for mergers is the capability of Councillors, who should collectively have a wide range of skills in order to bring a sober and considered view on many contentious merger related matters. Therefore significant to the new institution is the nature and calibre of not only the Interim council members but also the first set of Council members appointed for the newly merged institution.

Staff Productivity

The NWG in the course of their investigation and research picked up instances where productivity was lacking. It suggested that this matter to be examined with a view to encouraging academic and research output among staff. The import of this is that one of the goals of merger that has been carried over from the National commission on higher education through until mergers were suggested as a way to reconfigure and transform the higher education system has been staff productivity. One of the expected benefits that mergers has been touted to achieve is increased staff productivity.

Remuneration

Linked to academic productivity, is the question of addressing academic staff remuneration. The NWG noted that in particular academic staff salaries were not competitive with public or private sectors. Therefore this aspect must not be lost during the reconfiguration exercise. An argument can be made is that one of the unintended results of higher education mergers is the improvement in salaries and benefits of staff in the new merged institution. The reasoning for this would

be that one of the merging partners is more likely to have come in with a slightly better set of salaries and working conditions. Therefore in the new organisation it is very unlikely that the new conditions of employment including salaries will be any lower than that of the best merging partner. Instead, the lower of the two will enjoy an increase.

The Impact of HIV/AIDS on Higher Education

The NWG did observe that alarming statistics were being reported and therefore recommended that studies be undertaken to assess the impact especially on higher education. These studies should investigate the effects of the pandemic on future enrolments, graduation rates and higher education costs.

The above mentioned factors, if they were not attended to or managed satisfactorily, had the propensity to impact on the overall success of a merged institution, including having a negative effect on the entire higher education sector. A few months after the NWG report was released, the Ministry of Education responded by releasing its own merger proposals.

3.8 Ministry Response on NWG'S Merger Recommendations

The report of the NWG was publicly released for comment in February 2002. A period of intensive consultations followed in which, amongst other things, the Minister of Education met with the Councils of the institutions that were recommended for merger. Some of the consultations were not pleasant and there were also threats by institutions to pursue legal action. In May 2002, the Cabinet approved the Government's proposals for the transformation and reconstruction of higher education (Press Statement – Minister of Education, Professor Kader Asmal, 2002).

The Ministry of Education then published its own merger proposals in June 2002, which served as a response to the NWG's report. In the Minister's press statement, following the Cabinet's initial response, he was clear in his assessment of the South African higher education system. He said "although there are clear strengths in the current system, the overall effectiveness and efficiency of the system are such that in its current form, it cannot meet the demands that are being placed on it. Regrettably, the overall quantity and quality of graduate and research outputs; the quality of teaching; management

leadership and governance failures; lack of representative staff profiles; institutional cultures that have not transcended the racial divides of the past; and the increased competition between institutions all threaten to further fragment the higher education system”(Press Statement – Minister Kader Asmal, 2002: 2). The Minister also pointed out that the new system will comprise 21 higher education institutions, consisting of 11 Universities, 6 Technikons and 4 Comprehensive institutions; in addition provision was made for the establishment of two Institutes in Mpumalanga and Northern Cape. It was further suggested that this was not a technical exercise to rearrange existing institutions. The Ministry envisaged that this transformation of the sector will be profound. The overall goal was to allow for the expansion of the system. In particular, the intention was to increase the participation rates of the 20-24 year old enrolled in higher education from 15% to 20% over a ten year period. In the end an additional 200 000 students was envisaged get into the higher education system in South Africa.

The Ministry’s response to the NWG proposals amplified and clarified many policy details covered later in this section. Equally the political imperatives for the transformation of higher education were underscored. In particular the political agenda got reflected in the changes to specific merger proposals, which according to Hall et.al. would otherwise be difficult to reason(2004: 43). In principle the Ministry endorsed the NWG’s report and rejected the concerns and criticisms raised by higher education stakeholders. In respect of the criticisms of the accuracy of the institutional data contained in the NWG report, the Ministry pointed out that such data was indeed provided by the higher education institutions themselves as part of the annual data submission process(Ministry of Education, Transformation and Restructuring: A New Institutional Landscape for Higher Education, 2002: Section 2.1.1)

The Ministry addressed two concerns raised by the higher education sector’s response to the NWG report. The first related to the view that the NWG focused ‘too narrowly on mergers’ rather than considering the full spectrum of potential institutional arrangements, especially rationalisation of programmes through collaboration(C.T.P. and SAUVCA Report: Presentation to Parliamentary Portfolio Committee 30 April 2002; Ministry Report on Transformation and Restructuring 2002). The Ministry pointed out that the terms of reference of the NWG was to give advice on how the number of institutions ‘could be reduced’ and not whether the number of institutions ‘can be reduced’. Hence the NWG could not have considered any alternatives to merger although they did consider programme rationalisation.

The second concern related to what the higher education sector perceived as inadequate consultation. The Ministry was of the view that consultation was adequate and in keeping with the task teams' terms of reference. The Ministry did not see any need for the NWG to negotiate its recommendations with the affected institutions. That job one could surmise belonged to the Ministry, which in any event occurred after the various mergers were gazetted.

In addition to the above, the Ministry responding to the NWG report by clarifying the following issues as having implications for the new institutional landscape. These were: the comprehensive institutions, programme collaboration and rationalisation and federal versus unitary mergers. These are discussed below:

3.8.1 Comprehensive Institutions

The Ministry fully endorsed the NGW'S recommendation, that a new institutional type i.e. a comprehensive institution should be established as part of the transformed higher education landscape. The type of institution envisaged at the time would arise through a merger of a University and a Technikon. The Ministry did not see any inconsistencies with this new type of institution being formed. The Ministry argued that this would be consistent with the goals of the White Paper and the National Plan to provide both University as well as Technikon type programmes especially in underserved areas of South Africa. The Ministry also put to rest that the binary divide was going to be affected resulting in academic drift. In any event the Ministry envisaged that the binary divide was to exist for a very short term, with a single coordinated system being the preferred approach. The Ministry also supported that the Comprehensive type institutions be classified as a University.

3.8.2. Unitary versus Federal Merger Models

Criticism was also levelled at NWG's approach to only preferring the unitary model for mergers. The Ministry when accepting the recommendation also put forward additional arguments in support of the NWG position. These included:

- Far better benefits would be achieved through a unitary form of merger than through a Federal merger for example a new identity.

- It would be difficult to establish another layer of administrative and governance structures given the current challenges that higher education institutions faced in this area if the federal model was pursued.
- Importantly, inequalities between historically Black and historically White institutions as a result of apartheid, that by continuing with existing institutional identities in a Federal model would perpetuate conflict and are unlikely to work.

3.8.3 Voluntary versus Mandatory Mergers

The argument raised by the higher education sector that mergers are more likely to be successful when they are voluntary rather than mandatory, was accepted in principle by the Ministry (SAUVCA, Analysis of NWG Report, February 2002 ; Government Gazette – Transformation and Restructuring, 21 June 2002: Section 6.2.). However the Ministry pointed out that unfortunately voluntary merger cannot work, because there was little evidence to show any earlier attempts of collaborations between institutions, nor attempts in terms of broad policy goals to reduce programme duplication. Therefore, given the South African higher education sector history, direct intervention by the State was the only preferred method.

3.8.4 Programme Collaboration and Rationalisation

The Ministry in responding to the NWG report also clarified its position on programme collaboration and rationalisation. It believed that this was to remain an important goal as part of the transformation of the sector. It noted that the NWG confined its report to programme collaboration and rationalisation at a regional level to institutions not selected for mergers. The Ministry pointed that it used the programme and qualifications mix to identify potential areas for programme collaboration and rationalisation in the regions. This would become the basis for even those institutions that are merging, to plan, co-ordinate and manage their own programme profile. The rationalising of expensive programmes was also put forward by the Ministry and these were:

- The Dentistry School of University of Western Cape and University of Stellenboch to be merged and located at the University of Western Cape

- It required the University of Cape Town and Stellenbosch to discontinue undergraduate programme in nursing education and programmes were in future to be offered at the University of Western Cape and the merged Technikon.
- It also decided to rationalise the MBA programmes.

In the final analysis all of the NWG recommendations were accepted, except for four. These were as follows:

- The proposed merger between Peninsula Technikon and the University of Western Cape (UWC).
- University of Fort Hare (UFH), Rhodes and the Health Science Faculty of the University of Transkei.
- The proposal to keep Rand Afrikaans University (RAU) and Technikon Witwatersrand as separate institutions.
- The proposal relating to the incorporation of East Rand and Soweto Campuses of Vista University.

Instead the Ministry proposed the following:

- Merging the Cape and Peninsula Technikons.
- Merging of Rand Afrikaans University and Technikon Witwatersrand. This new institution will incorporate the East Rand and Soweto Campuses of Vista University.
- The retention of the University of Fort Hare, University of Western Cape and Rhodes University as separate institutions. The University of Fort Hare will incorporate the East London campus of Rhodes University and the Health Sciences Faculty of the University of the Transkei (Ministry of Education : Transformation and Restructuring, 2002 :10-21).

3.9. Finalisation of Merger Recommendations

A few days after gazetting its response document to the NWG merger proposal, the Department of Education announced the Minister's intent to merge identified

institutions(Department of Education: Government Gazette No 23550. 24 June 2002). During the three month period allowed for representation regarding the proposal to merge certain higher education institutions, the Ministry received 71 submissions. The Minister of Education also met with almost all the Councils affected by the merger proposals. Given the profound importance of this sector to the country, the Minister went back to the Cabinet on the 4 December 2002 to obtain approval for the final proposals for the restructuring of the institutional landscape. In a press statement released on the 9 December 2002, the Minister announced that with the exception of two all the other mergers as decided by the Cabinet in May 2002 were confirmed(Press statement – Minister of Education, 9 December 2002: 3).

The first exception was the proposed merger of the University of North, the University of Venda and MEDUNSA. In the new arrangement the Ministry pointed out that it supported the Council on Higher Education view on the matter of the merger between University of the North and MEDUNSA. Hence, the University of Venda would now become a separate comprehensive institution.

The other change related to the proposed merger of Border Technikon, Eastern Cape Technikon and the University of Transkei including its medical school to form a comprehensive institution.

Various other announcements were made in respect of these final decreed mergers:

- The merger would be implemented with a first group beginning in January 2004 and the second group of mergers in 2005.
- The institutes for higher education in Mpumalanga and Northern Cape will be developed to expand provision of higher education in these underserved regions.
- The Universities of Venda and Zululand would be revitalised to form comprehensive institutions.
- The process of rationalizing academic programmes and faculties will continue apace regionally.
- The Department of Education established in its Higher Education Branch, a Merger Unit whose role was to assist all institutions with operationalising of their mergers processes. In line with this objective unit released in April 2003 guidelines for assisting with mergers.

- A commitment to the provision of necessary financial resources to support all merging institutions. To date, close on R3 billion has been provided for mergers/transformation and restructuring of the higher education system as well as re-capitalizing institutions that did not have an adequate asset base to cover their liabilities(Gower, 2009).

In summary, the current new landscape for public higher education as the result of mergers and incorporations is **23** institutions. The figure 5 points to **11** Universities of which **3** arose out of a merger, there are **6** Universities of Technology, including Mangosuthu University of Technology. Mangosuthu University of Technology was to have merged with the Durban University of Technology. However for a variety of reasons this is no longer the case. The remainder of is made up of **6** Comprehensive Universities as well as the two Institutes in Mpumalanga and Northern Cape.

Figure 5: The New Institutional Landscape of South African Public Higher Education

INSTITUTIONAL TYPE		INSTITUTION
Universities	8 separate and incorporated Universities	1.University of Cape Town (UCT)
		2. University of Fort Hare (UFH) + Rhodes University East London Campus
		3. University of Free State (UFS) + Vista University (Bloemfontein) + University of the North (Qwa-Qwa)
		4. University of Pretoria (UP) + Vista University (Mamelodi)
		5. Rhodes University
		6. University of Stellenbosch (US)
		7. University of the Western Cape (UWC) + University of Stellenbosch Dental School
		8. University of Witwatersrand (Wits)
	3 merged universities	1.University of Durban-Westville (UDW) + University of Natal = The University of KwaZulu-Natal
		2.The University of the North (UNIN) + Medical University of South Africa (MEDUNSA) = University of Limpopo
		3.Potchefstroom University of Christian HE (PUCHE) + University of North-West (UNW) + Vista University (staff and students of Sebokeng) = North-West University
Universities of Technology	2 separate and incorporated (technikons) universities of	1.Technikon Free State (TFS) + Vista University (Welkom) = Central University of Technology

	technology	2. Vaal Triangle Technikon + Vista University (infrastructure and facilities of Sebokeng) = Vaal University of Technology 3. Mangosuthu University of Technology + infrastructure and facilities of the Umlazi campus of the University of Zululand
	3 merged (technikons) universities of technology	1. Cape Technikon + Peninsula Technikon (Pentech) = Cape Peninsula University of Technology 2. Durban University of Technology (DUT) 3. Technikon Pretoria (TP) + Technikon Northern Gauteng (TNG) + Technikon North-West = Tshwane University of Technology
Comprehensives	2 separate comprehensives	1. University of Venda = University of Venda for Science and Technology 2. University of Zululand
	4 merged comprehensives	1. Rand Afrikaans University (RAU) + Technikon Witwatersrand + Vista University (East Rand and Soweto) = University of Johannesburg
		2. University of Port Elizabeth (UPE) + Port Elizabeth Technikon (PET) + Vista University (Port Elizabeth) = Nelson Mandela Metropolitan University
		3. University of South Africa (UNISA) + Technikon South Africa (TSA) + Vista University Distance Education Centre (VUDEC)
		4. University of Transkei (Unitra) + Border Technikon + Eastern Cape Technikon = Walter Sisulu University
National Institutes		1. Mpumalanga Institute for Higher Education 2. Northern Cape Institute for Higher Education

Source: The Council on Higher Education (CHE) 2004 Report: South Africa Higher Education in the First Decade of Democracy: Pretoria **(Adapted)**

The new higher education landscape also introduced new institutional nomenclature, viz, the University of Technology and Comprehensive University. Universities of Technology were the name change of technikons. In October 2003 the Minister of Education finally accepted the lobby from the Technikon sector to have its name changed to Universities of Technology (Du Pre, 2009: vii). Comprehensive Universities arose out of mergers from Universities and Technikons except in two instances where existing Universities were reclassified as Comprehensive Universities as part of the reconfiguration exercise and these two are now required to offer technikon type programmes as well.

3.10 The Legal Framework Governing Mergers and Incorporations

Following the release of the Green and White Papers on higher education, the Higher Education Act No 101 of 1997 was promulgated. This piece of legislation laid the legal framework for the transformation of the higher education sector. Significantly it was one of the few pieces of legislation to be amended every year since 1999 up until 2003. Mergers and incorporations are largely covered in Section 23 of the Act. It was this section that the Council on Higher Education pointed to when recommending to the Minister of Education that 'Institutional combinations' should be pursued. Section 23 sets out the process for merging as follows, ".....the Minister may, after consulting the Council on Higher Education and by notice in the Gazette, merge two or more public higher education institution(Section 23 (1) - CHE report, 2000:57). The amendments to the Act clarified 'mergers versus incorporations', with the latter being no substantive change to the overall legal personality of the receiving institution. In a merger two or more institutions are dissolved and a new institution with a totally new legal personality is established.

Hall et al(2004) pointed out that a reading of Section 23 on mergers would allow one to segment three distinct but interrelated phases. The first phase would be treated as a 'pre-merger' and this would last for approximately 90 days. In this phase the Minister advises the selected institutions of the intention to merge them. The affected parties would then be given the opportunity to make representation within the 90 days. This allows for the nomination of the Interim Council members to govern the merged institution. In the pre merger phase the Minister also gazettes the date of the merger, the name, address and location of the institution. Generally in practice the pre-merger phase could be an extensive period of planning and preparation for the merger. The legal 90 days only constitutes a small fraction of the preparation phase of a merger.

The second phase could last for approximately 12 months. Here the Interim Council take up office from the date the new merged institution comes into existence. The Act makes provision for between 7 and 9 members and it specifically excludes students and staff of the institution. In this phase the first task of the Interim Council members is to appoint the Interim Management. The Interim Council is given an initial period of six months to carry out amongst other things the establishment of a new Council. However should they not complete the tasks expected of them, the Minister may extend the period for a maximum of six months. In reality the interim Council is caught up with key merger integration activities that need their guidance from a governance point of view.

The final phase from a legal perspective is when the new Council is appointed. This can occur between six months and up to a year. The new Council has the singular responsibility of drawing up the institutions new statute, as well as approving new policies for the merged institution. From a practical perspective the new Council often finds itself in the middle of the merger integration activities.

3.11 Concluding Remarks

Merging and incorporating as a way to reconfigure and transform the South African higher education system came about after a very extensive investigative and consultative process. Higher education merger development history can be traced back to the National Commission on Higher Education, where amongst other things the philosophy, goals and objectives for a transformed higher education system was articulated. These were enriched in the green and white papers. Mergers became solidified as the preferred approach to reconfiguring the higher education landscape and achieving these goals and objectives by the advice given by the CHE to the Minister of Education as well as the response of the Ministry in the National Plan and given a clearly practical response by the National Working Group. Mergers as envisaged for the sector served not only as a transformational imperative but also touted to realize great benefits for the sector and in turn to the nation. These strategic merger outcomes were hoped to include: economies of scale which would result in a financially more viable institution than institutions with smaller student numbers; reduction in the number of institutions should assist with improved capacity in leadership, management and governance as well as teaching and research; the development of new institutional missions would result in being more responsive to the economy and society and the historically disadvantaged through mergers, incorporations and general restructuring would receive additional resources.

There is no doubt that the South African higher education system would count among very few in the world where such radical transformation has taken place. Furthermore these complex mergers and incorporations were executed in a relatively short time. What follows in subsequent chapters is the evaluation of the mergers both at a micro and macro level to ascertain whether these goals and benefits are being realized or achieved and whether merger strategy was a correct one.

CHAPTER 4

RESEARCH METHODOLOGY – FOR THE MICRO AND MACRO INVESTIGATIONS

4.1 Introduction

This research lends itself to both a qualitative as well as quantitative approach given the two parts to the study, though they are interrelated. The first part being the micro study of higher education mergers and this is undertaken through a descriptive and interpretive case study, with the Durban University of Technology (DUT) merger as the case. The second part is the macro study of higher education mergers, with the objective being an examination of whether these mergers in South African have been successful or otherwise and in particular whether national transformation objectives have been achieved as the result of these mergers. This part of the research is undertaken through a survey of merged higher educational institutions. The reasons for selecting these particular research designs are explained below. This is then followed by a discussion on the data collection method which answers the research questions.

4.2 Rationale for a Single Case Study(Micro study)

This study is limited to a single case study-the DUT merger. The case study method is being followed because it allows us to understand the uniqueness and the idiosyncrasy of this particular merger in all its complexity(Welman and Kruger, 1999). Yin(2009:18) defines a case study as “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”. A case study research assists in connecting the micro level or the actions of individual people to macro level or large scale social structures and processes(Neuman, 2003 citing Vaughan, 1992).

While there are various reasons that can be advanced to support the use of a single case study, for the purpose of this study it has been limited to three. The first rationale is that it represents a unique case, in that it was the first higher education merger in South Africa, in addition to being the only voluntary merger. The second reason is that it is a representative or typical case. Yin (2009) tends

to view this reason as an important rationale for pursuing a single case, given that the primary lessons learnt from the case are assumed to be informative about the experience of the average merged higher education institution in South Africa. The observation from this case study may be correlated by the perception study conducted with merged higher education institutions. The third reason for staying with a single case study is that, in many respects, this can be viewed as a longitudinal case. The information and data gathered and reflected upon spans a period of seven (7) years. Hence it is a big story being told through a small case but there are diverse forms of data that are used to construct this case. The lengthy time period greatly assists with reflecting on the different changes that have occurred during the merger phases and these being:

- The historical pre-merger phase
- The pre-planning phase
- The legal merger phase
- The merger integration
- The consolidation phase
- The development towards a new organization – The University of Technology

The researcher is of the view that a single over a multiple case study has been preferred because it may have posed greater difficulty to construct the second and/or any further cases, as well as that of the first one. Given the purpose of this research and the timing available to complete the thesis, the second and/or any further case studies would have lacked the effectiveness and depth that is evident in the first one.

The key strength of the case study method observed Soy(1997), was the use of multiple sources and techniques in the data gathering process. Very important of course is that by using multiple sources of evidence we obtain a process of triangulation and corroboration. As Yin(2009) points out in these circumstances the case study findings or conclusions are likely to be more convincing and accurate largely because of the use of multiple sources of evidence.

Given the complexity of this study, the embedded case study design has been preferred over a holistic design. This design approach allows one to embrace different orientations, as well as the evidence may address as Yin put it “different research questions”, as the case study proceeds(2009:52). In this single case study a number of sub units of analysis is undertaken (namely

academic, human resources, trade unions, management and students) which reaffirms the embedded design.

4.3 Case Study Data Collection

In developing this case study, data was gathered from both primary and secondary sources. Yin(2009) observed that as compared to other research methods, case studies require an inquiring mind during data collection. The key is the ability to pose and ask good questions. As evidence was acquired, this was continually reviewed. Consequently each interviewee was able to verify or dispel earlier acquired information. In this way it became easier to discern the key trends and observations which assisted in the write up of the case. Further these common held views on different facets of the DUT merger experience, found correlation with documents, reports, minutes of meetings and to a significant extent my own personal knowledge.

Generally questions asked of all stakeholders in the semi-structured interviews were largely open ended. At no time was it intended to limit a respondent's view rather the intention was to understand the experiences of those interviewed. Of course it should be added that on a few occasions where the interviewee would give a slant to the issue in question, which in all probability tended to be a little incorrect or far-fetched, some intervention would be made by giving a correct version but ascribing it to others. The respondent would be asked if they were aware of this version. Sometimes the answer was immediate, 'no they did not know this' and we would then move on to the next issue. Sometime they pursued with the line of argument reinforcing the evidence of innuendo and rumours that had also coloured the merger waters. As researcher, one had to be very careful, in not being viewed by interviewees as influencing them, as a result of possessing personal knowledge about the different facets of the merger. However experience with all interviewees pointed to their willingness to speak openly, frankly, and to express their views on different facets of the merger even if assessment later on in respect of their evidence showed that some of their information shared was way of the mark in comparison to the actual reality of the issues being questioned on. The advantage of being an insider, that posed no threat to the interviewees, accounts for their openness and willingness to share their experiences, on sometimes what would be regarded as sensitive information.

While the specific combinations of interview questions were determined by the group of individuals being interviewed, in order to address the first central question, *what can we learn about higher education mergers as examined through the Durban University of Technology (DUT) case study? The emphasis is on providing a detailed analysis of DUT merger in terms of its problems, pitfalls and peculiarities. This study is at a micro level, an examination of the processes, procedures, practices and trials and tribulations when two or more higher education institutions merge*, a set of core questions were asked of all respondents as applied to their particular work environment.

These were as follows:

- What factors shaped the DUT merger?
- Was the DUT merger successful or not?
- Describe how you saw the role played by Executive Management during the merger.
- Describe how you saw the role played by Interim Council during the merger.
- Describe how you saw the role played by the new Council during the merger.
- Describe how you saw the role played by the Unions during the merger.
- Describe how you saw the role played by the Student leadership during the merger.
- How did the merger affect you and or your department?
- Was there a merger plan, for the institution, for your department? Describe the plan.
- Describe how integration took place with your department/unit?
- What was the level of communication during the merger period? Explain

These general questions were asked with the view to allowing the respondents opportunity to openly express and describe as widely as they could their own roles in the merger process.

4.3.1 Sampling

The 'purposive' sampling method was decided upon, to be used for the selecting of interviewees for the case study. Given that there are clearly identified groups to the merger who will provide the necessary information, this technique allows

the researcher to deliberately obtain the respondents in a manner, that the sample obtained may be regarded as representative of the relevant population.

4.3.1.1 Categories of Staff Interviewed

The interviewees were drawn from the following categories of staff, in total about 56:

- Executive Management – those managers that were at the time classified as interim managers - Interviewed - 5
- Deans – those Deans that were responsible for the merger integration - Interviewed - 4
- Academic HoDs of Department. - Interviewed - 10
- Administrative Heads - Interviewed – 7
- Trade Union Leadership - Interviewed - 5
- Staff not in the above categories – Interviewed/conversations and corridor conversations approximately - 25

4.3.1.2 Other Categories

In addition to the above many discussions/conversations were held with the following people not necessarily as part of the formal data gathering exercise, but as an opportunity to raise a number of questions related to the DUT merger:

- An ex- Vice Chancellor
- Council members
- Consultants involved with the DUT merger
- First hand meetings with Government officials during the merger period.

This was a valuable opportunity to talk about developments in higher education through understanding the DUT merger. Sometimes discussions bordered on simply the politics of the DUT merger and why certain thing happened the way that they did. Other times it was a philosophical discussion about merging and transformation in higher education. This became another outlet to obtain information/data about the DUT merger.

4.3.1.3 Student Leaders

Information gleaned from student leaders occurred shortly after the merger in 2002. These leaders were in the transitional SRC and their views were captured around merging, problems of students, the merging of the SRC's and matters related to student services. When it came to interviewing SRC leadership this was done in a group. It was a far easier method to get together at one time a few student leaders. Part of the reasoning is that they would have had similar experiences in respect to the merger and they would also feel comfortable sharing their joint experiences.

In addition to speaking to student leaders, staff members who were responsible for student governance at the time were also interviewed in order to get a perspective on student governance and how the merger of the both SRCs took place.

4.3.2 Corridor Conversations

Given the importance of corridor conversations to the gathering of data and information, special attention is given to it here. Corridor conversations are simply informal engagement with as many staff, students and other by-standers who were willing to speak about higher education mergers and in particular the DUT merger. This took place in the office corridors, on the telephone and on the lawns of DUT. Sometimes the interviews lasted many hours and other times no more than a few minutes. At the time of such discussions no notes were taken, but subsequently a record would be made of some comments. This approach gave the opportunity over a lengthy period to ask staff quite casually such questions as: 'what they thought about the merger? how were they affected? what occurred in their place of work? what were the problems between staff as the result of the integration? What were the steps in integrating their departments?' The questions asked are just a sample and it largely depended on who was being spoken to. Therefore as evident by the case description later in this thesis, it would have been very difficult to obtain all data and information through a formal way only. In many ways, staff colleagues were quite willing to talk about issues that affected them. One sensed that in some way for certain staff members this was an opportunity to speak freely about what bothered them about the merger, while for others it was simply an opportunity to gossip a bit and to see also what information they could pick up from these conversations. Whatever the motives were, for this became valuable information of individual

stories of the merger which when tested against other data sources, it became easy to piece together different elements of the DUT merger experience.

Included in the corridor conversations are numerous telephone conversations. Telephone conversations became useful while writing, as it would require verification of certain information gleaned from particular individuals. This information was also treated in the same way as corridor obtained information, sometimes it was noted down and at other times captured straight into the case description. The corridor conversations was not used blindly, given often the propensity of gossip and triviality of such sources of information but the validity of such information was ensured by triangulating it with other data sources described below.

4.3.3 Documentary Evidence

As would be evident later, this case study was reliant on many different pieces of documents to serve not only for purposes of triangulation but to assist with the sequencing of this narrative. As it is difficult to list all the documents here, it is grouped into broad headings as follows which were analysed:

- **Research reports** -- Under this heading a number of reports were used to craft the historical development of the DUT merger. Here each institution's handbooks and annual reports of years 2000, 2001 and 2002 were examined. Also under research reports were the entire volume of PriceWaterHouseCoopers pre-merger planning reports. The Andersen merger preparation volume which contained various task team reports was also analyzed.
- **Minutes of meetings** – The minutes of meetings included the joint Councils, the merger steering committee, its successor the Committee of Twelve, the Oversight committee, the various task team minutes, joint executive management meetings, and interim council minutes, meetings of merger project committee, senate and council minutes. These minutes gave great insight into the historical development as well as how the merger unfolded, what decisions were taken and by whom.
- **Correspondence between and within stakeholders** – These letters between different stakeholders and often within the same group portrayed

the intensity of the entire merger process and the concerns, fears and emotions of the writers of this correspondence.

- **Press releases** – A number of press articles simply reinforced the problematic developments directly associated with the merger. Also classified under press releases was the communication with stakeholders on merger developments throughout the different merger phases.
- **Government papers and policy documents** – Various government documents pointed to the legal and policy aspects of higher education mergers and other academic matters. Some of this has already been reported in Chapter 3.

Finally in developing the case study, descriptive statistics was used, for example to report on the student and staff numbers in faculties and departments, financial information of the pre merger and merged institutions and other pertinent statistics. Some of this statistics was obtained through University and Government reports.

4.3.4 Questionnaire

A short questionnaire was administered to staff that had elected to take the voluntary exit package (VEP) at the end of November 2002 (See Appendix 6). The primary purpose was to examine what had prompted staff to take up the exit package and in a broader sense to examine the effects of the merger on staff. The return of the questionnaire was a low 12% (33 respondents) if measured against all staff who opted for the VEP that is 270. However it is a good response rate given that by the time it became publicly known which staff members were leaving, it was too late to administer the questionnaire to everyone. The list of staff electing to take VEP at the time was not a published document. Those staff members who were identified as leaving (obtained through the grapevine) were forwarded the questionnaires. This would have been no more than 80. Under this condition the purposive sampling method was employed. Although for the purposes of the case study reliance has been placed on using the full population when reporting the findings, hence the 12%, the actual return based on my 80 issued questionnaires is 41%.

4.4 Participant Observation and the Role of the Researcher

The researcher was a primary source of data and information collection, not only because from a qualitative research design it could be argued that this is the main instrument (Neuman, 2003: 375), but also in this instance happened to be an active participant in the DUT merger process. This being intimately involved with the merger exercise from its inception (pre merger phase) and ending only after the merger took place in April 2002. So up until that period it was with relative ease that documents and literature on higher education mergers could be accessed, especially that of the DUT merger. As an active participant in the merger process, roles included that of coordinating the merger discussions on behalf of Technikon Natal especially in the pre merger period and later overseeing the Merger Office closer to the time of merger. Essentially it was an administrative/secretarial office. It dealt with the consultants who were responsible for ensuring that the merger task teams' work was carried out timeously. This office also ensured that meetings of the Merger Steering committee (Committee of Twelve) were called and documentation was available for ongoing merger discussion and decision making. Few months after the merger, the Interim Executive Management Team disbanded the merger office and this curtailed the researcher's active participative role in the day to day issues related to the merger integration. However as was the case, the various other tasks that was performed following the merger allowed the one an opportunity to observe first-hand the effect of the merger process at work.

Although there are advantages to this from a research design point of view, there is equally the possibility that the researcher could bring in personal bias to the study. In the development of the case study there was a continual shift to being a 'participant observer' that is drawing on the significant knowledge of the different facets of the DUT merger as a staff member. Here the role was an important one in that of having participated actively in various decisions that led up to the DUT merger as well as having first-hand knowledge on the pre-merger processes including merger planning. This role of being a participant observer did diminish subsequently in the integration and consolidation phases. Notwithstanding this, as a staff member one experienced and saw the impact of the merger on the institution like other members of staff. However being a doctoral student it was equally important to hear the stories from many colleagues at DUT. To assess how they saw the merger and not to impose personal beliefs of the merger on those that were interviewed. Therefore as researcher one had to balance between what Sooklal (2005) calls the role of internal and external researcher. Nevertheless there was very little conflict

between roles in the merger office and subsequent tasks that may have been performed post merger and the quest for information from staff colleagues on different facets of the merger. Interviewees if anything were willing to share their experiences and realized that this was simply an academic piece of research which was non-threatening. More importantly was the discovery that mergers are quite complex. As participant-observer I had a good grasp of the macro perspective of the DUT merger but certainly needed to understand what actually went on at the coal face, for example when two academic departments were integrated, what really took place. This can only truly be gleaned from the people that experienced this first-hand.

As staff members were interviewed it became easy to empathize with their positions taken on the merger as well as how the merger had come to affect them personally. Despite this, care had to be taken to ensure that in constructing the narrative, one was not blinded by any of these observations. Careful thought was given to the construct of the case description which required very extensive drawing upon other data to support the information obtained through the interviews as well as personal observations. Much of this data came in the form of documentation. Equally telephone calls were made at times to others not interviewed to test a perspective that the researcher was presented with by the interviewed candidates.

4.5 Peer Review and Verification

As part of the process of validating the study, draft copies of the case were sent to internal colleagues who were very familiar with the entire merger process. One reviewer was requested to examine the case study from a legal perspective given the nature of sensitive information, the others to give detailed comments which could test the narrative in terms of its factual content and whether there were any glaring omissions in terms of detail. In addition to these internal colleagues, the case study was reviewed by an ex Vice Chancellor who had insight into this merger, to test the arguments and the narrative. These comments helped to enrich the case study.

4.6 Analysis of Data

An interpretative approach to analyzing the data was adopted. In respect of the semi-structured interviews notes were made of the responses to the bank of

questions described above which dealt with the first central research question. Looking at these notes and merger documents, one could discern possible themes and was able to categorize the responses. With the recorded information a narrative was spun based on recurrent patterns and comments made in terms of the themes.

In respect of the questionnaire dealing with the voluntary exit package, the data gathered was subjected to basic descriptive statistics and this information was used to enrich the case description.

As far as corridor conversations are concerned, while recorded as short notes or just statements, they were not subject to the same form of analysis as the semi-structured interviews. Rather this information became useful in confirming what had been said in the interviews. Further it helped build on the information gained in the semi structured interviews.

In constructing the case cognizance was taken of the fact that it was necessary to protect the identities of the respondents, given that the nature of this study would have drawn on sensitive information. Therefore such respondents were protected in certain cases by an indication of the stakeholder group or job title rather than the person's name when reference is provided in the reference note, for example it would read 'interview/conversation with trade union leader'.

4.7 Research Approach for the Second Central Question (Macro Study)

The second central question seeks to establish, *whether higher education mergers have been successful or otherwise in South Africa?* This question was answered by using the survey method of data collection in the form of a questionnaire. This survey was to elicit from staff at merged higher education institutions their perceptions on their merger, its processes and outcomes and in particular whether as a result of their merger, broader goals and objectives of higher education transformation have been or are being achieved or accomplished.

This research question is addressed through a descriptive and quantitative study.

4.7.1 Data Gathering

The questionnaire was used as a data gathering instrument. This questionnaire has been designed to obtain the perceptions of staff at the merged higher education institutions. The questionnaire had to be administered electronically given that the ten (10) merged higher education institutions are spread all over South Africa and this has made face to face administration almost impossible. Given this geographic spread of the merged institutions, significant reliance has been placed on establishing contact with one or more persons within each of the institutions who could assist the researcher to electronically distribute the questionnaire within their respective institutions.

4.7.2 Population and Sample Selection

The population for this survey consists of all merged higher education institutions in South Africa. The institutions are as follows:

- The University of Kwa –Zulu Natal
- The University of Limpopo
- Cape Peninsula University of Technology
- Walter Sisulu University
- North West University
- University of Johannesburg
- Nelson Mandela Metropolitan University
- University of South Africa (UNISA)
- Durban University of Technology
- Tshwane University of Technology

The respondents to the survey are drawn from the ranks of Academic, Administrative and Support Services staff across all levels of the institution. The respondents could have been in the employ of the pre-merged institutions, as well as those that joined the new institution post merger. While the ideal situation would be to receive responses from staff from all 10 merged institutions, for the purposes of this research 50% of the merged institutions providing the information would be considered sufficiently representative to make generalizations to the entire higher education merged sector.

4.7.3 Sample

In order to ensure that the electronic questionnaire was distributed to as many staff across the merged institutions reliance was placed on the 'snowballing technique'. According to Welman and Kruger, in this type of sampling we approach a few individuals from the relevant population and they act as informants and identify others from the same population to be included in the sample, the latter may identify others to be included, like a rolling snowball (1999:63). In the initial phase, I approached an individual or two from each of the merged institution to assist me with distributing the electronic questionnaire. These 'key persons' served two purposes, the first being to distribute widely the questionnaire within their institutions. The second to act as a post office for the collection of such completed questionnaires, especially if their staff preferred the print and manual filling-in option. This latter role was an exception as the respondents could send either the electronic or manually filled in questionnaire directly back to me via email. Once I had made contact with these key people and they had agreed to assist me, decisions on distribution issues thereafter was up to them, except for the request to distribute widely within their respective institutions. They in turn, given the structure of universities, would have enlisted the help of others.

Given the geographic spread of the merged institutions and the use of the electronic questionnaire, the ideal sample size would be a minimum of 25 respondents per merged institution especially for undertaking any inter-institutional analysis and evaluation. Welman and Kruger(1999: 64) quoting the work of Huysamen(1991) pointed out that as a general, rule one should not use a sample with less than 15 units of analysis. The preference would be such units of analysis to be over 25.

4.7.4 The Questionnaire

Working around my central question, numbers of subsidiary questions were developed in order to construct the questionnaire (See Appendix 7). Some of the information sought could be classified as either biographical or general information about the respondents. While this was an electronically designed questionnaire with 37 statements, the last question allowed for individual comments.

The questionnaire was distributed through one or more colleagues in the merged institutions as described earlier. Once the questionnaire left my computer, I had no further involvement on any further distribution within those institutions. They in turn distributed to their staff, with the only instruction that they do so widely to both academic, administrative and support staff. So largely following this approach the questionnaire would have been distributed to staff with email facilities. I also indicated that the questionnaire could be filled in by pen and then forwarded by email or by fax. The factsheet included with the questionnaire provided the background and purpose of the study, as well as details for any staff member to interact with me in respect of this research if they so wished.

The early indication of a very slow rate of response with the electronic version required that other traditional approaches of distributing questionnaires for research purposes be employed.

4.7.4.1 Ensuring Reliability of the Instrument

The questionnaire was subject to rigorous testing before it could be released. This included a two level test, with the first being a B.Tech (4th year level) class of about 30 students who provided valuable feedback on the design and layout of the questionnaire. The follow up was then undertaken on a face to face basis with staff members who were from the chosen population group. This pilot test was conducted with about 10 staff members. The questionnaire was revised with comments from my Research supervisor as well. An electronic pilot test was also undertaken with about 10 staff members from the target population. This was useful as all the electronic problems and corrections were rectified as the result of this pilot test.

4.7.5 Analysis of Data

After the data had been obtained, it was independently captured by a colleague of mine. In order to obtain meaningful results from the data gathering process, the following statistical analyses were performed:

- Descriptive statistics on variables of a quantitative nature in the questionnaire.

- Frequency tables indicating frequency and percentage responses for all questions.
- Correlations to establish relationship between merger success and revitalization of the academic project/goals, socio-economic development, governance and managerial leadership, key human resources indicators and improved student access and life.

4.8 Reliability and Validity Issues

Given that the nature of this research embodies both quantitative and qualitative approaches, the important principles of reliability and validity are addressed in the number of ways. Neuman(2003) observed while most qualitative researchers accept the principles of validity and reliability, they tend to use the terms infrequently as well as apply them differently largely because of its association with quantitative measurement. While noting these views for the purpose of this study, issues of reliability and validity are asserted as follows:

1. In case study research, it often occurs that subjective judgments are used when collecting data. Therefore to overcome this and in particular to increase the construct validity in the development of case study the following are undertaken:
 - The use of multiple sources of evidence which have been described earlier on in this chapter. The value of this strategy is the result of converging lines of inquiry that is the effective triangulation of information. The use of multiple sources of evidence also serves another important purpose. This relates to me as the primary researcher, who not only was the key instrument for the collection and analysis of data, but was also intimately involved with DUT merger. Hence, the subjectivity and bias would have naturally crept in when collecting data as well as in the write up of the case study. While there are permissible limits of tolerance of such bias in qualitative research, it does raise concerns around validity and reliability. Therefore the use of multiple sources of evidence in data collection for this case study certainly minimizes research bias and enhances the validity of the study.
 - In collecting data, a chain of evidence was kept as well as establishment of the manual data base containing all sources documents, reports, commissioned merger investigations, interviews etc, related to the DUT

merger. This approach has assisted not only with the overall quality of the case study (validity) but also the reliability of the information.

- The draft case study will be reviewed by the least two senior ex colleagues who were intimately involved with the DUT merger. Their comments provide useful feedback to the researcher's interpretation and observation of events as well as to test the assumptions and conclusions reached in respect of the case study.
 - Also in ensuring validity of the information collected, the data analysis was subject to continuous checks, back with the staff that volunteered the information. There was also staff whose views were sought around observations that the researcher was making in regard to the DUT merger experience. This type of step taken also enhances the validity of the study.
 - This is also a detailed and complex case description. Geertz(1975 in Sooklal, 2005: 91) points out that the very 'thickness' or 'richness and complexity' of the description is in itself a suitable and sufficient form of verification. Through the 'thickness' of the case study, it was easy to organize around key themes relating to the merger i.e. pre merger events, post merger integration and finally consolidation. The experiences of staff from different functional areas were also captured within these themes.
 - Finally a contributing factor to the validity of this case study was that the researcher was a major contributor to an earlier constructed case study written up by other researchers at the time when the DUT merger was about to take place(Jansen, 2002). Although this case study does not cover the merger integration phase, it does assist in corroborating and verifying the earlier history and pre-merger planning aspects of this case.
2. From a reliability point of view, the establishment of a data base helps any external researcher to find the documents, statistics or reports quoted in this case study.
 3. Also when carrying out the survey with all merged institutions, pilot studies were conducted that assisted in testing the questionnaire. A manual as well as electronic pilot study was performed.

4.9 Summary

This chapter dealt with the research approach to the study. Given the two parts to the research, the micro study of mergers has been examined through a descriptive and interpretative case study, DUT merger as the case. The macro part is undertaken through a survey with merged institutions. Hence the research design lends itself to both qualitative as well as quantitative approach. In respect of the case study, data was gathered from both primary and secondary sources. The primary sources included interviews with key stakeholders at the institution as well as the researcher was a significant primary source having participated actively in the merger as a member of Management. The secondary sources covered a whole range of documents pertinent to the merger. Much of the information gathered from the DUT community was in the form of semi-structured interviews.

In the second part of the study, an electronic designed questionnaire was distributed to the staff at merged institutions. This was to elicit the perceptions of staff in respect of their own mergers. However no inter-institutional comparison was conducted, rather the responses were aggregated and analyzed to reflect the entire merged higher education sector.

CHAPTER 5

THE MERGER OF TECHNIKON NATAL AND M.L. SULTAN TECHNIKON: THE EARLY MERGER HISTORY

5.1 Introduction

To understand the merger of Technikon Natal (TN) and M.L. Sultan Technikon (MLS), it is necessary to know something about the history of each institution, as this also contributed significantly to shaping the merger process.

M.L. Sultan Technikon and Technikon Natal were established in a political and ideological environment of apartheid, which resulted in two institutions providing largely the same services (educational programmes), being located adjacent to each other. The merger of the two technikons in KwaZulu-Natal was unique in a number of ways.

Firstly, this was the first proposed merger/combination of higher education institutions in South Africa – a proposal that pre-dated the advent of a post-apartheid democracy (Chalufu, 2002/2003). Secondly, this case study remains the only voluntary merger of a Public Higher Institution in South Africa in that the merger was mooted by the respective Councils of the two institutions long before it was required by Government to do so. Thirdly, like many of the other mergers in higher education that have taken place in South Africa, (Ministry Report on Transformation and Restructuring, 2002) this was a cross racial merger – between a historically advantaged White institution (Technikon Natal) and a historically disadvantaged Indian institution (M.L. Sultan Technikon).

5.2 HISTORICAL REVIEW OF INSTITUTIONS

5.2.1. Technikon Natal

Technikon Natal is one of the oldest tertiary institutions in KwaZulu-Natal province dating back to 1907. It had its origins as a Technical Institute. His Royal Highness, the Duke of Connaught in 1910, laid the foundation stone to the

new building with the site being a gift from the Durban Corporation. Within a short space of time the institution changed its name to the Durban Technical College. In 1922 the College was gazetted as an institution for higher education under Act No 5 because by agreement with the then Natal University College, the University Departments of Commerce and Engineering were allowed to develop within the College. This also resulted in the College becoming known as Natal Technical College.

By 1931, the University departments that had been developed at the Natal Technical College were transferred to the new Howard College (University of Natal that recently after a merger became University of KwaZulu-Natal).¹ The Natal Technical College grew rapidly both during and after the World Wars, having trained technical men for the Defence Force and later the retraining of returning soldiers (Technikon Natal General Handbook, 1997: 24).

It was not until 1965, when a decision was taken to concentrate on post Standard 10 courses and by 1967 an Act of Parliament turned the major technical Colleges (of which this was one) into Colleges for Advanced Technical Education. By the early 1970's the College began to rapidly expand as the result of a growing student body. This resulted, amongst other developments, in the establishment of the Berea Campus of Technikon Natal.

In 1979 a new name was sought to replace the cumbersome Colleges of Advanced Technical Education, observed Partington(1983: pp A1-6).The new name "technikon" was coined from the Greek "Techne" meaning ingenuity, dexterity or skill, and combined with the suffix "kon". While Technikon Natal embraced this name change fully, it was more than a name change. As a result of the name change to Technikon Natal, with it came a number of changes, amongst others, greater autonomy for the institutions, and an increased thrust towards the acceptance of research as an essential element and a greater drive towards community involvement. The institution also expanded greatly during the eighties, with new buildings and sports fields being developed at the Berea Campus. There was also a greater movement during this period to individual and departmental autonomy, guided by the Rector.² The strong devolution of responsibility and authority to Departments and Faculties at Technikon Natal became an important contextual factor in the run up and post merger phases, which will be expanded upon later in this thesis.

¹ The University of Natal and the University of Durban-Westville merged on 01 January 2004 to form the University of KwaZulu-Natal.

² Rector at the time was Professor Andre du Preez at Technikon Natal.

Various new academic activities opened under the guidance of the Rector and this included Music, Homoeopathy, Chiropractic and several Engineering programmes. In many ways the Technikon developed into a holistic institution, offering programmes in the Arts, Commerce, Science and Engineering, and in Health. By 1993, Technikons were allowed to offer degrees (although still distinct from universities) in addition to the diplomas and Technikon Natal, like M.L. Sultan Technikon, took up this challenge to offer Bachelor of Technology and Masters of Technology degrees and finally Doctor of Technology degrees.

Technikon Natal, like its merging partner M.L. Sultan Technikon, was established under apartheid legislation for Whites and could only admit Blacks from the late eighties and truly opened its doors to students of other races in the nineties. The winds of change across the country also affected Technikon Natal and by 1995 it launched into a transformation process. Through its broad Transformational Forum, it wrestled with issues like institutional governance, affirmative action and mission statements. Technikon Natal, also in this changing period, appointed Professor Khoapa as the institution's first Black Vice-Chancellor and he became a key player in the merger discussions and process.³

5.2.2. M.L. Sultan Technikon

The Malukmohammed Lappa (or M.L.) Sultan Technikon was one of the oldest of the historically disadvantaged Technikons and its history spans over seventy years. It had its origins in the colonial past of the Natal Province. It is a story of the dedicated efforts of Natal's Indian community striving for better education and economic survival (M.L. Sultan Technikon Strategic Plan). This community was drawn predominantly from indentured labourers brought from India between 1860 and 1911 to work on the sugar plantations (M.L. Sultan-Annual Review 2001: 74). Many were illiterate, as were their children and therefore they saw education as the key to progress and upward mobility and raised funds from their meagre resources to provide for their educational needs. When the Cape Town Agreement in 1927 threatened the repatriation of Indian people who did not have educational qualifications or financial means, the need to educate and uplift the community in KwaZulu-Natal became a pressing matter (M.L. Sultan-Annual Review 2001: 75). Schools were established, including secondary education and technical classes in an array of subjects were offered in the

³ Professor Khoapa was appointed Vice-Chancellor on 01 January 1996.

evenings. So in a small way M.L. Sultan Technikon was seeded against the backdrop of these developments.

It was established initially as an Indian Technical Institute and by 1941, with student numbers topping 600, it became evident that a consolidated campus was needed because in the meantime classes were held in different locations in the City. However, the institution did not have the necessary funds despite grants from the government, the Durban City Council and donations from the Indian people themselves. Along came Hajee Malukmahomed Lappa Sultan who before his death pledged £33,000 for the construction of a Technical College building (M.L. Sultan Technikon 2001 Annual Review: 77). The College was subsequently named after him. The government agreed to subsidise the construction on a Rand for Rand basis. Part-time classes continued until 1946 when the Minister declared M.L. Sultan Technical College an approved institution of Higher Education. The first Rector (Principal) of the College was Major H. Natrass, appointed in 1947.

It was only in 1953 when the Durban City Council presented the College with the title deeds to a six-acre site at Curries Fountain that the building of M.L. Sultan College commenced in 1954. In the years that followed there was great progress at the College and the number of students grew steadily. Branches were also opened in Tongaat and Umkomaas.

By the late 1950's, the Nationalist government had been in power for over a decade and its apartheid policy (i.e. a process of racial separate development) was starting to greatly affect the education sector. While great pressure was placed on M.L. Sultan Technical College to adhere to State policies (i.e. a College for only the Indian community), the institution reiterated its commitment to African students, for example, in 1957 the first Diploma in Boiler Stoking was awarded to 15 Indian and 8 African candidates.

In 1969 the institution became the College for Advanced Technical Education following the passing of the Indian Advanced Technical Education Act. This essentially resulted in stronger focus on advanced technical subjects for post matriculation, while secondary education was phased out.

Very much like Technikon Natal, the status of the College was changed to that of a Technikon in 1979. This change gave the Technikon greater autonomy. M.L. Sultan Technikon became a full tertiary institution consisting of nine schools by 1984(M.L. Sultan Annual Review, 2001) and five years later the

schools were restructured into four faculties (Arts, Engineering and the Built Environment, Science and Commerce). Therefore the merging of academic departments would have generally posed less difficulty because both the institutions almost mirrored each other in terms of academic programmes and academic structure.

Numerous building projects took place rapidly transforming the M.L. Sultan Technikon into a modern teaching facility. The winds of change across the country also had its impact on M.L. Sultan Technikon by the nineties. This began the transformation of the institution from essentially an “Indian” institution to one that embodied the entire nation. Professor Goba became the first African Vice-Chancellor in 1997, by which time the student demographics started to change drastically(M.L. Sultan Technikon Annual Review, 2001).

While the histories of both these institutions are different, equally there were similarities and differences given the wider context and structure at the time of the merger, which we now examine.

5.3. THE MERGING INSTITUTIONS

At a practical level, this merger made absolute sense in that the two institutions were literally separated by a physical fence. A factor that is associated positively with both merger negotiations as well as post merger integration(Lang and Eastman, 2001: 97 and Rowley, 1997). As Wallis observed: “the main campus of the former Technikon Natal is within easy walking distance of its M.L. Sultan counterpart, from which it is separated by a minor road, so that it is often said that an outsider could pass from one institution to the other without noticing the difference” (2005: 1). While 80% of all academic activity took place within the precinct of the City of Durban with the furthest being the M.L. Sultan - Brickfield Road site about 4 kilometres away. Technikon Natal also had campuses in Pietermaritzburg which was 80 kilometres and a newly incorporated campus – Gamalakhe College of Education in the South Coast almost 220 kilometres away. Despite being side by side, both these institutions have over a period; become landmark institutions in their own right in the City of Durban. Both institutions have contributed greatly to the educational upliftment of the citizens of Durban and beyond the borders of the Province of KwaZulu-Natal.

The vision and mission statements of each institution were largely similar – “to offer technological education in Africa”. Despite this vision statement, both institutions were rather limited in their intake of foreign students. Although cultural differences existed in both institutions, their associated values were to a large extent similar. More importantly both the institutions were ‘technikons’ which meant that they were very similar although not the same in respect of programme offerings and syllabi. The ‘convener’ system which existed in the Technikon sector, largely contributed to the uniformity of certificates and diplomas offered across the country. In this system a designated Technikon (read Academic department) would be responsible for liaising with other similar Technikons who offered the particular programme to discuss matters concerning the programme, its syllabus, credits, rules etc and ensuring that the programme was approved by Committee of Technikon Principals and the Department of Education. Through this convenor system all approved qualifications were then reported by the Government in what was known as ‘Report 151’(Department of Education, 2001). Individual technikons would still be required to receive necessary permission from the Department of Education to offer a particular qualifications located in the national report 151.

In its long history, both institutions were enriched by community contribution and philanthropic investment from prominent business families especially, ordinary individuals and business in general. In the case of M.L. Sultan Technikon, the Indian Community in particular believed that education was the key to success and therefore willingly gave donations to this institution. Technikon Natal equally received some sizeable donations from such prominent families as Crookes and Renaud (Partington, 1983).

5.3.1. Student Head Count and Academic Programmes

Despite the historical cultures of both institutions, one area where radical changes took place was that of the student profiles. The last decade saw a gradual de-racialization of the two institution’s student profiles from being primarily White and Indian respectively to the majority of students now being African at both institutions. The tables below indicate the student headcount prior to merger. In Table 3, it shows that both institutions were of similar size and that any notion of one dominating the other based on size was eliminated.

**Table 3: TECHNIKON NATAL AND M.L. SULTAN TECHNIKON
HEADCOUNT ENROLMENTS: 2000-2002**

Year	Institution	Student Enrolments
2000	Technikon Natal	9677
	M.L. Sultan Technikon	9424
2001	Technikon Natal	10373
	M.L. Sultan Technikon	9248
2002	Technikon Natal	10666
	M.L. Sultan Technikon	9752

Source for both Tables: SAPSE, Department of Education, 2003

**Table 4: TECHNIKON NATAL AND M.L. SULTAN TECHNIKON
HEADCOUNT ENROLMENTS BY RACE - 2000-2002**

Race	Technikon Natal 2000	M.L. Sultan 2000	Technikon Natal 2001	M.L. Sultan 2001	Technikon Natal 2002	M.L. Sultan 2002
White	1842 (19.03%)	118 (1.25%)	1790 (17.3%)	99 (1.07%)	1353 (13%)	130 (1%)
Coloured	263 ()	103 ()	296 ()	114 ()	230 (2%)	116 (1%)
African	5804 (59.98%)	6318 (67.04%)	6240 (60.2%)	6219 (67.25%)	5553 (52%)	6553 (67%)
Indian	1587 (16.3%)	2885 (30.61%)	1841 (17.45%)	2816 (30.45%)	1555 (15%)	2953 (30%)
Unknown					1975 (19%)	
TOTAL	9677	9424	10373	9248	10666	9752

The racial profile in Table 4 points to a more diversified student body at Technikon Natal prior to merger compared to M.L. Sultan Technikon, which tended to change from a primarily Indian institution to a majority of African students with a smattering of White and Coloured students. The reason for this is not hard to find, as there were perceptions by Black students (Africans, Indians and Coloureds) that historically White institutions were superior and tended to offer a better quality of education. Therefore Black students chose to enrol at historically White institutions in large numbers, especially after 1994. In particular most students including Indian and African students applied at Technikon Natal as first choice institution and second choice to M.L. Sultan Technikon.

As a result of this practice very few academic departments at M.L. Sultan Technikon bothered about pre-selection of students.⁴ Therefore there was a substantially higher number of 'walk in registrations' of students at M.L. Sultan Technikon as compared to Technikon Natal. Professor Ramashala, ex Vice-Chancellor of the University of Durban-Westville once remarked at a meeting of esATI ⁵, that Black students believed or perceived that by attending a historically White institution, their chances of finding employment or being placed in companies/industry was much higher and easier.

In respect of the academic programmes, students at both institutions were found in greater numbers in the Faculties of Commerce and Engineering as compared to Health and Arts. One of the strongest and largest departments at both institutions, but more so at M.L. Sultan Technikon was Information Technology. The Health Faculty at Technikon Natal ran more programmes when compared to M.L. Sultan Technikon. The breakdown of enrolments per Faculty at the time of merger is found in Table 5.

Both institutions tended to draw from the same pool of South African students that sought a career focused technological education programme. While there were a number of programmes duplicated at each institution, some of these programmes differed in so far as the teaching methodologies and approach was concerned.⁶

⁴ Interview with the Registrar of M.L. Sultan Technikon.

⁵ esATI – Eastern Seaboard Association of Tertiary Institutions was a forum established to promote the development of Universities and Technikons and to promote co-operation amongst these institutions in the KwaZulu-Natal region. This comment was made at an esATI meeting held at the Khaya Lembali (conference centre) where the discussion related to the possibility of a regional wide merger in KZN.

⁶ The history of Technikons indicates that they offered National qualification, i.e. programmes that were

Table 5: FACULTY ENROLMENT AT TECHNIKON NATAL/M.L. SULTAN

M.L. SULTAN TECHNIKON				TECHNIKON NATAL			
Faculty	Science, Engineering and Technology	Business & Management	Humanities	Arts	Commerce	Engineering & Science	Health
2000	4870	2562	2013	1249	4200	4127	1198
2001	4860	2588	1800	1297	5118	4479	1186

Source: M.L. Sultan Technikon Annual Review 2001; Technikon Natal Annual Review 2000 and Technikon Natal Institutional Profile 2002-2006

Technikon Natal prior to merger had offered approximately 67 programmes, while M.L. Sultan Technikon offered 49 programmes (See Annexure 1). The number of programmes that were common to both institutions at the time of merger was approximately 31. Certainly one benefit from the merger would have been the elimination of duplication of courses resulting in the containing of costs.

In terms of library resources there was a marked difference in collections between both institutions. The collections in the academic year 2000 audited indicated that Technikon Natal had 70578 monograph volumes and 62217 titles, while M.L. Sultan Technikon has 59510 volumes and 48000 titles.⁷ Chalufu speculated that these differences in collections were largely attributed to the differential funding legacy under apartheid(2002:129). While this may partly be a contributing factor, it does not sufficiently or fully explain these differences. At the time of the merger, M.L. Sultan Technikon was receiving a higher subsidy from the state for being classified as a historically disadvantaged institution and they paid much higher salaries than Technikon Natal (see Table 8). Therefore another plausible explanation is that the institution did not allocate the resources as they should have done in terms of the formula (funding) and therefore shifted resources away from the library. As a former Dean at Technikon Natal had observed: "...when we first visited the M.L. Sultan Campus it was noticeable that there was far less equipment for students than what existed in the academic

designed/curriculated by a Convenor Technikon. Such programmes, new or re-curriculated had to be approved at a National level, ultimately by the Department of Education, prior to any Technikon offering these programmes.

⁷ PriceWaterhouseCoopers. 2001. Technikon Natal/M.L. Technikon Merger Project: Library task team report Library Merger.

departments at Technikon Natal”.⁸ He went on to add that several of his fellow Deans at Technikon Natal also made similar observations. Despite the differences in the respective library collection, the report pointed to both institutional libraries being under-resourced in terms of collections, staff, space and computers for use.

5.3.2. Staff Headcount

M.L. Sultan Technikon employed approximately 362 professional staff in 2001, while Technikon Natal for the same period employed 334 professional staff (See Table 6). In the case of non-professional staff, the figures in 2001 were 331 and 442 for M.L. Sultan Technikon and Technikon Natal respectively (See Table 7).

Table 6: COMPARATIVE HEADCOUNT - PROFESSIONAL STAFF AT M.L SULTAN TECHNIKON and TECHNIKON Natal 2001-2002

Race	Technikon Natal 2000	M.L. Sultan Technikon 2000	Total	Technikon Natal 2001	M.L.Sultan Technikon 2001	Total
White	282 (81.03%)	55 (15.5%)	337	253 (75.74%)	50 (13.81)	303
Coloured	5	7	12	5	8	13
Indian	35 (16.3%)	241 (67.8%)	276	43 (12.87)	241 (66.5%)	284
African	26 (7.47%)	50 (14.08)	76	33 (9.88)	61 (16.8%)	94
Other	0	2			2	
	348	355	703	334	362	694

Source: SAPSE, Department of Education, 2003

⁸ Interview with Dean Starkey responsible for academic merger integration.

**Table 7: COMPARATIVE HEADCOUNT – NON-PROFESSIONAL STAFF:
M.L. SULTAN TECHNIKON AND TECHNIKON NATAL 2001 –2002**

Race	Technikon Natal 2000	M.L. Sultan Technikon 2000	Total	Technikon Natal 2001	M.L.Sultan Technikon 2001	Total
White	129 (25.6%)	0	129	106 (23.9%)	0	106
Coloured	26	3	29	21	3	24
Indian	131 (26%)	234 (68%)	365	121 (27.37%)	221 (66.7%)	342
African	215 (42.8%)	105 (30.6%)	320	193 (43.6%)	106 (32%)	299
Other	1	1	2	1	1	2
	502	343	845	442	331	773

Source: SAPSE, Department of Education, 2003

The staff on both campuses were unionised, with NUTESA (National Union of Tertiary Employees of South Africa) being the majority union. NEHAWU (National Employees Health and Allied Workers Union) was also recognised at Technikon Natal. A Workplace Forum also existed at Technikon Natal. In contrast NEHAWU, while having members at the M.L. Sultan Technikon, was not recognised by management for the purposes of Collective Bargaining. We will return to the role that unions played in this merger in greater detail later in this case study and how they shaped the merger process.

5.3.3. Operating Budgets – Finance

While most business merger considerations are driven by finance as the pivotal factor, one cannot discount this in higher education mergers despite there being other more significant objectives and rationale for such mergers. In this particular merger, it was intended that greater efficiencies be gained out of the merger. In the year 2001 the budgeted income for M.L. Sultan Technikon was

R176 million.⁹ M.L. Sultan Technikon, through careful and prudent utilization of financial resources, was able to build up substantial reserves over a number of years.

In contrast, Technikon Natal's 2001 operating budget income was R189 million. While both parties showed operating deficits for that year (2001), Technikon Natal was in a far worse position financially. This became an area of concern for M.L. Sultan Technikon and partly became a destabilising factor in the run-up to the merger. We will return to a fuller analysis of the issue of finances and how this factor contributed towards shaping the merger process.

The state's subsidy formulae, the so-called "A" value, that is what the Technikons would receive from the government (state), moved up a point from the 2000/2001 year to 2002/2003 year. (See Table 8)

Table 8: COMPARATIVE "A" VALUES PER CAPITAL EXPENDITURE AT M.L. SULTAN TECHNIKON AND TECHNIKON NATAL

	"A" VALUES			PER CAPITAL EXPENDITURE		
	2000/01	2001/02	2002/03	2000/01	2001/02	2002/03
M.L.Sultan Technikon	.628	.629	.631	R12587	R13976	R12629
Technikon Natal	.628	.629	.631	R11636	R11208	R10988
Average in Technikon sector	.628	.629	.631	R10050	R9417	R11163

Source: Department of Education Annual Reports 2001/02 and 2002/03.; Edusource Data News No 35 December 2001 and No 38/January 2003

Given the above "A" values, the States expenditure on both the Technikons are found in Table 9.

⁹ Merger Report on IT, MIS, Planning, Physical Development and Financial Management- September 2001, p. 10.

**Table 9: COMPARATIVE STATE EXPENDITURE ON M.L. SULTAN
TECHNIKON AND TECHNIKON NATAL FOR 2001/02 AND
2002/03**

	YEAR 2001/02 (R,000's)	YEAR 2002/03 (R,000's)
M.L. Sultan Technikon	121444	78228
Technikon Natal	132434	131647

Source: Department of Education, Annual Report 2001/02 and 2002/03

Over and above the subsidy, the state also makes available student loan funding. The National Student Financial Aid Scheme is intended for disadvantaged students and financially needy students. Technikon Natal having started a teacher-training programme at its Indumiso Campus 2001 in Pietermaritzburg also received a separate allocation of student funding for this type of training. The state allocation student financial aid scheme is as follows in Table 10.

**Table 10: COMPARATIVE STATE ALLOCATION FOR THE NATIONAL
STUDENT FINANCIAL AID SCHEME 2001/02 AND 2002/03**

	YEAR 2001/02 (R,000's)	YEAR 2002/03 (R,000's)
M.L. Sultan Technikon	11055	11981
Technikon Natal	14607	16086

Sources: Department of Education, Information in the State Budget for Higher Education, July 2002 and August 2003; Edusource No 38 January 2003 and No 42/December 2003

5.3.4 Cultures of Institutions

As pointed out earlier, both technikons largely offered similar programme. However, the cultures of these two institutions were very different – a critical

element in any merger process. The cultures of the institutions were shaped by the political climate and history at the time, and racial orientation, coupled with the availability of resources.

Technikon Natal, although similar in student numbers to M.L. Sultan Technikon, felt and operated like a large institution.¹⁰ By and large, its students and staff identified with their units. An academic Head of Department at Technikon Natal remarked: “the organisational culture between our respective departments was vastly different, you were empowered to run your own department and in comparison the other side (in reference to the M.L. Sultan academic department) operated a more administrative bureaucratic organisation”.¹¹ At Technikon Natal there were wide-open spaces on the campus giving staff and student’s greater personal space and freedom. There was also a strong leaning towards academic independence and autonomy and much of the structures operated on a decentralised model.¹² Part of this large-type institution was because it had a large amount of physical space as well as the prevailing organisational culture at the time.

Sattar (nd) while observing that one could not separate values from institutional culture since these values that shaped the culture of an institution found that “staff perceptions of the ethos of the M.L. Sultan Technikon were that of an institution with intrinsic values that all staff subscribed to even in their private lives such as integrity, empathy and trust”(Unpublished paper). In this study, staff at M.L. Sultan Technikon felt that they ‘pulled together’ even with limited resources that were available. Staff also reported that the management style was participative at M.L.Sultan Technikon and they felt that the environment in which they had functioned allowed disagreement without the fear of intimidation. Sattar concluded that in the context of the merged institution, there was a perception that these values have been undermined and that the merging partner (Technikon Natal) was perceived to be cold and impersonal. Interviews with staff at M.L. Sultan Technikon tend to support Sattar’s conclusions.

On the whole, it could be concluded that student facilities at Technikon Natal were slightly better than those found at the M.L. Sultan Technikon. In many ways, given the independence and greater autonomy, staff and students perceived that they were studying and working in a superior institution. Students from Technikon Natal expressed this quite openly at the time of the merger. A

¹⁰ Interviews with Technikon Natal staff in Faculty of Commerce and Engineering.

¹¹ Interview with the then HOD of Marketing department at Technikon Natal.

¹² Conversations with Prof Khoapa, who was Vice Chancellor at Technikon Natal at the time of merger.

student writing to the local Daily Newspaper expressed the following “My degree at Technikon Natal is recognised internationally and with this merger I am going to lose that”(Daily News, 2002).

Interviews with student leaders at Technikon Natal bore out a similar response, except that they did not object to the merger.¹³ The views of these leaders were based on their perception that they were attending a better institution. In many ways the generous autonomy enjoyed by departments across the institution at Technikon Natal worked against the well being of the institution, especially in the area of finance where this resulted in uncontrolled spending contributing to deficits.¹⁴

M.L. Sultan Technikon tended to have a centralised structure and control.¹⁵ Its academic structure was such that in the pre-merger phase a number of academic programmes were concentrated under the control of a singular Head of Department. As evidenced in the example of the Department of Management, programmes such as Marketing, Human Resources, Business Management were managed by a single Head of Department. The totally opposite academic structure prevailed at Technikon Natal where each of those programmes had their own Heads of Departments as well as budget cost centre. As the merger loomed, M.L. Sultan Technikon started to restructure many of its’ academic departments that were previously housed under one Head of Department, now with the view to establishing many of them as independent academic departments.

Given its historical background of being confined to a small area and having limited space in which to develop, the environment at M.L. Sultan Technikon felt claustrophobic, this often contributing amongst other things to a tendency where power blocks, interest groups and cliques developed to define their space and power.¹⁶ The unions were very powerful at the institution and had made huge gains for their members including better remuneration and benefits. Students equally took very quickly to protest marches and action on a whole range of issues. Given that M.L. Sultan Technikon tended to attract far more disadvantaged students, issues such as student fees, access and academic failure rates troubled these students much more at that time. A number of staff equally wanted to preserve their institution and what it stood for especially those

¹³ Briefing of Student Representative Council leadership in the pre-merger stage by Merger Secretariat.

¹⁴ Income statements of M.L. Sultan Technikon at the end of 2001 showing a profit and Durban Institute of Technology showing substantial deficits in 2002, Appendices 2&3.

¹⁵ Interview with former Academic Registrar of M.L. Sultan Technikon.

¹⁶ Unstructured interviews with ex M.L.Sultan staff, some of them very senior.

that believed or perceived that Technikon Natal was going to take it over. Steeped in the cultural make up was a view that the institution was a historically disadvantaged institution and therefore in this merger they should not allow themselves to be similarly be 'ridden rough shod' by their merging partner.

5.3. MERGER HISTORY

The earliest attempt at discussing co-operation, rationalisation and possible merger can be traced back to several preliminary meetings held in 1989 between the Rectors of the three Technikons in the Province of KwaZulu-Natal.¹⁷ This culminated in a workshop held in October 1990 with the senior management of the three institutions at Oatsdale House.

Whilst the intention of this group of managers was significant, nothing substantial ever came of this effort, except maybe to plant the seed of merger, which would only germinate years later. The political climate at the time, with apartheid ideology deeply entrenched in South Africa, makes one ask the question, what were the true intentions of this group of leaders? Were they simply visionary, i.e. realising that apartheid was doomed to fail and therefore it would be wiser to plan ahead for any such eventuality or were they in preparation of such a future, hoping to redefine their own territories?

As Partington pointed out, that on 21 June 1990, a news item appeared in the 'Natal Mercury', which reported that a Committee of Enquiry has been appointed towards the possible merger of the two technikons(1983: 51-54). The report went on to say that Dr. Kisten Rajoo, Minister of Education and Culture in the House of Delegates(established for Indians) during the tri-cameral parliamentary system, indicated that the Committee would look into ways and means of bringing about a merger to reduce costs and pave the way for a unitary system of education in South Africa. That the Judge President of Natal would chair the committee with two other members selected in consultation with the chairman (Partington, 1983, pp B1-54-B1-55).

Partington went on to observe that this newspaper article:

¹⁷ The Rectors of the three Technikons were, Professor A.L. du Preez of Technikon Natal, Professor R. Soni of M.L. Sultan Technikon and Professor A.J. Vos of Mangosuthu Technikon.

..... *“irritated the Rector (of Technikon Natal) who wrote a stinging reply in part denial of such an arrangement. Yet the possibility was very much on the cards though not exactly pending. Professor du Preez was conscious of the sensibilities of the M.L. Sultan Technikon Council and guessed at its reaction to any precipitous publicity”.*

So, it should have come as no surprise to one that nothing much came of this very early discussion and thoughts on a merger. Both Councils, as well as the Management were deliberate in not wishing to push this agenda too quickly onto the respective Technikon community, for they feared that staff at each technikon would object to such an idea. When the Vice-Rector: Academic at Technikon Natal tried to rationalise a few programmes offerings as a result of t discussions at Oaksdale, with his counterpart at M.L. Sultan Technikon the staff rose up in arms against any such plan.¹⁸

5.4.1. The Real Beginnings for the Durban Institute of Technology

The year 1996 must go down in the annals of the Durban Institute of Technology as when it was conceived. Just two years earlier, in 1994, a democratically elected government came into being and began providing the impetus for the transformation and change of virtually ever aspect of South African society, with the view to unshackling its people from the bonds of apartheid. One could put forth the argument that the timing was indeed right, when the Vice-Chancellors of Technikon Natal and M.L. Sultan Technikon initiated the merger talks.¹⁹

The very first meeting between the Vice-Chancellors to prepare the groundwork took place over lunch at the M.L. Sultan Technikon Hotel School.²⁰ Following this initial meeting of Vice-Chancellors, the Executive Committees of both Councils met for the first time on 27 March 1996 to discuss the possibility of rationalization and merger. This exploratory meeting

¹⁸ The Vice-Rector at Technikon Natal was Dr Louis du Preez and at M.L. Sultan Technikon it was Professor Anthony Arkin. He could not implement these plans because staff objected vociferously.

¹⁹ Professor Bennie Khoapa was appointed Vice-Chancellor of Technikon Natal on 01 January 1996 and the Vice-Chancellor of M.L. Sultan Technikon was Professor Soni.

²⁰ The Vice-chancellor of M.L. Sultan Technikon brought along to this luncheon Ms Ela Gandhi, Mr Haffajee (a Council member) and Mr Johnson Naidoo (Registrar) Professor Khoapa on the other hand, took the Chair of Council of Technikon Natal (Professor Kunene and I (Gops Chetty, who was his newly appointed Executive Assistant).

turned out to be very successful, resulting in a statement of intent being issued by the Joint Executive Committees. They also agreed to call a joint meeting of both Councils to discuss the merger further.

Such a historic meeting between the both Councils took place on 08 May 1996. While Mangosuthu Technikon attended, from the outset they made it clear that they were mere observers to these discussions.²¹ Both Councils were of one mind by the end of that meeting, that this exercise was essential to get rid of the great divide between both institutions. Speaker after speaker spoke eloquently about what an important decision the joint councils were required to take. At this historic meeting, no-one talked against merging. The words of Dr Aubrey Mokape, Vice-Chairperson of M.L. Sultan Technikon Council probably summed up the general feeling and attitude of the meeting:

*“This divide being not simply the white picket fence, but a divide based on apartheid policies of the previous Nationalist Government. We have a political as much as social agenda to contribute to the transformation of our country”.*²²

Therefore the Joint Councils that night, while concerned about the numerous issues related to a merger, i.e. staff, students, resources and management, saw their action as a politically driven one.

The Joint Councils as a conclusion of its proceedings released a Statement of Intent which read as follows:

Joint Council's Statement of Intent

- The Councils of both institutions are of the view that a merger of the Technikons in the City of Durban is in the best interest of the Technikons, of tertiary education and of the community.
- In the medium term, the two Technikons in closest proximity to each other, namely Technikon Natal and M.L. Sultan Technikon will strive to work rapidly to achieve the objective of a merger.
- In pursuance of the objectives of a merger, all stakeholders of the two Technikons must be included in the process of discussion mechanisms to achieve the above goal.

²¹ Mangosuthu Technikon initially attended as observers but later chose to stay out of the merger process.

²² Minutes of Joint Council meeting -8 May 1996

- The Councils of both M.L. Sultan Technikon and Technikon Natal expressed a desire that the process be an all-inclusive one and should include Mangosuthu Technikon if they so wished.

The first meeting of the Steering committee (i.e. the Executive Committees of Councils) was held on 10 June 1996, to get the merger work off the ground. At this meeting it was agreed that several task teams would be set up comprising all stakeholders who would undertake audits and submit an action plan in respect of the broad functional activities and areas of the Technikon business. These included teams for operational plans, staff, physical facilities, finance, academic management, administrative management, executive management, governance, students, community stakeholders, alumni, legal matters and satellite campuses. These plans when completed would be submitted to a Stakeholders Forum. Nothing further came of these developments for the remainder of 1996 and 1997.²³

A series of internal disputes and problems beset both Technikons and the task groups could not be set up. Firstly there were student protests over the issue of fees and exclusions, which not only affected Technikon Natal and M.L. Sultan Technikon but higher education institutions across the country in general. Equally, for the first time in its history staff at Technikon Natal embarked on a strike in 1997 in respect of a salary dispute.²⁴

A significant debilitating factor that contributed immensely to delays in merger discussions during the latter half of 1996 and the entire year of 1997 was the problems that affected the Executive Management at M.L. Sultan Technikon. This crisis, observed a former Registrar of M.L. Sultan Technikon, enveloped the institution, which finally resulted in the entire Executive Management team resigning after largely being physically forced out by protesting staff, some of whom were violent.²⁵ This was a very difficult time at the M.L. Sultan Technikon but as some staff members observed it also sowed the seeds for the kind of problems and behaviour that were to beset the merged institution years later on. This development will be discussed further in the case study.

²³ Minutes of Steering Committee meeting, 10 June 1996.

²⁴ Notice from NUTESA and NEHAWU to students, parents and employees, which has appeared in the press (July 1997).

²⁵ Interview with Mr Johnson Naidoo Registrar at M.L. Sultan Technikon, shortly after this problem arose in 1996.

A caretaker Vice-Chancellor was appointed at M.L. Sultan Technikon.²⁶ Despite Professor Cresswell's commitment to resuscitate the stalled merger discussions and to get the task teams working proved to be more difficult at the time. With Professor Cresswell's team also in care-taking positions, the will to add this item of merger onto their work-load was not given the priority that it deserved.

It was not until the appointment of Professor Goba as the new Vice-Chancellor of M.L. Sultan Technikon in 1997, that the merger discussions were finally ready to take off once more, after a lapse of one and a half years since the first decisions were taken by the Joint Councils.

An informal meeting took place in November 1997, between the new management team of M.L. Sultan Technikon and the team from Technikon Natal. For the Executive Management members at Technikon Natal this was an important meeting in that they needed to establish whether the new executive team at M.L. Sultan Technikon were going to favour continued merger talks.²⁷

Both teams gave their tacit support to the decision that the Steering Committee made on 10 June 1996. Given the amount of time that had elapsed since the Joint Council's Statement of Intent was published, the two Vice-Chancellors, Professors Goba and Khoapa felt that it would be a symbolic gesture if they re-released the Statement of Intent of the Joint Councils to all staff under their own signatures. It was also intended to reaffirm in particular the commitment by the new executive management team at M.L. Sultan Technikon that they were willing to support and abide by the decisions taken by the Councils in 1996. The releasing of the statement was important for a number of reasons. One of these was to dampen the sentiment being expressed by some staff members at M.L. Sultan Technikon, who felt that, with a new Executive Management in place; they should rather concentrate on building and stabilising their institution than pursuing a merger.²⁸ Others, while using this argument, hid behind what was their real motive, i.e. they perceived that M.L. Sultan Technikon may be taken over by a historically White institution and therefore seemed to resist the merger notion.

²⁶ Professor Christopher Cresswell, a retired ex-Vice-Chancellor at Natal University was appointed.

²⁷ A conversation between the writer and Professor Khoapa- the Vice-Chancellor of Technikon Natal.

²⁸ Unstructured interviews with staff of M.L. Sultan – 2003/2004 periods.

Of course there was another reason why some individuals/constituents wished that the merger discussions be slowed down or halted and this had to do with regional co-operative developments.²⁹ All the universities and technikons in KwaZulu-Natal participated in an exercise, which was aimed at working closer together and fostering inter-institutional cooperation. Out of this resulted in a project, which was aimed at creating cooperation and a possibility in creating a new institution. Staff members at M.L. Sultan and equally Technikon Natal would have preferred to wait for the regional exercise to be completed before their future was decided. At the time the task team working on the project, had proposed a model that favoured a federal type of structure for the higher education institutions in KwaZulu-Natal.³⁰ In the end this model was scrapped because it was not acceptable to the members of the regional consortium.

5.4.2. Pre-Merger Planning

It had become patently obvious to both institutions' executive managers that unless external facilitators were brought in to assist the process, very little progress would be made. Following an exhaustive search for a suitable external facilitator, PriceWaterHouseCoopers was appointed (see Annexure 4), the first of many such facilitators to assist with the merger exercise. External facilitators add an interesting dimension to a merger process. They shaped the process, sometimes quite differently to what it may have been if both parties attempted to do this on their own or alternatively they develop blue prints, which are difficult to implement. Many proposals to facilitate the merger were received by the Steering Committee and to a very large extent many lacked a reasonable understanding of the higher education environment and what a merger meant for this sector.³¹ The real work got off the ground in 1999 after funds were secured from the Department of Education for this exercise.³²

²⁹ The Regional structure in the Province of KwaZulu-Natal was Eastern Seaboard Association of Tertiary Institutions (esATI) .All the Universities and Technikons belonging to esATI – embarked on developing a Cooperative and Rationalisation Model for the region.

³⁰ The task team knows as the “Model Team” who comprised representatives from all the higher education institutions, these being the Universities of Durban-Westville, Natal and Zululand and Technikons- Natal, M.L. Sultan and Mangosuthu.

³¹ Minutes of shortlisting reading group and presentation of proposals made in November 1998.

³² The Department of Education represented by the D.G. at the time Professor Manganyi agreed to fund the study, because it would, in the long run, assist the Department of Education's future plans for mergers in the South African Higher Education Sector.

5.4.2.1. The Merger Project Charter

During the early half of 1999, the Merger Project Charter was completed. Essentially the purpose of the Charter was to define the detailed work to be undertaken in assessing the feasibility and options for the merger. Specifically, the Merger Charter set out the areas requiring comprehensive investigation and the detailed terms of reference for the various task teams.

Over a period of two weeks the facilitators held meetings with a wide range of stakeholders, from Students leaders to Management. Over and above these meetings, joint meetings were held with what was termed “focus groups”. These focus groups were staff members from the various functional areas and the matters dealt with included: Human Resources Planning, Academic Planning, Library, Information Systems, Student Services, including Alumni, Financial Management, Physical Facilities, Academic Administration, Support functions including Printing, Marketing, Development and non-formal programmes. The Project Charter contained detailed costs as well as a projected timetable for completion of this data gathering and investigation phase.³³

In the course of the development of the Charter, the word “feasibility” was extensively used in the report. The manner, in which the term “feasibility” was interpreted and used by different stakeholders in this merger exercise, differed considerably and became a contested merger step. For Management who were responsible for driving the process, they viewed “feasibility” as meaning the development of different options and plans for implementing the merger of the two technikons. On the other hand the unions participated on the understanding that “feasibility” meant an investigation, which could result in the Joint Councils coming to a decision that merger of the two institutions, may not necessarily be feasible.³⁴ By not adequately clarifying the term feasibility when the Merger Project Charter was developed, not only pit the Unions against Management of both institutions but also contributed to the polarized view of the merger taken by the unions throughout much of the PriceWaterhouseCoopers investigation phase. It also resulted in the unions discrediting the PriceWaterHouseCoopers final report.

³³ Merger Project Charter of Technikon Natal and M.L. Sultan Technikon, pp 1-44.

³⁴ Letter to Council from Union Workshop dated 16 March 2000

5.4.2.2. Merger Investigations though the Year 2000

A meeting of the Merger Steering Committee on 15 September 1999 was critical in that it sketched out four phases of the merger process. It saw the merger exercise unfolding in the following way:³⁵

Phase 1: The first stage was the development of the Merger Project Charter.

Phase 2: The establishment of the task teams, whereby the teams would carry out an investigation and prepare reports for consideration by the Steering Committee. These teams were similar to the ones mooted when the Joint Councils first discussed the notion of merger in 1996.

Phase 3: The Stakeholders Forum – in this Phase the Steering Committee, after receiving the reports would forward them to the Stakeholders Forum for comments and input. The Steering Committee would then, formulate recommendations to the Technikon Joint Councils taking into consideration the comments from the Stakeholders Forum.

Phase 4: This would be the Implementation Stage depending on the Council's decisions.³⁶ A further decision was taken at this Steering Committee meeting of the 15 September 1999 was to form an oversight Committee.³⁷ The Oversight Committee comprising four members, two from each institution, were to act as intermediaries between PriceWaterHouseCoopers, the Steering Committees and the rest of the institutions, to help with the smooth flow the pre-merger planning and preparation process, to give PriceWaterHouseCoopers direction and guidance and also to answer questions on behalf of the Steering Committee raised by the various publics.

³⁵ Minutes of 15 September 1999.

³⁶ Minutes of the Steering Committee 15 September 1999.

³⁷ The members of the Steering Committee were: Mr U Purmasir and Mr G Haffajee from M.L. Sultan Technikon and Mr G Chetty and Adv.R Jacobus from Technikon Natal.

The detailed investigation led by PriceWaterHouseCoopers commenced on 17 January 2000 and the investigations were due for completion by June 2000 (See Annexure 5). Given numerous delays, the major part of the investigation was completed by the end of July 2000. Furthermore, certain additional tasks were requested of PriceWaterHouseCoopers when they had almost finished their obligations. Two specific areas were added at the end, i.e. the Environmental Scan and the special task group on the Library. In the case of the Library, after due consideration to a request from the heads of both libraries, an independent Libraries task team was established by the Oversight Committee (PriceWaterHouseCoopers, 2000. Phase II- Detailed Merger Investigation Report: 42). Previously the library investigation was lumped together with Information Technology task team.

The Environmental scan was originally moved to Phase III of the merger project, largely because it was costing too much. It was brought back into Phase II because the information gleaned from the environmental scan was important in order to work out the delivery of strategic options for the new merged technikon. Another reason for the, environmental scan being reinstated was as a result of the pressure brought by the unions to have the scan undertaken.

5.4.2.3 The Unions' Approach to the PriceWaterHouseCoopers Merger Investigation

The first indication of Union/staff unhappiness about the Merger investigation /process was expressed by the Workplace Forum Chairperson very early in 2000. In a letter by the Chairman of the Workplace Forum of Technikon Natal, to Ms Wendy Hutton, Project Manager for PriceWaterHouseCoopers, Mr McKune complained that consultation with the Unions and the Workplace Forum was not taking place. He also went on to add that the Workplace Forum had written to PriceWaterHouseCoopers twice in 1999 regarding the issue of consultation.

This was to become the first of many such difficulties and sometimes acrimonious interactions with the Unions. The Unions at M.L. Sultan Technikon in particular went so far as to instituting a Court interdict to stop the date of merger pending the resolution of contentious issues that they felt were

not addressed.³⁸ We will return to additional details of this court action later in the case.

For the unions the seeds of distrust in respect of the merger process, as well as the consequence thereof were sown at the time of the PriceWaterHouseCoopers investigation. Researchers on mergers have pointed out that substantial attention is paid to the legal, financial and operational elements of mergers but executives that have been through such a process all testify to the human side as being the most critical element (Schuler and Jackson 2001: 242).

The Unions of both institutions (NUTESA and NEHAWU), held a joint Labour Merger Workshop in March 2000 to which they had invited the Chairs of Councils, Management and the members of the Steering Committee.³⁹ For a various reasons the invited parties did not attend, amongst others was a belief held, that they would receive a hostile reception at the workshop. The Unions, following their merger workshop, prepared a document addressed to the Chairpersons of the Merger Steering Committee, requesting that a moratorium be placed on the merger process until they had met the Steering committee and discussed their concerns. The meeting of the Unions and the Steering Committee took place on 20 April 2000. The issues that irked the unions were the following:

- (1) They raised the question as to whether PriceWaterHouseCoopers investigation constituted a “feasibility study” or was it an “implementation plan”. This issue in particular incensed the Unions. The Unions were of the view that after the investigation is completed by PriceWaterHouseCoopers, an assessment of the findings would be made and only then should a decision to merge or not to merge should be undertaken. Unfortunately, the issue of “feasibility” vs “implementation” remained an unfinished matter between both parties and was never adequately addressed by the joint Management or the Merger Steering committee to the satisfaction of the Unions.⁴⁰

³⁸ The Union brought an urgent application against the Minister of Education and the Councils of both Technikons to stop the merger taking place on 1 April 2002; they were unsuccessful as far as this Interdict was concerned. (See Court documents Durban and Coastal Local Division Case No. 1935/2002).

³⁹ Letter addressed to Vice Chancellors inviting Management to the workshop.

⁴⁰ Conversation held by the writer and Union officials in office at the time.

The unions had harboured a silent view that by focusing attention on the matter of “feasibility” versus “implementation”, such an investigation may reveal that merging is not the best option for the both Technikons. For the Unions they would have liked to have seen proof of the viability of a merger. On the other hand the Steering Committee’s held the view, that the decision to merge had already been taken by the Joint Councils. Therefore any investigation undertaken by PriceWaterHouse-Coopers was simply there, to provide merger strategic options for implementation rather than an opportunity to make a decision to “merge” or not to merge. At a more subtle level, the Department of Education, in making available funding for the merger exercise, looked forward to seeing a merger plan develop rather than a pure “feasibility” exercise with merger being a possible option.⁴¹ For the Department of Education this was also an opportunity to learn from this investigation about higher education mergers, as this would provide insight on how to tackle mergers in the rest of the higher education sector when this became a reality.

- (2) Another issue that the Unions raised related to “Consultation”. Largely, their expressed view was that they were not “consulted” but rather were given information. Certainly some leaders of the Unions believed that they should be invited to participate in every level of the merger investigation as well as have a seat on the Steering Committee, which only comprised the Executive Committees of both Councils at the time. However, the Steering Committee held a diametrically opposite view to that of the Unions, in that they saw all staff participating in the investigation from top to bottom in their respective task teams and viewed this as total staff participation.
- (3) The other major issue that was discussed and agreed to between the parties was the reinstatement of the environmental scan.

⁴¹ Meeting of 05 May 1999 between Department of Education officials and Vice Chancellor, Professor Goba of M.L. Sultan Technikon together with Mr Chris Elfick of PriceWaterHouseCoopers. This was also intimated by Department of Education officials when meeting with the Oversight Committee.

In many ways the meeting between the Steering Committee and the Unions did not achieve the results as would have been intended by the Unions. Despite subsequent attempts by the Oversight Committee to consult with the Unions and to keep them in the “loop”, it did not neutralise the sea of discontent, which had heightened by the time the Imbizo was held.

5.4.2.4. The Imbizo

As indicated earlier, Phase 3 of the Merger process envisaged a Stakeholders Forum meeting, which became known as the Imbizo. This took place on 09 October 2000 and was facilitated by African Centre for Conflict Resolution and Dialogue (ACCORD).⁴² The purpose of the Imbizo was to:

- Inform the community on progress made in respect of the merger process;
- Receive the reports from facilitator PriceWaterHouseCoopers;
- Share with the general community, the broad vision of the new Technikon and
- To receive a response from the internal and external community.

Accord, in their report to the Steering Committee, estimated that at least 1000 people attended the Imbizo at the Durban City Hall.⁴³ They equally observed that the primary attendees were staff and students from the two Technikons and the main constituencies that identified themselves at the Imbizo were; the Unions: NUTESA and NEHAWU, COSATU and Technikon Natal Workplace Forum. An odd person or two were representatives from the community attending this Imbizo. Bishop Phillip, Chairperson of Technikon Natal Council and Judge Jali, Chairperson of M.L. Sultan Technikon Council chaired the Imbizo.

The build up of the Unions dissatisfaction in respect of a number of aspects of the merger process, found its outlet at the Imbizo. PriceWaterHouseCoopers represented by Mr Chris Elfick – the Chief Project Manager, made a presentation of their findings; thereafter the floor was opened for comments and questions. Speaker after speaker representing the Unions largely

⁴² Accord is a private agency that specialises in Conflict Resolutions and Management.

⁴³ Accord's Report on the Imbizo process between M.L. Sultan Technikon and Technikon Natal, 2000:1-4.

expressed concern on the lack of consultation, the ill timing of the Imbizo and fear of job losses amongst others. It became very clear that those present at the Imbizo clearly voiced their opposition to a merger (Accord's Report on the Imbizo, 2000: 3). There was equally severe criticism of the PriceWaterHouse-Coopers report and its process.

Some of the issues/comments/questions that were raised by the Technikon Community at the Imbizo were:

- Cost savings in the PriceWaterHouseCoopers report focused only on staff savings;
- A lack of financial audit of each institution;
- The timing of the Imbizo, why was it rushed?
- What has informed the models presented?
- What are the real job loss implications?
- What are the implications for fees for students?
- Failure to organise a joint meeting of students;
- Social Equity in terms of gender and race issues has not been addressed.

The PriceWaterHouseCoopers representative answered all of the above comments or questions. Any independent observer to the Imbizo would have arrived at the conclusion that despite responses to the many questions and comments, mentioned above, that there was a great deal of dissatisfaction expressed by the Trade Unions, NUTESA and NEHAWU, concerning the merger developments to date. Other observers argued that such expressions from individuals and Trade Unions shop stewards and officials at the Imbizo was to be expected because this was the real goal of holding such a forum, that staff and students could have an opportunity to freely express their feelings on the merger.⁴⁴ However, one could not help but come away from the Imbizo thinking that a dark cloud had descended over the entire merger process. The local papers interpreted the deliberations at the Imbizo as being "death for the merger exercise".⁴⁵ However, this was not to be the case.

⁴⁴ This view was expressed by the Vice-Chancellors: Professor Khoapa and Professor Goba, -post assessment of Imbizo.

⁴⁵ Reports in the Mercury and Daily News on 10 October 2000.

5.4.2.5 The Development of the Vision for the New Institution

The visioning of the new institution commenced during the course of the PriceWaterHouseCoopers investigation. However, what was agreed upon then was not implemented post merger. Also, Stakeholders at both institutions placed different emphasis on the rationale for the new merged institution. At an Executive Management level, Mr Purmasir, Deputy Vice-Chancellor: Resources and Planning at M.L Sultan Technikon saw the merger as “getting rid of the racial divide” and the creation of a “first truly democratic institution in South Africa”(Chalufu, 2002: 135). Mr Purmasir further added that the reason for the existence of the three Technikons in KwaZulu-Natal was purely racial and did not make any financial sense. Various other senior managers at both institutions held similar views in respect of the rationale for the merger.

From a governance point of view, the philosophical position of both Councils on the merger was to “increase the breadth and depth of technikon education in the region and to the community as a whole”(Merger Project Newsletter. No.5: 3). The Councils view was that this goal supported the priorities of Higher Education as envisaged in the Higher Education Act, i.e:

- Increase and broaden participation within higher education to meet person power needs and advance social equity (Increased Access)
- Contribute towards the development of a single, integrated and coordinated system (Promote articulation, mobility and transferability)
- Promote cooperative governance of the system (Increase efficiency).
- Promote the curriculum and knowledge production, which is responsive to regional needs (Improve teaching and learning).

The January 2000 Merger Newsletter (No.1: 6) points further to the possible outcomes of the merger. In its broader context, these outcomes could be interpreted also to mean additional rationale for the merger and these are:

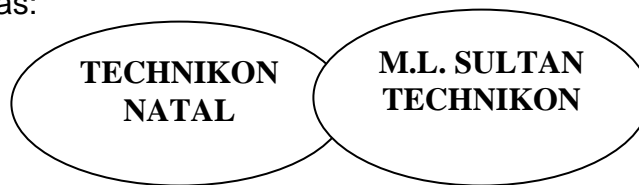
- Greater height and breadth of educational offering;
- More opportunity to attract and retain students;
- Cost savings from the reduction of duplication and more effective operations;
- An increased level of skills and competencies of lecturers;

- Greater opportunity to progress, develop new skills and achieve excellence;
- Increased opportunity and enhanced research output;
- A more powerful SRC body to attend to students needs;
- Maintain a higher overall quality of education;
- Greater chance of accessing 3rd stream income;
- Improved utilization of resources

None of these views of merger, its reasons and vision, necessarily conflicted with each other. During the course of the PriceWaterHouseCoopers investigation, the Steering Committee also worked feverishly to produce a model for the new institution. The development of this model was important for PriceWaterHouseCoopers, in that they needed to know what type of structure was going to be followed in order to generate the appropriate strategic outcomes. The most appropriate way to view the model is to examine it graphically and what was intended in each case. The broad objective of the merger discussions was to “improve the breadth and depth of higher education in the region and the country as a whole”(Merger Project Newsletter. No.5: 3, ud). Therefore the Councils created three different scenarios for the purposes of debate and discussion.

Scenario One

This scenario was to be termed the narrow merger and is illustrated graphically as:



The main features of this model were the collapsing of both institutions into one. All departments would be integrated and there would be no duplication of programme offers. The various campuses would be used in the most economic and optimal way. In this model, rationalisation of programmes, functions, facilities and even staff would certainly be the order of the day of the three technikons.

Scenario 2

M.L. SULTAN
CAMPUS

TECHNIKON
NATAL

MANGOSUTH-
U TECHNIKON

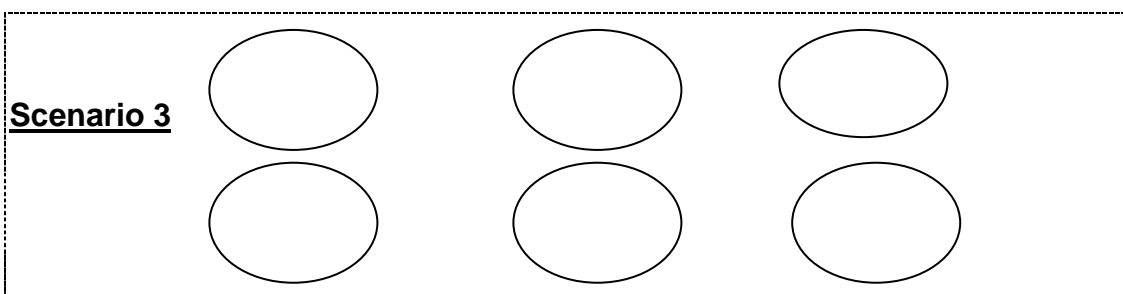
The essential features of this model would have been:

- Separate campuses;
- Some rationalization would have taken place. The option to duplicate programmes would have existed, at least between Mangosuthu Technikon and the two other campuses;
- There was to be a small corporate office headed by a single Vice-Chancellor, Council and Senate;
- There would, despite rationalization, be a duplication of administrative services at each campus.

Scenario 3

Scenario 3 was what the Steering Committee had embraced at the time of the PriceWaterHouseCoopers investigation. This scenario envisaged a new institution as a single Technikon with multiple campuses.

Graphically illustrated this would look as follows



The salient features would be:

- The existing campuses may remain, i.e. M.L. Sultan Technikon, Technikon Natal and Mangosuthu Technikon, but additional campuses are opened in different parts of the region, depending on the need identified.

- Relocation of some faculties and departments or the creation of new ones at the new campuses.
- Each campus runs separately, governed separately by a single Council and a small head office with a Vice-Chancellor.

As part of this scenario, the following campuses were envisaged:

- (1) M.L. Sultan Campus;
- (2) Technikon Natal, Berea Campus;
- (3) Mangosuthu Campus – to which may be added the Umlazi Campus of the University of Zululand;
- (4) Pietermaritzburg Campus (incorporating the Indumiso College which was incorporated by Technikon Natal);
- (5) The Gamalakhe College at Port Shepstone, also acquired by Technikon Natal in 2001;
- (6) Any other campuses.

At its meeting of 13 April 2000, Vice-Chancellors, Professors Goba and Khoapa presented Scenario 3 as a preference for the new institution, which was accepted by the Steering Committee.⁴⁶

PriceWaterHouseCoopers were deep into their investigation, having completed certain critical tasks, when the Steering Committee adopted the “broader” merger vision with multiple campuses. This seemed to have posed a problem to PriceWaterHouseCoopers because they had based their investigation on the “narrow” merger model, i.e. simply joining everything of the two institutions into one. Equally there were Executive/senior managers from both institutions who shared the view of PriceWaterHouseCoopers consultants that these two institutions should merge and first consolidate, before even attempting to expand. In the final analysis it seemed that the latter view prevailed and the narrow merger was put into operation. There are a number of reasons why this occurred which was contrary to the original decision that was taken by the Steering Committee. This vision (narrow) also

⁴⁶ Minutes of meeting 13 April 2000

found favour with the Minister of Education at a presentation made to him on 03 August 2000.⁴⁷

5.4.2.6 Merger Developments Through 2001

The last meeting of the Steering Committee in 2000 was going to be difficult on account of the outcome of the Imbizo. Each Technikon came prepared to present its own view of the merger and the way forward. For Technikon Natal, the way forward was the endorsement of the vision of the multiple campus institution as presented to the Minister of Education during August 2000. The team representing Technikon Natal indicated that it was their view that the model was viable. Therefore Technikon Natal indicated that the Steering committee should recommend to the Joint Councils that the Minister of Education be requested to take the necessary legal steps to create the new institution.⁴⁸

In contrast, M.L. Sultan Technikon arrived at the meeting with the sole intention of presenting the resolutions of their Council Meeting on 13 October 2000 in respect of the merger. In summary, the position of the M.L. Sultan Technikon Council was that they were seriously concerned with regard to the process which involved consultation and negotiations with Stakeholders.⁴⁹

Furthermore, for M.L. Sultan Technikon they wanted another structure to be created to deal with PriceWaterHouseCoopers reports, to comprise of all Stakeholders. As this turned out to be a meeting where the views of both parties were different, and no compromise was going to be easily reached, it was decided that a meeting of the Joint Councils should take place to consider the way forward. The meeting of the Joint Councils scheduled for 16 February 2001 was the “rubicon” of the merger. This was the meeting that decided whether the merger of these two institutions would be pursued or alternatively aborted. This was a well-attended meeting especially by the external Council members. The purpose of this Joint Council meeting was clearly articulated by the Chairperson, Bishop Phillip, as “to find a way forward in the merger process in order to bring the matter to finality”.⁵⁰ These sentiments expressed

⁴⁷ The Minister of Education was Professor Kader Asmal.

⁴⁸ Minutes of Steering Committee Meeting held on 16 November 2000.

⁴⁹ Researcher was present at these meetings and minutes of the meeting.

⁵⁰ Minutes of Joint Council Meeting on 16 February 2001.

by participants clearly favoured the finalisation of the merger. As one Councils member put it, “we need to have trust in this momentous occasion and the vision to move forward, because it is not only the two Technikons who will be merging, it will be happening all over the country, including Universities”.⁵¹

In many ways the above sentiments expressed about mergers taking place all over the country was probably the defining view that swung all present at the Joint Council meeting at the Riverside Hotel, that there was no turning back on the notion of merger. The meeting went on to reinforce the vision for the new Technikon, i.e.

- a Single Council
- a Single Vice-Chancellor
- a Single Senate.

A further important step was to reconfigure the Committee that would bring the merger to fruition. This essentially was a very shrewd move on the part of the Chairperson, Bishop Phillip to “right” what was the constant complaint of the Unions throughout the merger process that is for them to be include at the highest level of decision making. This new Committee comprised 12 members and became better known by its acronym COT (Committee of Twelve).⁵² Later a request from NEHAWU to be given a seat on COT was also acceded to, but as a non-voting member.

5.4.2.6.1 The Role of the Department of Education

No merger, be it voluntary or forced, could be completed without strong involvement of Government. For this merger to have been brought to a successful conclusion, it firstly needed Government’s endorsement, which was readily received way back in 1997. In addition, Government, apart from the resources they were going to put into this merger, had a vested interest in so far as they saw this as a learning opportunity for them. They could use the experiences learnt from the first merger in the country to assist the other mergers that were envisaged in the South African Higher Education Sector(Report of the National Working Group on Mergers, 2001: 10).

⁵¹ Minutes of Joint Council Meeting on 16 February 2001.

⁵² COT comprised the two Chairpersons of Council, two Vice-Chairpersons of Council, the Treasurers of Council, the two Vice-Chancellors, Unions representatives and SRC representatives.

Several meetings were held during the course of 2001 with senior governmental officials to work out the legal mechanisms of the merger. Also at another level, the both institutions engaged the Department of Education in respect of the financial resources needed to make this merger successful. On the legal front, as this would be the first merger in the country and in line with its own plans for mergers in Higher Education in general, the Department of Education was taking steps to regularize mergers by amending the Higher Education Act.⁵³ The most critical changes to accommodate mergers in the Act were:

- (1) Making provision for appointment of an Interim Council of five persons to replace the existing Councils for a period of six months, subject to an additional six months added on if the work of the Interim Council was not completed.
- (2) The Interim Council would appoint Interim Management.
- (3) The Interim Council would also prepare for the appointment of a new Council.

What was important was that the Department of Education and both Technikons were walking this new road together for the first time.

The Department of Education from a legal perspective had issued two public notices in respect of this merger. The first notice simply indicated the Minister of Education's intent to merge both Technikons and invited objections. The second notice gazetted the date of the merger of the new institution. The second notice was released only after the Joint Councils could demonstrate to the Ministry of Education what was termed "Report of Preparedness" which included the following:

- The Minister of Education had to be satisfied that the labour relations matters had been adequately dealt with before gazetting the merger.
- That there was the name and address of the new institution
- The names of the Interim Council members – the institutions had to send a list of possible Council members from which the Minister of Education could select.⁵⁴

⁵³ See Higher Education Act 101 of 1997 as amended by Act 23 of 2001. No 22808.

⁵⁴ Government gazette in respect of TN and MLS merger.

Fulfilling the requirements related to name, address and Interim Council nominees were relatively easy in comparison to certifying that the merging institutions had dealt adequately with the item relating to “employers obligations, in terms of applicable labour laws”. Nevertheless, this recommendation by COT (Committee of Twelve) that it had met all its obligations as far as the matters related to human resources/labour issue were concerned was accepted by Government. COT held the opinion that both Unions, NUTESA and NEHAWU, not only had a seat on the highest body driving the merger, but also that the Union representatives have been in regular meetings with Managerial representatives in the Human Resources Task Team.⁵⁵

Furthermore, the merger of Technikon Natal and M.L. Sultan Technikon was gazetted by the Minister of Education as a going concern and therefore Section 197 of the Labour Relations Act applied. This simply meant that all contracts are transferred to the successor in law. The new institution as the result of this, inherited two sets of Conditions of Service until the new Council could negotiate a new set of conditions of service for all its employees.

5.4.2.6.2 Preparatory Steps for the Merger Red Letter Day

The initial date COT envisaged for the merger to take place was on 01 January 2002, however, this did not materialise because of the additional preparatory work and a final date of 01 April 2002 was therefore set. Despite the earlier work of PriceWaterHouseCoopers, the tasks needed to be accomplished before the actual merger date, were largely practical in nature. It seemed that in the run up to the actual merger date, scant attention was ever paid to the PriceWaterHouseCoopers reports. Rather an entire new set of readiness plans were developed by task teams set up by the Vice-Chancellors. The Merger Office was established to ensure proper coordination of all these reports as well as reporting to COT.⁵⁶ These task teams were Management led and covered the following areas:

(1) Academic

⁵⁵ Progress report in respect of Merger sent to the Minister of Education, Professor Kader Asmal in December 2001.

⁵⁶ The Executive Assistant to the Vice-Chancellor of Technikon Natal, Mr Gops Chetty, took on this additional responsibility of running the Merger Office.

- (2) Academic Administration
- (3) Finance/IT and Physical Planning
- (4) Human Resources
- (5) Student Services
- (6) Legal
- (7) Communication

The task teams worked diligently during the run up to the actual date of the merger and prepared many detailed reports and plans that fed into COT meetings.

The work of COT and the information that the task teams had gathered to enable decision making were very significant. In any merger, the decisions taken in the pre-merger phase would form the basis for a memorandum of agreement to be used in the post-merger phase. However, in this particular case, the work concluded by COT was never translated into a formal memorandum of agreement, which both parties could sign. The approach of COT was rather to accept reports, make comments and simply see these reports as departure points in the post merger phase. This approach, of course, also opened an avenue for much of these “so-called agreements” at COT to be ignored during the course of the implementation phase.

COT held countless meetings and workshops and dealt with, amongst other things, the following matters:

- Getting a progress report together with the funding requirements of the merger process for submission to the Ministry of Education;
- Getting Finance and IT reports and its implication for integration;
- Developing a set of Conditions of Employment that took harmonization of both sets of Conditions of Employment into account;
- Examining fee structure for new and returning students;
- Getting a due diligence report done in order to make informed financial plans and decisions;
- Finalise procurement procedures for the new institution as well as Financial policies and procedures;
- Finalise the number of faculties and its structure;

- Getting critical communication elements in place including the logo and the name.

5.4.2.6.3 Naming the New Institution

As part of the 'preparedness report' the name of the new institution had to be submitted to the Minister of Education to be gazetted. The name for the new institution, the Durban Institute of Technology (DIT) was decided upon at the COT meeting of 13 November 2001, despite there being a campus at Pietermaritzburg. The decision of arriving at the name was not without its fair share of controversy. There was no controversy related to the suffix of the name, "the Institute of Technology". Both Councils approved this after receiving a recommendation from the respective Senates.

The name "Institute of Technology" was first mooted at debates, which took place at the Committee of Technikon Principals (CTP) meetings, where they had been debating the future of Technikons in a restructured higher education landscape. Proponents for the changing of name of technikons as well as redefining its place in the higher education landscape in South Africa argued that it was a relic of the past(given South Africa's apartheid history)and that it was not well understood as a higher education institution by overseas higher education institutions. In the course of the debate, the Committee of Technikon Principals also proposed calling 'Technikons' –'Universities of Technology'. Du Pre(2004) points to a decision taken by the Executive Committee of CTP on 23 November 2000 to appoint a task team to prepare a position paper on 'universities of technology'. The intention being to use this document to petition the Department of Education to give consideration to changing the name of "technikons" to that of 'university of technology" This re-designation to 'university of technology' was finally adopted by the Department of Education for all remaining Technikons.⁵⁷

However, at the time that the merger between M.L. Sultan Technikon and Technikon Natal was to take place, the name of Institute of Technology was the preferred choice by both these institutions. The name of "Institute of Technology" was clearly supported and advocated by both Vice Chancellors for the new merged institution. One can conclude that at the time, there

⁵⁷ Professor Kader Asmal, Minister of Education announced in October 2003 that all 'Technikons' will in future be called 'Universities of Technologies'.

remained either differences of opinion about the future name change of Technikons or such a name change debate remained incomplete within the Committee of Technikon Principals. Consequently the Durban Institute of Technology having been gazetted as a Technikon during its merger was to undertake another round of name changing a few years later to bring itself in line with other Technikons that were promulgated as Universities of Technology.

The controversial parts of the name related to the prefix. The public, students and staff were invited to submit names to the Merger Office. A large number of submissions were made totalling 97. A Committee made up of both Chairs of Council and both Vice-Chancellors shortlisted the names for COT to take a decision on. The Sultan family as well as the M.L. Sultan Charitable and Educational Trust strongly argued for the retention of the Sultan name on the basis that it was a condition when the donation was given. Equally, when the Merger Office received name proposals, the name M.L. Sultan Technikon was repeated several times by proposers. There was also a call for the retention of the name of M.L. Sultan in the form of petitions. Professor Ncayiyana, the Vice-Chancellor at M.L. Sultan Technikon was quoted in the daily newspaper as saying: "I would not like to see the legacy of the Sultan bequest lost to the Technikon. I am concerned that the name would disappear entirely but we will have to negotiate it".⁵⁸ Negotiate it is what they did, for COT had made it clear that a new institution should have a name that reflected the future of education in this region and country. Furthermore, the Vice-Chancellor of M.L. Sultan Technikon had promised Stakeholders and the family of Sultan that they would not be naming the new institution after another person.⁵⁹ Equally the Minister of Education was determined to have a new name but also supported the idea that benefactor--Sultan be honoured through a garden of remembrance.

The Shortlisting Committee proposed three names, which resulted in a vote being taken. A decision was also taken that the two campuses be renamed the M.L. Sultan Campus (that portion of the main section on Centenary Road of M.L. Sultan Technikon) and the Steve Biko Campus (the Berea campus of Technikon Natal) respectively. This decision taken at the same time as the name Durban Institute of Technology was agreed to, went some way in preserving the legacy of the Sultan family, and acknowledging and recognizing one of the great sons of the struggle for liberation of Black people in South

⁵⁸ Quoted in Mercury Newspaper, 2001 (Bisetty)

⁵⁹ Minutes of COT, 13 November 2001.

Africa, the late Steve Bantu Biko, and founder of the Black Consciousness movement. Interestingly, as pointed out earlier, the Pietermaritzburg campus did not figure in debates in respect of the name.

5.5 Summary

In this chapter we tracked the origins of the DIT merger recognizing that the pursuit of the voluntary type of merger had a long history although it only came to fruition in the post apartheid period. What is evident is that there was recognition certainly by 1996 that it did not make sense to have two higher education institutions literally providing the same programmes operate side by side. The fact that the political environment had changed in the country simply solidified this position. This historical review points to the deep seated cultural differences between both institutions, despite having so many similarities. Despite the long delays in realizing the merger, a strong feature has been the extensive pre-merger planning and preparation. We now turn our attention in the next chapter to merger transition developments and focus specific attention on integration activities.

CHAPTER 6

THE DUT CASE STUDY – POST MERGER

6.1. The Transition

On 04 January 2002, the Minister of Education gazetted the merger of Technikon Natal and M.L. Sultan Technikon into a single public Higher Education Institution. Whilst a substantial amount of planning had taken place to meet the requirements of the Department of Education for the purposes of gazetting the merger, much work was still needed to be undertaken over the remaining three months before the actual merger date of 01 April 2002.

Several meetings took place as the merger deadline approached. The external Council members feeling overwhelmed by the volume of reports being tabled at the meetings, now thought that the solution is to employ a Consultant to tie up all the loose ends of the merger exercise. The external COT members (read external Council Members), who were appointed by the Minister of Education to be members of the Interim Council, realised that this was a huge responsibility to govern the post merger institution, given especially the prevailing poor and at times acrimonious relationship between the two institutions. Therefore they wanted to begin managing some of the processes which until then were largely in the hands of the Management of the both institutions. Such an external Consultant would have also assisted in neutralizing the difficult relationship between the parties.

So the next group of Consultants were appointed as Merger Project Managers.⁶⁰ Their main task was to assist the work of the Vice-Chancellors. In doing so, they would integrate the work of all the task teams and produce a Master Plan. The Project Managers would also ensure that all the necessary tasks, which had to be completed before 01 April 2002, were duly completed. The general idea was that the Master Plan developed would assist with the integration exercise following 01 April 2002. Andersen served a very useful

⁶⁰ Andersen Consulting was appointed.

purpose in not only acting as a catalyst, but also getting agreements and consensus in a number of areas relating to the merger.⁶¹

The agreements or plans reached in the closing stage of the merger were to assist in the integration phase of the merger. Similarly many contentious issues and items were left on the back-burner to be tackled only after the legal merger date. In the run up to the merger, a significant amount of work was accomplished by the various tasks teams. This definitely helped the merger to go a little smoother in the various major functional areas of the institution.

While this case study cannot detail all the areas where plans were drawn, there are certain important practical steps that should be taken prior to the merger so that there is a semblance of normality immediately after the merger. In this respect, the institutions found that the following were critical issues that had to be completed as part of the pre-merger phase:

- (1) The development of common set of academic rules and this was approved by the Senates and Faculty boards of both institutions (Student Administration Merger Task Group, 2001).
- (2) The enrolling of first students under common examination rules was critical given that the merger date was set at 1st April 2002 and the feeling at the time was to avoid creating another year of pipeline students. Therefore common examination rules were also passed so that by the end of 2002, first year students would have had a seamless transition into the new institution. They could have even been joined in classes where this was possible after April 2002. The enrolled first year student of 2002 would have written a common examination certainly by the end of that year.
- (3) The establishing of common fees for first year students and at the same time making adequate provision for differentiated fees for students in the pipeline.
- (4) Ensuring that graduation ceremonies are held timeously so that as many students as possible could obtain their certificates from the existing institutions before the merger date.
- (5) There was a tentative plan developed for faculty structure and the location of departments for the new institution.⁶² As

⁶¹ Andersen Master Plan document.

Professor L. Du Preez Deputy Vice Chancellor at Technikon Natal had observed in his response to the new academic structures submitted by the Working Committee of Deans from both institutions: “that the new structure proposed had met the conditions of modern management principles and philosophies in that it was flexible and responsive to the dynamic higher education operating environment, not bureaucratic, reasonably a flat structure, enables quick decision making, faster innovation and manage change and above all be able to successfully implement the Government’s new Academic policy”.⁶³ By and large this new structure provided for four faculties, led by an Executive Dean, a Faculty office, Departments (which should be consolidated post merger) and the possibility of the establishment of Schools.

- (6) While good progress was made in developing plans for academic administration and the structure of the new institution, the same could not have been said of the work relating to Human Resources. In any merger, it can be said that one of the most important areas to receive attention would be that of Human Resources. Furthermore it would be an activity which would be given attention very early in the merger process. For both institutions, there were very different sets of Conditions of Employment, with M.L. Sultan Technikon paying far better salaries and therefore it was going to require the new institution to be very creative as to how it would deal with the salary differences between both institutions.⁶⁴ The Human Resources Task Team developed a scoping document which contained twenty-five Human Resources issues ranging from salaries through to disciplinary and grievance procedures. Each of these twenty-five items was discussed in the Task Team with the intention to harmonize and create a new set of Conditions of Employment. The most critical of all items was salaries and remuneration consultants were employed to assist with this particular exercise. These Consultants developed a set of scales and a set of grades. While some progress was made in

⁶² See Report - Proposed new Academic Structure by D.V.C.’s and Deans of both institutions 08 March 2002.

⁶³ Professor du Preez’s comments on academic structure dated 14 March 2002. p.1.

⁶⁴ PriceWaterHouseCoopers report – Participative South Africa (PSA) 2000 Human Resources Merger option report.

the H.R. Committee comprising of all Stakeholders, which resulted in certain condition of service items being implemented quickly. Equally ongoing wrangling in the Committee resulted in some tasks never being finished. The observation here is that the unions were more involved in the human resources task team than in any other teams and therefore were far more scrutinizing of the decisions and agreements reached. Therefore specific human resources issues took well over three years after the merger to be finalised.

- (7) An excellent advertising campaign to inform the public of the imminent arrival of the new institution was launched at the beginning of 2002. The Communication task team which comprised the Public Relations departments drew up a very detailed proposal to market and publicise the new institution.⁶⁵ Equally, much work went into the development of the logo for the new institution. The students in Graphic Design departments participated in a competition and the winning designs were later used as ideas in the development of the actual logo for the merged institution, by an outsourced company.
- (8) The Vice Chancellors in a jointly signed communiqué to students kept them apprised as to the merger developments and how it was going to affect them in the year 2002. This communiqué which went out with the examination results at the year end 2001 read as follows :

“This letter serves to inform you of how you will be affected by this process (merging) when you register in January 2002.”⁶⁶

- A returning student will re-register at the Technikon where they first registered.
- First time registering students will register at the Technikon where they have applied and been accepted.
- During the course of 2002, we will start to merge the various departments of the two institutions. This will be a gradual and ongoing process.

⁶⁵ Report on Communications Strategy – Advertising and Promotions.

⁶⁶ Extracted from Vice Chancellors letter to all students – sent in December 2001.

- When you have completed all the requirements for the programme you have registered for, you will receive your qualifications from the 'new institution'.
- Students who meet all the requirements of their programme by the end of February 2002 will receive their qualifications from the Technikon at which they were registered as at 31 December 2001. The final graduation ceremonies of the respective Technikons were held in 2002. From the year 2003 the certificates are to be issued in the name of the newly merged institution – the Durban Institute of Technology”.

Students who were originally registered with either Technikon had their certificates endorsed with the name of their originally registered institution at the foot of the certificate. This was done to appease the students at the time of the merger who raised their objections that they had specifically registered at a particular technikon and now they are being deprived of the name on their certificate. It then came about that one way of resolving the matter was to include the name of the technikon on the certificate for the pipeline students.

Just as there were many tasks successfully completed prior to the legal merger date, there were certain tasks that were left unattended or posed such controversy at the time that they were left to be dealt in the post-merger phase. As one senior manager had remarked, “we did not agree on the model for the new institution, we have left it for whoever is in charge to decide on that item”.⁶⁷ Technikon Natal had proposed a multiple campus model with heads for both M.L. Sultan Campus and Steve Biko Campus. M.L.Sultan Technikon were prepared to accept a multiple campus model for the outlying campuses only but believed that M.L. Sultan Campus and Steve Biko Campus must be integrated into one. The above is an example of where much earlier, a decision in respect of the merger model (multi-campus model) was taken by the parties supported by the respective Vice Chancellors, Professors Goba and Khoapa, but closer to the actual merger date, this earlier decision was questioned and not supported to the point where it could be said that it was ignored. What this points to, is that one or the other party who did not like any of the earlier decisions, simply chose at some point to disregard them.⁶⁸

⁶⁷ A conversation between the D.V.C. Administration of M.L. Sultan Technikon and the writer.

⁶⁸ See footnote number 42.

Another matter that was raised in COT, although no serious discussion ever took place, related to the Interim Vice-Chancellor and Interim Management. Despite the future nominated Interim Council members being members of COT, they refused to take any decisions related to the Interim Vice-Chancellor or the Interim Management prior to 01 April 2002. They believed that if they had taken such decisions up front, then it would be open to legal challenges as to whether such authority existed within the Interim Council prior to 01 April 2002.

6.2. The Court Interdict

While there were many issues that troubled the merger process, nothing was greater than the reaction of the Unions at M.L. Sultan Technikon towards the merger. A few days prior to the finalization of the merger, trade unions NUTESA and NEHAWU at M.L. Sultan Technikon launched an urgent Court application against the Minister of Education, the Councils of both Technikons as well as the individual COT members. The sole intention was to stop the merger from taking place on the planned date until what they saw as “certain obligations towards labour were fulfilled”. One of the trade union leaders at Technikon Natal had observed the irony of M. L. Sultan Technikon’s unions and staff court action was that they were represented at COT.⁶⁹ COT was the body that had to certify that certain conditions had been met as demanded by the Minister before he could gazette the merger.

In their Court papers, NUTESA of the M.L. Sultan Technikon highlighted the following reason for the dispute: “There has been no financial audit of each of the institutions, which should have been the precursor to any proposal to merge. A due diligence audit needs to be completed first, the union claimed. A merger must not be used to cover up any mismanagement of either or both institutions”.⁷⁰ While NUTESA and NEHAWU of M.L. Sultan Technikon were unsuccessful in obtaining the interdict, an out of Court settlement was only finalised towards the end of 2003. This was, as Chalufu (2002: 139) had observed, to become one of the critical incidents in the merger process between the two Technikons, resulting in a number of acrimonious confrontations among the different parties involved in the merger. This acrimonious situation, which developed just before the legal merger date between the parties, continued through the integration phase of the merger.

⁶⁹ Conversation with Tom Mckune – union leader of Nutesa.

⁷⁰ Court Papers filed in Durban and Coast Local Division Case No 1935/2002-

One could put forward the argument that there were a number of interest groups (unions) and individuals from both Technikons who would have been pleased mainly with the status quo of not having a merger between the institutions. Then there were others, which included members of Management, who may in principle have not been against the merger but certainly wanted to ensure that there was proper information disclosure that informed the merger including the financial standing in particular of Technikon Natal. A trade union leader pointed out that there was some support from within certain quarters of the Unions wishing for the merger not to go on as planned.⁷¹ These interest groups and individuals first showed their intense dissatisfaction for the merger at the Imbizo. At the Imbizo the unions and staff from both institutions were unanimous in putting forward the point that their dissatisfaction in respect of the merger process was the lack of consultation and that no due diligence was undertaken. However by the time that the legal merger date had arrived, the relations between the unions at M.L. Sultan Technikon and Technikon Natal had cooled substantially, resulting in each turning inwardly to support and protect their own institutions. The catalyst for the frosty relations between the parties may be traced amongst other things to the financial position of Technikon Natal.

Technikon Natal by then had been facing serious financial difficulties, had accumulated some serious deficits in the years preceding the run up to the merger and needed strong government capital injection to strengthen its balance sheet.⁷² This parlous state coupled with Technikon Natal's Finance Department's inability to produce an audited financial statements for 2001 timely, exacerbated the problem. As these Annual Financial Statements were not readily available, the Due Diligence reports for the merger remained outstanding and this became a thorny and argumentative issue at meeting after meeting of COT.⁷³

Despite the Minister of Education's letter to the Chairpersons of NUTESA and NEHAWU at M.L. Sultan Technikon reassuring them that the merger will take place as a going concern⁷⁴, both these Unions did not let up their pressure to postpone the merger date. They wrote to the Minister on 28 February 2002, asking for the merger to be suspended until financial matters of concern to

⁷¹ Interview with trade union leader.

⁷² Professors Steele and Melcks' investigated on behalf of the Department of Education.

⁷³ Minutes of COT meetings - 19 March 2002, 5 March 2002 and 7 February 2002.

⁷⁴ Letter from Minister Asmal to the Unions, included in the Court papers.

them were put right.⁷⁵ The letter of the Chairpersons of Nutesa and Nehawu of the M.L.Sultan Technikon on behalf of staff went on to say:

*We have been misled into believing that the merger... would be on an equitable basis as going concerns; we now know that there is a serious financial deficit at Technikon Natal that will negatively impact on us, the staff of M.L. Sultan Technikon, should the merger proceed in its present form on 1 April 2002.*⁷⁶

Other officials including Council members from M.L. Sultan Technikon also wrote to the Ministry expressing their concerns.⁷⁷ There is no doubt that M.L. Sultan Technikon, via its Unions, placed great pressure on the Ministry of Education, its own Council and on COT (the body steering the merger process) to delay the merger taking place. When they found themselves not successful in delaying the legal merger date, the Unions brought their Court action which they had previously threatened in their letter to the Minister of Education. These pressures to try and slow down the merger were not sufficient to persuade the Minister of Education to postpone the merger date. In fact, the Minister had, in his letter dated 08 March 2002 to the Chairperson of Council of the M.L. Sultan Technikon indicated that:

“...my officials advise me that although there are financial problems at Technikon Natal, these are not of a magnitude to jeopardise the merger. Furthermore, my Ministry is committed to ensure that the new institution is not adversely affected by the current financial problems of Technikon Natal”.⁷⁸

The Minister of Education recognised that Technikon Natal had a fragile financial condition, but equally pointed out that it had strong academic credentials and would contribute in a merger to an excellent new academic institution. While indicating that he understood the concerns of the Unions and Council of M.L. Sultan Technikon, the Minister was equally concerned that this “dust storm” so to speak, was being created, which may result in the current position of Technikon Natal being used to inflate future claims for financial support from the Ministry. The vulnerability of Technikon Natal during this period was clearly expressed by Professor Bennie Khoapa – the Vice

⁷⁵ Letter of NUTESA and NEHAWU- M.L. Sultan Technikon sent 28 February 2002, found in Court Papers.

⁷⁶ Ibid.

⁷⁷ The Chairperson of Finance Committee writing to the Deputy-Director General of Education.

⁷⁸ Letter to Chairperson of Council, M.L. Sultan Technikon, contained in Court papers.

Chancellor in a memorandum written to staff weeks before the merger “in spite of all these achievements there have been repeated attempts to destroy the name of Technikon Natal as we come closer to the merger with M.L. Sultan Technikon. Over the last few weeks several newspaper articles have attempted to discredit the good name of Technikon Natal”.⁷⁹

With no one to extinguish this unhealthy relationship that developed just prior to the finalisation of the merger, this intensified and manifested itself in different ways in the post merger phase. We will now turn our attention to the post merger phase. This covers, amongst other things, the integration of the institutions, the consolidation and finally the solidification process.

6.3. THE NEW INSTITUTION

The 1st April 2002 arrived as an uneventful day, partly because it was a public holiday. However, some local newspapers did carry the story on 02 April 2002 proclaiming the birth of a new higher education powerhouse in the region.⁸⁰ As the Head of Public Relations at Technikon Natal observed, any plans of celebrating the birth of the new institution were put on hold because of the uncertainty surrounding the merger.⁸¹ This uncertainty had stemmed from two developments, the first related to the court case launch by NUTESA and NEHAWU of M.L. Sultan Technikon. These unions were rumoured to have said that they would ensure that staff boycotted any celebratory function while their court case was pending.⁸²

The second factor, though of lesser significance, but certainly a contributing factor to the postponement of the function was that an interim Vice-Chancellor was not appointed on the day that the new institution came into existence.

The Interim Councillors, who were loath to appoint an Interim Vice-Chancellor before 01 April 2002, were embroiled in their own difficulties, which delayed finalising this appointment. These difficulties largely stemmed from the way in which the Interim Council was constituted. The Minister of Education appointed three people from M.L. Sultan Technikon and two from Technikon Natal to comprise the Interim Council for the period of six months. This

⁷⁹ Memorandum by Technikon Natal’s Vice-Chancellor to all staff dated 01 March 2002.

⁸⁰ Daily News Paper, 02 April 2002

⁸¹ A report by the Communication Task Team to the Vice-Chancellors.

⁸² Interview with Shobna Persadh, Public Relations Manager.

prompted members who came from the ex Technikon Natal Council to feel that the dice was heavily loaded against them getting their own person so to speak as the Interim Vice-Chancellor.⁸³ Nevertheless, after much debate the Interim Council appointed Professor Dan Ncayiyana (Vice-Chancellor of M.L. Sultan Technikon) as Interim Vice-Chancellor and Professor Bennie Khoapa of Technikon Natal as Pro-Vice-Chancellor to attend to merger related activities. Oddly, the role of Pro-Vice-Chancellor in charge of merger related activities was considerably diminished to the point where some perceived this office to have been undermined and marginalised.⁸⁴ By the end of 2002 Professor Khoapa opted to retire.

The contests at the senior executive management level intensified during this period and this prompted certain senior managers at Technikon Natal to remark that there was a takeover by the M.L. Sultan Technikon, especially after Professor Dan Ncayiyana announced his interim management team.⁸⁵

The speed at which an institution settles down to normal business seems dependent on the manner in which the integration and consolidation phases of the merger are executed. This requires skilful leadership and management of this part of the merger process. We now turn to examine the integration phase and in this respect take a closer look at items of leadership, human resources, integration of academic and administrative departments and the financial issues affecting the new institution.

6.4. POST MERGER DEVELOPMENTS

6.4.1. Financial Situation of the New Institution

As pointed out earlier the issue of financial sustainability of the merged institution was one of the most contentious issues in the merger process, leading to, amongst other things, a court interdict by the unions at M.L. Sultan Technikon as well as student class boycotts at M.L. Sultan Technikon. The ca M.L. Sultan Technikon students were worried about paying higher tuition fees. The issue of financial sustainability of the merged institution was a key factor

⁸³ Conversation between the writer and an Interim Council Member a few months after merger.

⁸⁴ Interviews with the Chairperson of the Institutional Forum and other staff members.

⁸⁵ The Interim Management team comprised two Deputy Vice-Chancellors from M.L. Sultan Technikon (apart from the Vice-Chancellor) and one from Technikon Natal. All the rest of the Executive Management members were placed into positions that were created for the interim period.

that permeated the integration process of the merger. While the Department of Education was quick to point out that they wanted this merger to succeed and therefore were willing to underwrite all reasonable merger related costs including the re-capitalisation of Technikon Natal, they also emphasised that this was not a “blank cheque” approach. As the integration exercise got underway it became laced with discord and endemic people conflict. A contributing factor to much of the unhappiness and discord that occurred during the course of this phase could be attributed to the notion of financial sustainability of the new institution. This concern was felt and expressed a lot more strongly by staff as well as senior managers at the M.L. Sultan Technikon, who were worried that their future careers could be jeopardised by this merger.⁸⁶ Some members of the unions and senior managers at M.L. Sultan Technikon expressed the view that the form of the merger should be revisited in light of the financial difficulties experienced by Technikon Natal.⁸⁷ Some even mooted the idea that there should be a takeover rather than this merger being treated as a merger of equals or as going concerns. Equally, poor management of some facets of the merger integration phase also heightened tensions between ex M.L. Sultan and Technikon Natal staff as well as with Management. Mergers by its very nature, cause uncertainty amongst staff in respect of their future careers, but couple this with a merged institution that has a poor set of financial projections into the future; it then creates the climate for even greater uncertainty.

In order to begin tackling its financial situation, as well as to ensure that it obtained appropriate funding for the merger costs incurred, Management produced a series of “Operating Plans” (also referred to as Business Cases) between May 2002 and December 2003 as depicted in Figure 6. At the time of the DIT merger, the Department of Education was going through a learning curve in respect of higher education mergers and had not formulated a clear approach to reimburse merger related costs. The Department of Education in respect of higher education restructuring and transformation only finalised guidelines for mergers and incorporations in April 2003.⁸⁸ These guidelines required all higher education institutions involved in mergers to produce an institutional operating plan for the new entity. These plans were among other

⁸⁶ Interviews with M.L. Sultan Technikon staff.

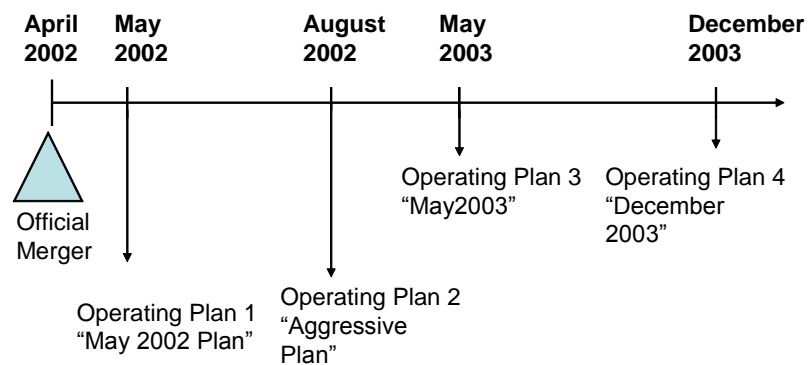
⁸⁷ See letter of M.L. Sultan unions to Minister of Education. Interviews with staff members also bore this out.

⁸⁸ Refer to Higher Education Restructuring and Transformation –Guidelines for mergers and Incorporations. April 2003.

things were going to be used to obtain merger funding from Department of Education.

The DIT had to continuously update these plans because, on each occasion, the Department of Education officials were not totally satisfied. The Department of Education certainly wanted to see concrete steps being taken to reduce the deficit picture of the new institution, which was so evident in the operating plans and to return it to a position of a balanced budget.

Figure 6: History of Business Plans submitted



The first plan with the assistance of Andersen Consulting produced in May 2002, projected significant deficits for the foreseeable future years of the institution. In August 2002, the operating plan was updated which represented a more aggressive view of potential changes that could be implemented and was known as the Aggressive Plan. Again, in May 2003 the operating plan was updated (called the May 2003 plan).

One of the major proposals of the initial plan was to implement a voluntary severance exercise. By doing this it was felt, that this would have a serious impact on the future financial projections and certainly contribute to minimizing the deficits. However this was not sufficient to stem the projected deficits. In

the actual voluntary severance exercise (VEP), 270 staff left the institution at an approximate cost of R114 million. Although this was a substantial number of staff electing to take voluntary exit packages, it was far lower than what Andersen had projected as necessary to stem the deficits.⁸⁹ Unfortunately some of the intended gains from the voluntary severance package exercise were reversed when it became evident that teaching staff shortages existed at the beginning of the 2003 academic year. Suitable replacements to work part-time had to be found. In certain departments, academic staff had to be recruited for full time positions. In the administrative sector certain staff members who were granted the VEP, were requested to carry out important work such as ensuring the smooth running of student registrations in 2003 before they were released. Others had unfinished projects and could not be released until these were completed. The eagerness of those Managers entrusted with the VEP exercise to make significant savings to the budget resulted in them not scrutinize diligently the impact these VEPs would have had in certain areas of the Institution. Despite some of the inherent difficulties experienced in managing the voluntary exit process, the long term effect of this decision was positive for the institution. As Professor Dan Ncayiyana in a response article carried in the newspaper 'The Mercury' on the 9 December 2002 put it:

"Not only was there duplication of roles and responsibilities in almost every sector but we were also confronted with a salary bill that was over 80% of budget. Compounding this was the fact that the merged organisation inherited not insubstantial bad debts and liabilities" Prof Ncayiyana went on to add : *"We will recoup the cost of the voluntary exit packages in well under two years, thus stabilising ourselves financially in the long term"*

A fourth operating plan was prepared for the Department of Education in December 2003 after it became apparent that the envisaged changes presented in the previous three operating plans had not materialised substantially. As Professor Roberts who was appointed Acting Caretaker Deputy Vice Chancellor – Finance after the previous incumbent chose to take a voluntary exit package, observed when writing the fourth plan, "the scenarios/options in previous operating plans spelt out what needed to be done but did not provide the detail of how and where this would happen".⁹⁰ He further went on to indicate that the DIT had experienced other challenges that

⁸⁹ Andersen Report indicated that 390 staff should be retrenched (or exits the new institution).

⁹⁰ Durban Institute of Technology, Operational Business Plan 2004-2006

have limited its ability to meet the scenarios set out in the last three operating plans. These included high staff costs (per employee) and liquidity difficulties. Furthermore, he noted that merger related expenses incurred by the institution over the course of the last eighteen months had not been refunded by the Department of Education in the year in which they have been incurred. This, together with significant operational deficits has resulted in serious liquidity difficulties throughout years 2003 and early 2004. Another general difficulty with the three previous business plans was the lack of specificity as to who would be accountable for the different management actions as well as lacking in timelines to measure progress. Of course complicating this was changes to key personnel who would have been responsible for such implementation.

As this was the first merger in the South African higher education sector, the predictions on merger costs were also greatly underestimated when compared to the costs that were actually incurred. The actual merger related costs that were incurred over a two-year period were as follows:

2002 - R140 million
2003 – R129 million

There was no doubt that a series of factors contributed to the poor financial situation of this newly merged institution and these included high staff costs, internal support costs remained high and an assumption that student FTE numbers were to remain constant.

6.4.1.1. The Impact Of The Colleges Of Education

A further compounding factor was that Technikon Natal had incorporated two teacher training colleges in 2001, one year before the merger. These two teacher training colleges viz. the Gamalakhe College of Education situated in the picturesque South Coast and the Indumiso College of Education in the Pietermaritzburg area. Both these Colleges of Education as were many others in the country, by Government decree were to become part of existing higher education institutions in the country. The Government in its reorganisation and transformation of the post schooling sector which included Colleges of Education, Technical training colleges and the Technikon/University sector was not willing to continue to manage and fund single discipline institutions as was in the case of the Colleges of Education. The Government in restructuring

these Colleges of Education handed them over to the Technikons and Universities who had been offering teacher training programmes. By the time Technikon Natal were to incorporate these two colleges, they were extremely run down, not only from a physical infrastructure point of view, although the Gamalakhe College was a little newer, but also from an academic point of view.

There were very few students willing to embark in careers in teacher education in that period. This situation arose out of the national developments, where the new post apartheid government was dismantling the racially based education departments with the purpose of creating a single education department. In this difficult exercise a number of teachers were continuously displaced or were given exit packages. Consequently the teaching profession experienced one of its biggest crises and new 'would be' students saw no confidence in pursuing such careers especially when they saw how difficult it had become during this period to obtain a permanent job as a teacher. Seasoned teachers who had many years of service were often displaced as the result of this restructuring exercise as well as the implementation of what was known as PPNs (Post provisioning norms). The PPN was simply based on a formula which dictated the number of teachers a school should have relative to the number of pupils/learners at a school. The actual ratio at any point in time was underpinned largely by financial considerations.

When Technikon Natal incorporated both Colleges of Education, there were very few students who were registered and those that were attending were mostly senior students who were about to finish their courses. This was a huge financial burden to inherit especially given the substantial physical infrastructure. A detailed study was undertaken by a private sector company who pointed that a substantial outlay of funds was needed to fix up the basic physical infrastructure.⁹¹ At the Indumiso Campus in Pietermaritzburg the various student residences were so badly run down that they were simply locked and shut to prevent any further vandalism.⁹² The expected finances from Government did not materialize and the only funding received was in terms of the subsidy formula which in any event had diminished because of the poor student numbers.

⁹¹ Nkobi Holdings – a private company undertook this assessment of the physical infrastructure of the both colleges.

⁹² Conversation between the researcher and the Rector – Mr. V. Beizendenhout

In the year 2002, Technikon Natal was in the position to begin with a first year intake of students in teacher education largely as the result of the Government of Botswana sending a substantial number of students to the institution. Up until this point, the demand for teacher education programme at Indumiso was not forthcoming. The Indumiso College received a life line through the enrolment of Botswana students, but the same could not be said of the Gamalakhe College. The DIT subsequently decided that given the financial sustainability issues, it could not continue to retain and manage two distant campuses. Management had to firstly advise the community at the South Coast of KwaZulu-Natal of its intention to abandon the facility. This of course did not go down very well with members of the local community. Second a process of negotiation began with the Provincial Government of KwaZulu-Natal Education Department to hand back the Gamalakhe College. As it occurred the Provincial Education department were quite willing to take back their college and to use it to open a Further Education and Training College (FET). Not every DIT stakeholder was necessarily supportive of this decision and the African Forum in their letter of complaints to Council Members said:

“The rumour that Gamalakhe is being closed seems to be real. This is confirmed by staff, student and the Gamalakhe Community. Students have been advised that the place will be closed as from 01/01/2003. (Students have been advised to apply to Durban/PMBurg and part-time staff have been issued with notification letters that their services will no longer be needed as of 01/01/2003.”⁹³

As Prof Ncayiyana - the Vice Chancellor put it: “we started off broke”.⁹⁴ It was against this type of background that the new merged institution had commenced its integration and consolidation exercise.

6.4.1.2. The Audit and Institutional Sustainability Audit(AIMS)

In April 2003 the Finance Committee of Council on realizing that the business plans prepared, continued to show deficits into the future, requested Management to conduct a sustainability audit.⁹⁵ This resulted in a four-month AIMS (Audit and Institutional Management Systems) project. The Council’s

⁹³ Letter of African forum to Council 12 November 2002

⁹⁴ Article by Angela Bolowana – newspaper “The Mercury” 6 December 2004.

⁹⁵ Minutes of Meeting of Finance Committee of Council.

brief to Executive Management was a comprehensive institutional-wide right sizing exercise to ensure the maximum utilization of the Institute's resources at the minimal cost and this should cover:

- Possible rationalization options;
- Increased control over expenditure;
- Appropriate spatial development;
- Outsourcing of non-core support activities;
- Closure of non-viable, non-core departmental programmes;
- Maximisation of third stream income;
- Ensuring the sustainability of residences;
- Merging of academic departments.

While we will refer to the AIMS project when discussing issues related to human resources, it did cause great consternation amongst staff in general. In November 2003, Management evaluated the outcomes of the AIMS project and put forward proposals detailing how and where changes could occur. The AIMS coordinator⁹⁶ remarked that while the AIMS project gave rise to several proposals for containing and cutting costs, one of the proposals formed the basis for a Section 189 exercise (i.e. a retrenchment exercise of staff).⁹⁷ The Section 189 Retrenchment Notice issued to trade unions NUTESA and NEHAWU in November 2003 affected approximately 230 staff in both the Academic and Administrative functions of the institution. This got staff really upset about the AIMS project, after it became clear that the most significant recommendation was going to be the cutting of administrative and academic staff numbers and academic programmes which were viewed at the time to be financially not viable.

Trade unions (Nehawu and Nutesa) were invited to enter into consultations as required in Section 189(section on Retrenchment) of the Labour Relations Act. The two unions refused to enter into consultations jointly with Management. The reason for this was not hard to find and in the words of a union leader each union represented very different constituencies.⁹⁸ Nutesa largely represented the academic and administrative employees while Nehawu

⁹⁶ Interview with Tony Starkey, the AIMS coordinator - a member of staff.

⁹⁷ Section 189 Letters sent to Trade Unions in November 2003.

⁹⁸ Interview with union leaders of Nutesa including Ms A de Meyer, Chairperson during that period.

represented mostly technical and support staff and a limited number of academic staff. This resulted not only in lengthening the negotiations process because there were now two sets of negotiations to be concluded but also required that the Management negotiating team adapt their negotiating strategies to the nuances of each union.⁹⁹ Nehawu very early launched a case in the CCMA in respect of Disclosure of Information. It became equally clear to the Management negotiating team that Nehawu had no real intention of pursuing with the consultative exercise as was envisaged in Section 189 of the Labour Relations Act.¹⁰⁰ Negotiations with both unions were at times difficult and it eventually broke down with Nehawu.¹⁰¹ Many seasoned Labour relations practitioners would argue that the employment of such a strategy by a trade union is totally acceptable.

Nutesa on the other hand participated fully in the retrenchment consultative exercise and after a very intensive engagement throughout 2004 which resulted in a significant number of jobs being saved, with the final number of staff who were likely to have been retrenched numbering about 60 from the original AIMS recommendation of 230 staff.¹⁰² These were mostly administrative/service type workers and whose jobs would have been subsequently outsourced. While Nutesa participated in the process, they were also attempting to lobby the Minister of Education to have the process stopped.¹⁰³ In the end no retrenchment took place because the Council of the Institution decided not to support these retrenchments and eventually the AIMS exercise. The Council in terminating any further issues related to retrenchments of staff were also put under pressure by the unions and individual staff members. According to Professor Ncayiyana members of the Council who were present when they had sanctioned the AIMS exercise now sought to distance themselves from such earlier decision.¹⁰⁴ Also another reason for the conclusion reached by the Council apart from the rumours that many staff members including unions had clandestinely spoken to specifically the external Council members with a view to them not supporting the AIMS exercise including the envisaged retrenchments, was the fact that a significant

⁹⁹ The Management negotiating team comprised Director Human Resources, Assistant Director Industrial Relations and led by the Assistant to Vice Chancellor.

¹⁰⁰ The researcher was present at these negotiations as the chief negotiator and demonstrates first hand experience/knowledge.

¹⁰¹ See minutes of Section 189 meetings with Nehawu –dates

¹⁰² Final Section 189 report prepared for Council of DIT.

¹⁰³ Nutesa News Update 29/10/2004

¹⁰⁴ Interview/conversation with Professor Ncayiyana shortly after Council made the decision not to proceed with retrenchments.

time had elapsed since the retrenchment exercise was contemplated. In particular the circumstances that gave rise to the AIMS exercise i.e. the extremely poor financial position of the Institution was slowly beginning to look a little different and a little more positive. One of the key indicators of this slow changing financial fortunes of the institution, related to a short term R300 million loan taken out to fund the voluntary exit packages, to pay outstanding liabilities and generally to improve the quality of academic and institutional physical infrastructure including the security of the campuses. This short term loan according to the Chief Financial Officer was paid back earlier than its full term.¹⁰⁵ Equally a report from the Chair of Council to the Minister of Education pointed out that DIT has been making tremendous progress in ensuring financial sustainability arising from difficult decisions it had to take which included reducing significantly its merged staff numbers. In the report the Chairperson of Council went on to say:

*“Unlike some institutions chafing under the burden of uncovered bank overdrafts, DIT does not face financial crisis of that nature. DIT is not indebted to any bank or financial institution, and any budget deficit that may eventuate is well within cover of our investment portfolio at the present time”*¹⁰⁶

6.4.2. Leading the Integration

The winter through to spring 2002 was a very difficult time at Durban Institute of Technology. The uncertainty over the lay offs and general lack of clarity as to where the institution was heading definitely affected morale, said Faculty and staff groups.¹⁰⁷ Interviews with staff cannot clearly point out what exactly caused this but many have tried to point towards Management and leadership of the new institution. In a letter addressed to the Vice-Chancellor, Professor Dan Ncayiyana on 20 February 2003, the Nutesa wrote: “Staff are very dissatisfied with the manner in which a lot of things are handled at DIT. There is a tendency where some members of Management are doing what they want and nothing is being done to stop them.”¹⁰⁸ Although Management is a convenient scapegoat for all the ills of the merger and the post merger trauma that may have afflicted staff, this would rather be a too simplistic explanation. A survey-questionnaire (See Appendix 6) conducted with staff that had opted for severance packages, point to their general uncertainty and dissatisfaction

¹⁰⁵ Conversation with –Chief Financial Officer – 1 March 2009.

¹⁰⁶ Report of the Chairperson of Council of DIT to Minister of Education 27 September 2004

¹⁰⁷ Climate survey results conducted by Andersen (KPMG)

¹⁰⁸ NUTESA’s letter to the Vice-Chancellor dated 20 February 2003.

post merger.¹⁰⁹ The survey sought to establish broadly the reasons, which prompted staff to apply for the voluntary severance packages. Approximately 82% of respondents indicated that the merger caused great uncertainties in respect of their future and this amongst other reasons prompted them opting for voluntary severance packages. Equally high in response were 60% of respondents who said that the institution seemed to lack focus and this was also a contributing factor for their decision to leave the institution. Yet to the statement “I have another job or am going to pursue a new activity” only 30% of respondents indicated that this factor “greatly” or to “some extent” influenced their decision to apply for voluntary severance packages.

While the above factors indicate and reinforce the general uncertainty experienced by staff in the months following merger, one cannot discount the view that staff also opted for voluntary severance packages because of what they perceived or believed to be a very generous and attractive exit package offered by the institution. This is further borne out by the respondents’ high response in the survey to the statement, “the package was attractive enough for me to leave” as being an influencing factor. The voluntary exit package was structured along the line of giving one month’s salary for every year of service to a maximum of two years’ salary.¹¹⁰ The package also included medical aid benefit for five years and any pension shortfalls in terms of the pension fund rules.

In trying to understand how and why the tensions developed and gained momentum at DIT, this can be traced back to the initial difficulties that the Interim Council had experienced in settling the issue of appointment of Vice-Chancellor, while others tend to place this squarely at the feet of the Interim Executive Management, pointing especially to the manner in which they had conducted themselves. Staff who felt disillusioned by the merger, for reasons that included loss of their status and identity, as well as their positions in the new organisation, certainly contributed to ongoing battles in the early days of merger. Conflicts occurred both overtly as well as covertly and were not limited to senior management and unions, but between individual staff members and management across the board, between students and management and between staff members within the same department aligned to the respective merging partners. As the Chairperson of Council observed in her report to the Minister of Education in 2004:

¹⁰⁹ A survey questionnaire conducted by the researcher was sent out to staff leaving the institution through the V.E.P. exercise. Approximately 14% of questionnaires were returned.

¹¹⁰ See policy document on Voluntary exit package approved by the Interim Council.

“The DIT merger process was confounded by a variety of factors and circumstances: historical, sociological, academic, financial and otherwise. The merger process meant the dismantling of comfort zones and power bases for some and drastic changes in the way people were used to doing things. It forced together former neighbouring and hostile rivals separated by history, culture and ethnicity. Therefore, the emergence of pockets of sometimes quite radical resistance to the merger initiative should come as no surprise. Transformation of historically rooted bastions we have discovered cannot be achieved by merely setting transformative and innovative policies and legislation into place – the process requires commitment, loyalty and passion.”¹¹¹

In reviewing the role and function of the Interim Council, it would have been clear that this body did not have the legal authority to make a permanent appointment of a Vice-Chancellor. It was rumoured that Professor Dan Ncayiyana (Interim Vice-Chancellor) actually wanted some stability for himself, i.e. he wanted a more permanent contract that is a 5 year term contract. However this type of contract was not granted by the Council and he duly ended his career shortly after reaching mandatory retirement age.

The contests at the senior management level also intensified during the early days of the merger and this prompted certain senior managers at Technikon Natal to remark that there was a takeover by M.L. Sultan Technikon, especially after the Vice Chancellor of M.L. Sultan Technikon was appointed Interim Vice-Chancellor and announced his interim management team. His team consisted of two DVC's from ex M.L. Sultan Technikon and one from the former Natal Technikon. In addition the Assistant Vice Principal, ex M.L. Sultan Technikon, looked after student services¹¹². Many of the remainder of the Executive managers became disenchanted with this, felt marginalized and saw themselves as being pushed out. As a result, most of the Executive Managers who were not appointed to substantive positions as the Interim Management team, quickly made up their minds to accept exit packages. The view held by the Interim Council and Interim Management at the time was that in the long term it would have been financially difficult to retain all the Executives from both Technikons for the new merged institution.

¹¹¹ Report of the Chairperson of Council of DIT to Minister of Education – 27 September 2004.

¹¹² Interview with DVC's.

Other disputes at the leadership level also contributed to a bitter taste at the DIT. The Mercury on October 01, 2002 reported that “Professor Khoapa, ex Vice-Chancellor of Technikon Natal saying he’s being pushed out.”¹¹³ Professor Khoapa said that he had been surprised when he had received a letter informing him that his employment with the Institute ended on the same day as the tenure of the Interim Council. It was later established that while Interim Council had appointed both Professor Ncayiyana and Professor Khoapa, they had no knowledge of the circumstances leading up to the termination contract by the Vice-Chancellor. Nor did they (the Interim Council) sanction this termination.¹¹⁴ The rumour that did its rounds at DUT was that the Vice-Chancellor and his team, after a bosberaad, decided to terminate the contract. This action not only reinforced the division within Interim Council but also the perception that M.L. Sultan Management, who largely comprised the Management of the Durban Institute of Technology, was on a “witch hunt” to get rid of certain Steve Biko based leaders, such as Khoapa.¹¹⁵ Incidents like this simply caused the fledgling institution greater difficulty in settling down quickly.

Incidents and situations like the one described above, simply opened an avenue for individuals as well as groups (including unions) to launch their own agendas and attacks against the Management of the institution because of what they were observing or what they believed they were observing at the institution. There were numerous reasons for this occurring, some related to the integration activities, which were being pursued with vigour by Management, and some individuals/groups felt that they were inadequately consulted on these matters; others had grievances related to their conditions of employment, which were not dealt with speedily. For example many staff members had to relocate across campuses to buildings which would under the given circumstances been less than satisfactory, than the ones that they were previously occupying. This was a sufficient trigger for the most docile staff members to be irritated and be drawn into complaints and protest action against Management, even when they would in another time period agree that such relocation was a necessary aspect of the merger process. In other instances a poorly planned and managed logistics for relocating was the catalyst that got staff “up in arms”.

¹¹³ The Mercury, Tuesday 01 October 2002 (Philani Makhanya).

¹¹⁴ Letter written by Dr Mokoape to members of the Interim Council and Stakeholders.

¹¹⁵ The Mercury (Philani Makhanya), 01 October 2002

Many issues also originated from the mere clash of cultures of both institutions and these matters at times were dealt with in a partisan manner at an Executive Management level. An academic Head of Department from M. L. Sultan Technikon remarked “although we were joint heads post merger, the Dean came to our offices and only spoke to the other HOD who was from his previous technikon and did not bother to even show his face at my office although I was the joint head of the department”. Incidents like the above although may be rationally explained by the Dean simply contributed to poor perceptions and beliefs about each side.

The unions and interest groups also tried to enlist the support of the Department of Education to intervene in the new institution, especially about things they were dissatisfied about. One interest group, the African Forum which was formed shortly after the merger were concerned about the transformation of the Institution and in particular ensuring greater representation for Africans in the institution. Given the staff demographics at the time of the merger (see Chapter 5), the widely held view of the African Forum was that ex M.L. Sultan comprised a significant number of Indian staff members and ex Technikon Natal comprised a significant number of White staff members and this merger was about transformation as envisaged in a post apartheid society. The Forum saw themselves as watch dogs and advocates for this type of change.¹¹⁶ In a letter addressed to the new members of Council they requested that when the new organisational structure is approved, all senior appointments should be advertised externally.¹¹⁷ Unions went on to make a similar call. Each interest/stakeholder group made the call for all positions to be externally advertised largely because of their perceived unhappiness with the interim set of managers. When prompted as to the reason, it came down to saying that they did not like the conduct of these managers in matters affecting staff.¹¹⁸ The unions saw that by making this call they would be in a position to certainly influence as major stakeholders, future senior management appointments.¹¹⁹

The Minister of Education equally had advised the new Council to regularise all executive appointments by ensuring that they were advertised externally. This also had to apply to the post of Vice-Chancellor. The Ministry according to one of the Interim Deputy Vice Chancellors at the time made a case that

¹¹⁶ Conversation with the Director Equity who was a member of the African Forum.

¹¹⁷ Letter from African Forum to members of Council, 12 November 2002.

¹¹⁸ Researcher obtained this through corridor conversations.

¹¹⁹ Interviews/conversation with Union leaders at the time.

this was a new legal institution and therefore existing Executives Managers had to reapply for their jobs.¹²⁰ The implications for the existing Executive Managers was that it was quite possible that they may not qualify in terms of the new laid down criteria for appointment in terms of the new organisation structure as well as a real possibility that they may not be appointed. The result would have ultimately been retrenchment should the institution find itself unable to accommodate unsuccessful Executive managers.

As the result of these calls by internal stakeholders as well as a call made by the Minister of Education, many of the Executive Managers who were appointed during the interim period chose to take a voluntary severance package and exit the institution rather than apply for the advertised executive positions. Given the above approach to dealing with Executive Managers, not only did this contribute to them being anxious about their future, it did make the Institution weaker in the early merger integration days of this fledgling institution.

6.4.3. Merging of Departments

Despite the vast amount of negative publicity that the DIT was subjected to in the months following the merger, the integration of both academic and administrative departments continued apace and was largely successful. As Professor Ncayiyana remarked in the weekly Technikon newspaper, 'The Monday Edition', "as Management we are not without our faults and flaws. Building a culture of consultation and engagement will enrich us as an organisation. The interim period has been peculiar in that we have had to find our way around in the absence of any framework. We have boldly, not blindly, gone where no university or technikon has gone before. I acknowledge and appreciate the manner in which our community of staff, students and other role players have pulled together to make the merger work".¹²¹

The most critical factor was to get the academic and administrative departments integrated as quickly as possible, for the longer that they stayed apart, the greater the opportunity for discontentment on both sides. This according to the D.V.C. Academic – Professor Louis Du Preez started to remove many of the misconceptions and perceptions that were held by the staff on both sides about each other. Chalufu(2002) in his interviews with

¹²⁰ Interview with Mr A. Cheddie DVC : Governance –date 25 February 2009

¹²¹ Monday Edition, Volume 1 No.18, 14 October 2002

Academic staff, captured the following sentiment expressed by one of the M.L. Sultan Technikon lecturers: “.....what I found happening in my department is that because the other institution, (Technikon Natal) is perceived to be offering superior quality education, all that they are doing gets adopted by our department without due scrutiny and they are reluctant to take our suggestions as valuable suggestions just because of the perception of superiority”. As Wallis (2005) observed that while matriculation points required for admission was not large between the two institutions, it was generally higher for Technikon Natal. Also that Technikon Natal was a little more rigid in applying the minimum admissions criteria. Interviews with students including student leaders at Technikon Natal reinforced the perception about superiority of academic standards at Technikon Natal as compared to M.L. Sultan Technikon even though the actual academic statistics i.e. pass rates; dropout rates are rather similar between the both institutions.¹²²

As is normally the case during higher education mergers it is the administrative departments that are often merged first and then attention is paid to the academic sector. In the DIT merger the administrative departments of finance, human resources, maintenance, student services and student admissions were initially merged. In the case of the administrative departments they were consolidated onto the Steve Biko Campus. This is where the Vice Chancellor and most Senior Managers were to be found. The Finance Department remained at the M.L. Sultan Campus.

6.4.3.1. Merging of Academic Departments

The Senate accepted the broad plan for the location of each Faculty and the respective departments. The Faculty of Engineering , Science and Built Environment was to be housed at the Steve Biko Campus as these buildings were originally designed for Science and Engineering type programmes, the Faculty of Arts was relocated to the City Campus and to the Brickfield Road campus which was about 6 kilometres from the main arts faculty location.¹²³ While the Commerce, the largest Faculty in the institution, took over the M.L. Sultan Campus and consolidated some of its departments at the Ritson Road site. The Health Sciences Faculty while accepting that its main location would be at the Mansfield Campus continued using some space at the M.L. Sultan Campus.

¹²² Interviews held with SRC leaders in late 2002 and other students in 2003.

¹²³ Senate minutes 2002.

Table 11: Depicting the number of departments at respective Teknikons

M L SULTAN	TECHNIKON NATAL
Faculty of Arts <ul style="list-style-type: none"> • 9 Departments • 1 255 students Faculty of Commerce <ul style="list-style-type: none"> • 7 Departments • 4686 students Faculty of Engineering <ul style="list-style-type: none"> • 8 Departments • 2825 students Faculty of Science <ul style="list-style-type: none"> • 4 Departments • 894 students 	Faculty of Arts <ul style="list-style-type: none"> • 14 Departments • 1 265 students Faculty of Commerce <ul style="list-style-type: none"> • 15 Departments • 4701 students Faculty of Engineering and Science <ul style="list-style-type: none"> • 17 Departments • 2687 students Faculty of Health Science <ul style="list-style-type: none"> • 10 Departments • 1208 students
<p style="text-align: center;">Source PSP ICON Report</p>	

At the time of merging there were 28 academic departments, many of whom ran multiple programmes at M.L. Sultan Teknikon and 56 at Teknikon Natal as depicted in Table 11. The initial step was to merge the common academic departments together with their respective programmes. So largely at the beginning of this exercise the sole intention was to have at least one or more programmes per academic department. So, it came as no surprise that a very substantial number of academic departments were established as a result of this initial round of merging integration. The result of this was that the academic ambit was organised into four Faculties, comprising 69 departments offering one hundred and twenty four programmes from certificate to doctoral level(DIT Business Plan 2004-2007: 11). Any thoughts of obtaining efficiencies by creating fewer academic departments which contained a larger number of programmes were shelved for a later date. Therefore it was not surprising that the DVC-Resources and Planning was deeply concerned that initial efforts of

merging academic departments did not reduce the number of academic departments, resulting in this newly merged academic structure costing the institution more.¹²⁴ On the other hand the DVC- Academic seemed to have held the view that any significant changes to the academic structure at the beginning of the newly merged institution would have increased the level of intolerance that was beginning to gather momentum with staff. Furthermore the Executive Management at the time felt that the existing similar programmes from each respective institution had to be properly integrated and working before any other academic department or programmes was merged, consolidated or incorporated into a newly merged academic department. However this principle did not work in all cases and many staff complained that the DVC Academic–Professor Du Preez and the DVC Resources and Planning–Mr Ujen Purmasir deviated from pre-merger plans with new hastily developed plans to carry out merger integration.¹²⁵

Commencing in the pre- merger phase, the two Deputy Vice Chancellors – Academic and the Deans from the respective institutions were tasked with merger academic planning. This intensive ground work assisted in contributing to a smoother technical merger of the respective academic departments as well as the academic support departments. In the pre-merger phase, each academic department had to report to the Academic merger committee on their programmes, the numbers of students, how to deal with pipeline students and integrating and streamlining of courses as well as a plan to introduce a common first year once merged. It was envisaged that planned department or faculty meetings had a dual purpose of serving as an opportunity for staff to meet and begin a process of working collegially towards a merged department.¹²⁶ It is not very clear whether this intention was accomplished in the pre merger phase successfully. It seemed that most merging departments only met colleagues from the respective institution post the legal merger. The task of involving as many academic staff members in planning meetings did not materialize. An interviewed Head of Department stated: “... there was very little formal communication between our respective departments” through the pre-merger phase.¹²⁷ The researcher discovered through questioning a number of heads of departments, that this view was certainly not an isolated one. Despite the close proximity of both institutions collegial relations were not

¹²⁴ Conversation between the writer and the DVC –Finance - Mr Purmasir

¹²⁵ Interview with then coordinator of Dental Assisting – Dr L. Samuel.

¹²⁶ These views were expressed by several Academic heads interviewed in Engineering and Commerce disciplines.

¹²⁷ Interview with respective HODs in Faculty of Commerce

as strong as one would have expected. The necessary planning was largely undertaken by the respective Heads of Departments and fed directly to the Deans of each institution.

In developing the academic merger plan as well as the obtaining of information, the respective Heads of Departments met and supplied the information to their Deans. Of course there were equally a number of academic departments who had previously worked well together and this proved to be of assistance during the merger implementation stage. Generally there were no problems with unique programmes which simply had to be covered by the general institution rules. However there were some programmes for example in the areas of Catering, Hospitality and Food in the Faculty of Commerce that were closely related in curriculum but with different diplomas. These programmes had to be re-curriculated in order to achieve some form of unification. Therefore it is not surprising that the observation has been made, that despite the overall success of the merger project from an academic perspective, there have been imperfections in the process.¹²⁸

As pointed out earlier one of the successful aspects of the merger was the ability of the both institutions to introduce as far as it was practical a common first year entry and examination requirements. Wallis(2005) quoting from the Student Administration Merger Task Group report in 2001, pointed to a Joint Academic meeting held in December 2001 where members agreed that 'commonality in the offering' in most programmes had been attained. In the Faculty of Engineering, Science and the Built Environment four disciplines namely Civil Engineering, Electrical Engineering, Mechanical Engineering and Surveying accomplished the commonality in the offering across all years. Most other departments simply reached agreements on the first year only, in the case of Commerce Faculty this applied to 14 departments, in Arts it was 4 and 1 in the Health Sciences. Equally the Student administration task team reported that only 7 departments were unable to reach sufficient agreement.¹²⁹ Although the 2002 intake of new students were registered with the institution to which they had applied in 2001 because it proved difficult to merge at the beginning of the year, all first year students enrolling at either institution were subject to the same entry requirements and were going to follow a similar curriculum because of common test and examination requirements. The Senates of both institutions therefore approved in the year 2001 these

¹²⁸ Draft report of the Council of the Durban Institute of Technology to the Minister of Education; Business Plan 2004-2007. Submitted in December 2004.

¹²⁹ Student administration merger task group report,2001)

common first year requirements. Those departments who were unable to align their syllabi in time for this common approach took a year longer to address the curriculum differences.

In fact the staff from each institution only started to come together after the Departments were physically merged and this began to take place towards the end of 2002 and continued for several years thereafter. By 2009 there remained academic departments that had not been physically consolidated within their respective Faculty precinct, for example in the Faculty of Arts was the department of Photography that still remain on the M.L. Sultan Campus. The same could be said for Biomedical, Clinical and Dental Assisting programmes within the Faculty of Health that continue at the M.L. Sultan campus as well as Biotechnology.

Notwithstanding the above some academic departments did try to integrate the staff during the first six months after the legal merger date on 1st April 2002 by getting some team teaching established, this despite its good intentions continued to pose significant logistical problems.¹³⁰ Staff who had not moved because their offices or laboratories were not ready in time due to the extensive renovations of the new relocated facility, had to commute from one campus to the other. The consequences became obvious, that in certain instances classes commenced late or had to finish early or alternatively be timetabled outside the normal set periods. In this context it became very difficult to work out administratively when lecture rooms were free and when they were not. Therefore constant cries by academic staff of not having large or enough lecture venues were received by Executive Management.

To a very large extent once the space needs of individual departments were worked out, the merging of these departments became a mechanical exercise. Much of the delays that took place in this merger were the result of an inadequate space planning or getting the space requirements of merged departments adequately prepared before they could move in. Much of this preparation had to do with the alteration of the buildings, the redesign of offices, lecture venues and laboratories. As a result of the large-scale movement of all faculties very few building operations ran on schedule. Not every individual or department was totally happy with their relocation. Some got better facilities than they previously had, while others simply got facilities that were less than what they were used to, prior to the merger. The change

¹³⁰ Interviews with Engineering Faculty staff- Construction, Electrical, Electronic

for some staff members was traumatic, stressful and affected morale, for others it became an opportunity to vent for the most trivial of issues which then exacerbated the tensions at the respective department/unit/section.¹³¹ Not all was doom and gloom, as some departments also reported pleasant experiences whilst merging and accommodating staff from both sides. These experiences point to more often the respect that a Head of Department or joint heads may have enjoyed from staff from both institutions. The extra effort that joint heads of academic departments made in working harmoniously together at the time of merger also contributed to these departments enjoying a far better and pleasant merging experience.

The Dean of the Faculty of Commerce remarked that as the biggest faculty, they had been given poor teaching venues, in many cases too small to accommodate the large sized classes of Commerce and in certain instances, there were even a shortage of furniture in classrooms.¹³² This prompted Deputy Chair of the Institutional Forum – Ms Williams to continuously raise in the institutional forum the reasons why the Commerce Faculty which made up half of the total student population were relocated to M.L. Sultan campus which comprised small lecture venues.¹³³ Pratt(2003) certainly reinforces the Dean's view by adding: "... commerce student numbers were so high that there were about 2000 students over the capacity of the ML Sultan Campus and Ritson campus did not have enough lecture rooms or computer labs, which resulted in students from all faculties camping out (very quietly) in the Steve Biko Campus". Despite this, the Faculty of Commerce, once they got over the shortcoming and irritations of their relocation, began to settle down. Certain Department Heads, who complained most vociferously about relocation, one year down the merger route, seemed pleased with their new quarters.

Not all relocation plans went as smoothly as it was intended to be. A few academic departments had their teaching programmes severely disrupted because teaching facilities were not prepared timely. One such department was Drama and this prompted their students to hold several protest marches to the offices of Senior Management. The Daily News, a local newspaper (4 April 2003) reported that Journalism students began a boycott of classes because they were not provided with computers and not having cameras for a broadcasting portion of their course. Other departments who were affected by

¹³¹ Climate survey results conducted shortly after merger by Andersen.

¹³² Interview with Terry Dagnall-Quinn, Dean of Commerce during integration phase.

¹³³ Minutes of Institutional Forum 2003 and interview with IF chairperson.

inadequate teaching facilities had to extend their teaching programme to make good the time lost while waiting for their laboratories to be renovated. As Pratt (2003) noted in her article: "The Communications Department would have been housed in the Smith Street Campus together with the other Arts departments, but four thousand of our students are on different campuses – mostly on Ritson and Steve Biko : strenuous attempts, however were made to move our offices to ML Sultan Campus, where each member of the department would have been obliged to commute(at his/her own expense) between four campuses every day, carrying heavy equipment because of the dearth of OHPs and the backlog in Duplicating". The movement of staff from one place to another certainly affected the morale of staff. Wallis(2005) hypothesised that white staff from Technikon Natal who was relocated to M.L. Sultan campus, felt uncomfortable and some failed to adjust to their new surroundings. They saw this as down grading of their status. The results of these experiences became opportunities to launch grievances against the institution as well as in some instances against their new colleagues within their departments.

Given the differences in resources that existed at both institutions prior to merger, additional resources were now needed by either specific Faculties or departments. In particular, the Commerce Faculty needed additional computer laboratories. Similarly certain departments, while housed post merger, still required far better space and equipment to meet their ongoing programme need. One such department was Video Technology. The Video Technology department required specialist rooms which at the time of the merger would have cost about R10 million. Equally, at an individual level, some staff were more affected by the relocation than others and even initially fought against relocating, claiming that there was a lack of consultation.

A substantial amount of renovation across the entire institution was necessary as part of the integration phase. Generally, while movement took place under rushed and hurried conditions, staff held the view that the entire relocation and building alterations/renovations were not always the best managed exercise in the integration phase. Pratt(2003) made this telling observation of the DIT merger:

"A move of academic offices moves can be exhausting and inconvenient at the best of times: in the context of a merger they can more closely approximate hell. The lot of the academic staff at the Smith ST Campus was a general object of pity and horror, as massive building operations

were going on while the academic programme was running, with the result that : - office and computer equipment was damaged by building operations; a whole computer laboratory's worth of computers were stolen because builders had (accidentally) broken down one of the walls, leaving the laboratory open; there was extreme stress because of the dirt and noise; there was no telephone, fax or email; there was no air-conditioning, taps or toilets(this is the hottest February for 50 years); all of the brass Yale locks were stolen, meaning that offices could not be locked and personal staff possessions were plundered with impunity"

There are many such stories as the one described by Pratt across the various campuses. However, many staff members interviewed were also gracious in conceding that these unpleasant experiences were the result of the enormity of the merger exercise. The mere fact that Faculties were being consolidated meant that at some point in time a substantial body of staff from either M.L. Sultan or Technikon Natal had to physically relocate their existing offices, lecture venues, specialist rooms and laboratories.

6.4.3.2. Postgraduate and Research Implications

Both institutions had few students beyond the Bachelor of Technology (B.Tech) level and therefore there were fewer issues related to the merging of departments and programmes as far as postgraduate studies applied. One can argue that there was no research culture at technikons generally and therefore it was no different at both M.L.Sultan and Technikon Natal, an important observation was that there was no research infra-structure. However, Technikon Natal did have a number of course work masters in the Health and Commerce disciplines. In Health these were part of unique programmes and posed little difficulty in respect of any merger related issues (e.g. fees, relocation and merging of staff). The Master of Business Administration managed through the Business Studies Unit, ran into accreditation problems, which were not in any way related to the merger. Initially postgraduate and research tended to suffer as the result of attention being given primarily to merger issues at the undergraduate level. In fact at Technikon Natal, the Bachelor of Technology degree (B.Tech) was run as independent cost centres. These monies were used to pay staff salaries rather than invest in postgraduate infra-structure. However the benefit of merging created a wider pool of staff with masters and doctorates that could now begin

to give proper attention to the development of post graduate study as well as that of research in general.

6.4.4. People Issues and Organisation Effects

Throughout this case study, substantial reference has been made to unions, leadership and staff involvement in the merger process in general. What stands out is that the merger affected the two institutions from a people point of view very differently. Staff at Technikon Natal were generally positive about the merger, largely driven amongst other things, by an anticipation of better remuneration and benefits given that their salaries were generally lower than those of M.L. Sultan Technikon staff.¹³⁴ In contrast, staff of the M. L. Sultan Technikon was generally more cautious and concerned about the overall financial viability of the new institution, given Technikon Natal's parlous financial state and debt. Therefore, the merger initially had an effect of polarizing relations between the staff unions and by extension, the staff of the two institutions. The unions, Nutesa and Nehawu being branches of National unions, were established in both institutions. They should have themselves merged shortly after the new institution was established. However, the merger of these union branches only took place much later than one would have expected, reinforcing the notion of strained relationship between the respective branches. These poor relations were not surprising as each branch sought to protect its own members and given particularly the history of litigation by the Unions at M.L. Sultan Technikon, it would have taken time for the merger of both staff unions to occur. Although these were branches of a nationally operated trade union, Nutesa in particular at the respective Technikons held and portrayed different political and social ideologies. The M.L. Sultan Technikon branch relied on their historical disadvantage status in order to claim a higher moral ground over their sister branch at Technikon Natal, whom they viewed as historical White and an advantaged institution. Some union leaders observed that clashes which took place at a National level between the senior union leaders from the respective technikons, also contributed to strained relations between the both Nutesa branches.¹³⁵ When merger of the Nutesa branches finally took place, a significant number of leaders came from ex Technikon Natal. The consequence of this was that by the end of 2003, a splinter union, Tertiary Employees National Union of South Africa (TENUSA) was formed supported largely by ex

¹³⁴ Report of Remuneration Consultants on Salary Harmonization.

¹³⁵ Interviews with union leaders of Nutesa.

M.L. Sultan Technikon staff many of whom resigned from Nutesa. Tenusa is not a national union and at the time of requesting to be recognised by the Institution, held about 10% membership of the total staff of the institution. The Institution granted the Tenusa stop order facilities and general access to its members while it had not had its registration finalised by the Registrar of Trade Unions in terms of the Labour Relations Act. The Deputy Vice Chancellor: Finance at the time could offer no rational explanation for this Management decision given that there were already two recognised trade unions at the institution and Management would have lacked the capacity to deal with the third recognised trade union.¹³⁶ The majority trade union – Nutesa went so far as to launch an objection with the Registrar of Trade Unions on the possible registration of Tenusa.¹³⁷ Unconfirmed rumours at the time pointed to the view held by some union leaders that some members of Executive Management were willing to entertain a recognition of Tenusa as they saw the possibility of those union leaders being their ally in the future. Equally others point that Executive Management simply wanted to be all inclusive and not be difficult with a new trade union seeking recognition.

While there are a number of reasons for these initial poor relations between the unions from each of the merging partners, one can be traced back to the work being undertaken in the Human Resources task team. This team comprised all stakeholders including representatives from unions of both institutions. The task team made good progress in reaching agreement in a number of different aspects of the Conditions of Service. Equally, the task team members ran into difficulty in drawing unanimous conclusions on other important elements within the Conditions of Service. One very important condition of service was the salary scales for the new institution and the migration of staff onto it. Here the members of the Committee took a partisan view of such harmonization of salaries with each union trying to protect their own staff of their respective Technikon, as compared to agreeing on something that made sense for the new organisation. As one union representative from Technikon Natal put it “we wanted a proper harmonization of salaries with M.L. Sultan Technikon based on job for job as per grade; the M.L. Sultan Technikon unions simply wanted the pay scales lengthened and Technikon Natal employees to retain their existing salaries within the lengthened pay scales”.¹³⁸

¹³⁶ Interview with Mr. Madanjit – DVC Finance at the time.

¹³⁷ Interview with Ms Ann de Meyer – Chairperson of Nutesa at the time and copy of letter.

¹³⁸ Interviews with NUTESA and NEHAWU Union leaders at Technikon Natal.

Another issue that bedevilled the relations between unions and by association staff in general, related to the steps that Technikon Natal's Council took just shortly before merger. The Council approved changes to some of the Conditions of Service. Amongst others were the salary scales, which would have been brought into line with that of M.L. Sultan Technikon. The Registrar of Human Resources at Technikon Natal - Douglas Mbatha, wrote to all staff advising them of the impending conditions of service changes. These changes would have largely favoured Technikon Natal staff when implemented. M.L. Sultan Technikon severely criticised the Management and unions at Technikon Natal for doing this and called it bad faith, for such changes to be made days before the merger especially in light of the financial difficulties experienced Technikon Natal. However the Registrar of Human Resources at Technikon Natal argued that an agreement existed in COT (Committee of Twelve) that the parties will harmonize salary scales and certain conditions of service before the new institution came into existence¹³⁹. While this discussion did take place in COT shortly before the merger, no substantive agreement was reached. The members of COT skirted around this issue knowing full well that there would be substantial financial implications for the new institution. The Vice Chancellor – Professor Khoapa of Technikon Natal saw this merely as a principled parity exercise of salary scales between the both institutions which would not have left staff of Technikon Natal in a worse off position post merger.¹⁴⁰

These new substantive conditions of service for Technikon Natal staff never materialized. The interim management of Durban Institute of Technology took the matter to Court to rescind the decision taken by Technikon Natal's Council.¹⁴¹ In the words of the Interim D.V.C. for Governance and Human Resources, of the newly merged institution "if these new conditions of service had to be implemented it would have saddled the new merged institution with a substantial additional debt and therefore going to court to have this decision rescinded was the only way."¹⁴²

Notwithstanding the above, the Interim Executive Management did recognize that there was a significant discrepancy especially in respect of salaries between the staff of both institutions with salaries of Technikon Natal staff

¹³⁹ A memorandum entitled "Revision of Conditions of Employment" 28 March 2002.

¹⁴⁰ A conversation with Professor Bennie Khoapa.

¹⁴¹ See Court Papers – to have decision of Technikon Council reviewed.

¹⁴² Interview with D.V.C. Governance and Human Resources

being on average 20% lower.¹⁴³ Unfortunately it was not a simple exercise of harmonizing the salaries on a job for job basis, as was done in several of the other conditions of service. In order to ameliorate this discrepancy, significant numbers of Technikon Natal staff were given two notches within their salary scale. Management also embarked on a job grading exercise which was viewed as a possible way amongst other things to remedy the salary differences of staff doing the very same job. Unfortunately this exercise has not quite resolved the initial problem and there continues to be pockets of discontentment from a number of staff. The job grading exercise created its own set of problems resulting in a string of grievances lodged by staff that have either been downgraded or alternatively have had their salaries capped.

6.4.4.1. Organisational Effects

While the physical merger of departments was a mechanical exercise, the re-organisation of the staff in the Administrative and Academic sectors needed a totally different treatment.

In the case of the Academic sector, it was simply a matter of merging the two sets of teaching staff per department. All academic staff carried their ranks into the newly merged department and this posed less of a challenge as academic ranks were common to both institutions. The challenge that remained amongst Academic staff was the salary discrepancy between staff within the same ranks, with Technikon Natal staff as was pointed out earlier on average 20% less. In addition to the above, a number of M.L. Sultan Technikon academic staff migrated onto salary scales above their ranks which was termed *ad hominem* promotions. This type of practice further exacerbated the salary imbalances of staff within a rank, however not a seriously contentious issue. If merged academic departments resulted in too few senior lecturers or Professors then this could only be resolved through long term planning. In academic headship of a department, a rather pragmatic approach was taken in the early post merger period. The department heads from both institutions (for duplicated academic programmes) were retained for the interim post merger period and were required to work together as joint heads.

However there was dissatisfaction by academic coordinators/heads of programmes of M.L. Sultan Technikon, who lost their standing and were not

¹⁴³ PriceWaterHouseCoopers – Report on Human Resources by PSA consultants.

recognised as heads of departments, for the purpose of appointment as interim academic head or for that matter as joint interim academic heads.¹⁴⁴ In any event, the need for joint heads (where applicable), became necessary because the majority of departments did not combine their student body (which we will term pipeline students) immediately upon merger. They rather chose to duplicate the classes for these pipeline students. One contributing factor for this was that there were not enough large classrooms/lecture venues that would have immediately accommodated the combined student body for a particular course. In some cases the programmes were nuanced in a particular way with their own 30% local syllabus content and this would have made it difficult to simply join two sets of student groups without disadvantaging them. Where opportunities arose to combine the students from both institutions (per programme) immediately, this occurred. In these instances one would observe that those departments from both sides which worked collegially in the past were able to quickly settle down after being merged. However not all joint academic heads worked well together and cultural differences between both institutions played itself out in the new merged departments. Chalufu (2002: 141) in interviews with academic staff at both institutions point to their general discontentment about the way things were done. An academic member of staff expressed the following:

“...what I found happening in my department is that , because the other institution[TN] is perceived to be offering superior quality education, all that they are doing gets adopted by our department without due scrutiny, and they are reluctant to take our suggestions as valuable suggestions just because of this perception of superiority”(ibid)

Within the Faculties of Engineering, Sciences and Management/Commerce there were a number of personality clashes and acrimony which culminated in one or both sides raising grievances. Some clashes extended to questioning of one another's academic integrity.¹⁴⁵ In certain instances the Institution had to resort to bringing in independent investigators to examine these human relations problems. In accordance with a Senate decision that there would be a single academic head per department, consequently one of these joint “heads” either agreed to stand down or alternatively the departments commenced the process of interviewing and electing a new head of

¹⁴⁴ Interview with the then academic coordinator of Dental Assisting –Dr Samuels.

¹⁴⁵ An example was a grievance lodged between staff in the Applied Law department which resulted in a case being pursued in the Labour Courts by one of the grievant.

department. One of the delays in finalising these new academic head of department appointments was that at M.L. Sultan Technikon there were also permanent academic heads. This required lengthy negotiations with these staff members including a buyout of their permanent headship contracts. However many ex M.L. Sultan Technikon academic staff viewed the lengthy delays in filling the academic department headships post merger, as nothing more than a ploy by the DVC Academic–Professor Du Preez to retain for as long as possible Technikon Natal heads in the position of interim heads.¹⁴⁶ This perception was reinforced in the manner in which the joint Deans exercised their duties, with Technikon Natal Deans largely being favoured to lead their Faculties during the interim period, with M.L. Sultan Deans serving in mostly the deputy role. When elections/interviews did take place, in some instances it became obvious that voting took place along the lines of previous institutional loyalties, with staff in the department voting for a colleague from their respective old Technikon.¹⁴⁷ This type of conduct within merged departments simply hardened attitudes and promoted unpleasantness.

The Administrative and Support Services sectors equally had its own trials and tribulations. This sector from an organisation point of view was much more challenging. Whereas in the academic sector it was merging of the department and simply accommodating all staff as per their ranks, the situation was a little different for the administrative sector. In the administrative ambit there could only be one head of department and this was not simply a matter of an election. Therefore to accomplish this there had to be a placement exercise. A placement procedure was drawn up with the assistance of the external human resources Consultants and this procedure was negotiated with trade unions.¹⁴⁸ Thereafter, the staff were then placed into the new post merger organisation structure for the respective administrative departments. Executive Management was responsible for interviewing and placing in the senior management categories and thereafter the appointed line managers oversaw their respective departments. If two candidates were vying for the same job, for example there was a Residence Manager from each Technikon, they would then be required to make an application and attend an interview. Alternately if there was only one candidate then the placement of the candidate was confirmed. In this way all administrative staff were then placed in the institution's newly approved organogram. The unsuccessful candidate was placed in other positions within the department. Largely this placement

¹⁴⁶ Interviews with M.L. Sultan staff.

¹⁴⁷ Interview/ with T.Starkey who chaired such interviews on behalf of the DVC Academic.

¹⁴⁸ See placement policy approved by Management/Council.

exercise was successful, although there were grievances raised by unhappy staff members through this exercise. To a significant extent, there was less discord in respect of this placement exercise due largely to the fact that a number of staff members choose to take the voluntary severance packages, thus removing much of the contestations that could have existed between individuals competing for the same/similar position.

Many will concede that on the whole the placement exercise for administrative staff was less controversial than other matters relating to human resources management in general. The latter contributed to the hardening of attitudes by unions and staff in general towards Management when these human resources matters were not dealt with expeditiously or satisfactorily.

The Conditions of Service for staff was an example of one major human resources matter that was not concluded satisfactorily post merger. While many elements of the new Conditions of Service were agreed upon by Management and Unions and were implemented, some complicated aspects were left to be dealt with at a later stage as it also required extensive consultations and negotiations with all stakeholders. It took almost three years to get a basic set of agreed Conditions of service passed. In the meantime, the Durban Institute of Technology had to rely on and use the existing sets of conditions of employment inherited from M.L. Sultan Technikon and Technikon Natal.

Another Human Resources matter concerned the issue of sustainability of the new institution, which has been previously referred to and this pitted Unions/Staff against Management. Management, given the pressure to ensure long run stability and sustainability, proposed amongst other things as a cost saving measure, the retrenchment of staff. The unions would not accept this and accused management of operating without a proper business plan or strategy and giving poor leadership to the institution. The retrenchment proposal not only brought protest marches by unions, but also petitions of no confidence in the Vice-Chancellor.¹⁴⁹ These fights between the Unions and Management even contributed to Council members becoming polarized on the issue. Some Council members backed the retrenchments while others were totally against it, supporting largely the union stance on this issue.

Also at a leadership level, the Council began a process of installing the first set of new executives for the Durban Institute of Technology. Positions of

¹⁴⁹ Daily News/Mercury reports January 2004.

Deputy Vice-Chancellors, Executive Directors and Executive Deans were advertised nationally. It was left up to this new Management team to consolidate and solidify the merger. An interesting development, though not entirely unexpected, was that not a single executive manager from the previous ex Technikons was retained to be part of the new executive management structure that took effect from 2003 and this also extended to the position of Vice-Chancellor, whose position was to be filled last.

6.4.4.2. Managing the Student Transition.

Generally, students from both campuses seemed to be neutrally disposed towards the merger, especially as far as it concerned their academic and social lives. The students were more accommodating during the merger transition stage. The most telling reason would be that students are generally transient in nature and are there to obtain as quickly as possible their education and leave with a qualification. This of course is not to say that students do not have any interest in the merger. They did however, express displeasure at issues that directly affected them irrespective of whether these arose from the merger or not. Wallis (2005) pointed to students having a difficult and stressful time shortly after the merger, largely arising from changes to various procedures and processes. He also went on to observe that, although circumstantial, there was a feeling by M.L. Sultan Technikon students that they were treated as second class citizens and Technikon Natal staff tended to favour Technikon Natal students.

The issues raised by the respective student bodies were very different from each of the Technikons. One would speculate that despite both student bodies being overwhelmingly Black, the class distinction played itself out in the early days of the merger. Students at Technikon Natal raised concerns of, losing their international recognition of their qualifications, the lowering of academic standards and even made comments like “students at M.L. Sultan Technikon like to strike and have class boycotts”.¹⁵⁰ In contrast, the issues that particularly concerned students at M.L. Sultan Technikon, related to increased student fees (as the new fee structure was to be in line with the highest fees

¹⁵⁰ Interview with student leaders at Technikon Natal.

paid and that was at Technikon Natal), the question of access, the issue of residence accommodation and Technikon Natal's financial situation.¹⁵¹

Despite raising these concerns, both student bodies never saw these issues as being insurmountable, which ought to have slowed down, or stopped the merger. In fact, both student bodies, despite these differences, and these were very important issues for them, whole heartily supported the merger. These issues for students, in any event, quickly disappeared after receiving satisfactory responses from Management.

A year later the local newspaper, the 'Daily News' (04 April 2003) spoke to a number of students as to whether the new institution is meeting their expectations. Students did not give glowing tributes to the new institution. Some comments made are as follows:

Student 1. – A mechanical engineering student said “I see it as a way of saving money (the merger) and it has been successful, except for the ridiculous demand by security services for student cards. The worst part of it is that the crime rate on campus is high in spite of these security measures”

Student 2 – “I sympathise with my fellow students who have to travel from campus to campus to catch the next lecture. There is no way of getting individual attention from a lecturer because we are packed in small rooms like sardines in a tin”

Student 3 -- “There is a fiasco in administration which leads to an imbalance in the flow of information from campus to campus”

Student 4 – An environmental health student said “we are always late for lectures because we are expected to walk from campus to campus. There are too many people getting mugged on campus, so much so that I no longer bring anything of value to campus. We now have to walk in groups”

Student 5 – “this merger has actually made student life very dangerous because we have thugs holding students at gunpoint for their cellphones”

Student 6 – An Engineering student stated “there is overcrowding in the lifts which leads to overcrowding on the stairs. The worst inconvenience would

¹⁵¹ Interview with students at M.L. Sultan Technikon.

probably be walking up and down from each campus to get to either a library or lecture room”

Student 7 - went on to say “the merger made a living hell out of our education at the beginning of the year because there was no flow of information. Even the Opac system in the library has gone mad because it can direct one to the wrong library when one is looking for a book”.

6.4.4.2.1. Managing Student Services

The newly merged student services division based their merger planning on the philosophy concerned with the overall welfare, development and educational success of the students.¹⁵² Therefore this division saw their work as helping to promote the development of the personality of the young adult who came to study at the new institution. In carrying out its future work, Student Services envisaged a partnership with the Academic sector resulting in the development of an appropriate institutional climate, which will therefore accomplish the following:

- teaching and learning
- fostering a community of scholars and scholarship
- promotion of the development of the whole human personality of the student between 17-25 years
- the organising and administration of student governance
- fostering of a political community on campus
- promoting residences as centres of learning

In the new merged institution, Student Services envisaged a role that included designing and developing services which will assist the students to cope with their studies as well as to lead a balanced lifestyle. The division saw themselves as providing leadership for ‘out of the classroom’ education. They envisaged that students at the Durban Institute of Technology will receive orientation programmes, mentorship programmes, student leadership training, life skills, human sexuality and HIV/Aids programmes and build the capacity for governance.

¹⁵² Student services Committee task team progress report - Andersen report.

In trying to achieve the above goals and objectives, Student Services foresaw the offering of a range of services which included student counselling and development, student housing, financial aid, health services, student employment and graduate placement, sports development, an international student's office and administration for student leadership.

6.4.4.2.2. Merging of the Student Representative Councils (SRCs)

On the student leadership front, both SRCs were initially combined during the interim period and subsequently elections for new SRC were held in terms of the "Standard Institution Statute".¹⁵³ Serious initial rivalry between the SRCs, which at times broke out into violent confrontation, when they were drafting a new constitution for a future SRC, disappeared after a new SRC body was elected.¹⁵⁴ The first merged SRC elections were dominated by institutional loyalties, which saw a preponderance of ex M.L. Sultan Technikon student leaders get into office. In fact, the SRC were generally more progressive during the post merger phase and accepted the changes far more readily. This should, however, not be interpreted as implying that the SRC's did not deal with the critical issues emanating from post merger integration and kept a watchful eye on new academic rules, issues of access and fees. The student body, being transient, probably explains more readily why of all the stakeholders, they were most adaptable to this change.

6.5 Summary

Chapter 6 highlights the very intense activity associated with getting an institution ready to usher in a merger, but equally the effort that goes into integrating a merged institution. The pre-merger difficulties and problems simply continued in post merger integration phase, with staff demonstrating unhappiness with various aspects of the merger exercise. A key trigger to some of the difficulty lay in the precarious financial position that the new institution found itself in the early days of the merger, largely arising out of pre-merger financial difficulty that Technikon Natal was in. Despite the difficulties

¹⁵³ This Statute was issued by Government for all institutions to use until the new Councils drew up a new Institutional Statute.

¹⁵⁴ Interview with David Sedumedi, Student Governance officer at the time.

the post merger integration continued apace. However, if human resources issues are neglected during merger integration, the ability for the new merged institution to settle down quickly is severely hampered became evident in the case.

On the other hand it would seem that student integration went far more smoothly although there were initial difficulties arising from cultural differences between both institutions' student bodies.

CHAPTER 7

TOWARDS A UNIVERSITY OF TECHNOLOGY

7.1. Visiting the Name

In October 2003, the then Minister of Education, Professor Kader Asmal announced that technikons would be re-designated 'Universities of Technology' (UOT). This effectively meant that those technikons that were merging in 2004 and 2005 respectively and whose new merged entity continued to be recognized as a technikon could at the date of their merger be called a University of Technology. This change in designation applied to three merged institutions, viz. the Cape Peninsula University of Technology, Tshwane University of Technology and to the Durban Institute of Technology. In addition to this three, the name change was applicable to a further two technikons who were left untouched in the national restructuring exercise except for the incorporation of some infrastructure from other higher education institutions. These two were the Central University of Technology and the Vaal University of Technology and they were later joined by the Mangosuthu University of Technology whose fate was originally linked to the Durban Institute of Technology merger, but this was reversed by the Government. For the Durban Institute of Technology, this posed somewhat of an additional dilemma because having spent a considerable amount of resources since 2002 in attempting to brand the 'Institute of Technology', given that it was the first of its kind in South Africa, it was now being pressurized internally to change to a university of technology.

The internal groups especially those from student leadership began lobbying for the change of name to 'university of technology', largely using the argument that they would be disadvantaged in the job market place as compared to those students graduating from a University of Technology. However this was not necessarily supported by all, as some Senior Managers held the view that the timing was poor to make such a change so soon, in light of the merger consolidation that was still taking place amidst the wide ranging merger difficulties. Various stakeholders including Council members saw an opportunity in this re-designation to a university of technology, to also consider revisiting the name of 'Durban'. Many suggested names associated with political struggle icons. This would also require a fresh branding exercise and a re-positioning of the institution as a 'university of technology' costing several millions according to

the Executive Director: Corporate Affairs.¹⁵⁵ On the basis of these internal pressures, Council ordered a market research exercise to examine what will be the impact on changing the name to a UOT. In line with the visioning of the institution under Prof Goba, in March 2006 the name changed to Durban University of Technology.

In this final chapter, we continue to focus on aspects of merger integration and consolidation not covered in the earlier chapters, especially the developments leading up to and influencing the repositioning of the institution as a University of Technology. The periods reflected upon is 2004 to 2007 which is part of the post merger consolidation.

7.2. The Changing of the Guard

The Council that was appointed and took office in October 2002 approved a new Executive Management structure for the newly merged institution. They began to fill these posts commencing with Executive Deans, followed by Executive Directors, then Deputy Vice Chancellors and finally that of the Vice Chancellor post. From a merger integration perspective, the filling of Executive Management positions should have been a clean and simple technical exercise. However the filling of certain posts became highly contentious and was racked with internal politics and intrigue. It would have been this new group of senior managers that the institution would have turned to, to complete and consolidate the outstanding issues of the merger. In addition an important role would have been to develop a new vision and direction for the institution. Interviews held with various members of staff on the question of, the effectiveness of the new Executive Managers to deal with the outstanding merger issues and to consolidate speedily, point to a mixed reaction as to the success or otherwise of this group of managers.¹⁵⁶ The first positions to be filled were that of Executive Deans. The only internal candidate amongst the four to be appointed was the first to take up the position in July 2003 followed by the others who took up their positions in 2003 and 2004. Generally there was no controversy with the appointment of the three external Executive Deans except for the internal candidate, who was considered not suitable by his detractors and objectors. These objections had its history in institutional and trade union politics.¹⁵⁷ A

¹⁵⁵ Interview with Executive Director Corporate Affairs – Nomonde Mbadi.

¹⁵⁶ Interviews held with staff and trade union leaders.

¹⁵⁷ Conversation/interview held and confirmed by three different trade union leaders from Nutesa and Tenusa.

trade union leader explained that the objections came from union colleagues from the other institution. They held the view that this Dean had misused his position as a trade union leader, for his own private gain by the manner in which he may have presented himself to the Vice Chancellor during their interactions, thus winning support for this position of Executive Dean. However, others whose views were canvassed felt that these objections to the appointment were based simply on inter-institutional conflict arising from the merger, i.e. 'because he was from Technikon Natal, the other side objects'.¹⁵⁸ The Council nevertheless made the appointment and a report sent to the Minister of Education at the end of 2004 indicates that all Executive Deans have been making a positive contribution to the institution and towards providing quality education to the students.

Once the positions of Executive Deans had been filled, the recruitment of Executive Directors commenced. Three positions had to be filled which were, Human Resources, Student Services and Public Affairs. The only non controversial appointment from a perspective of the process or the person was that of Student Services. Although this candidate herself was an ex-employee of one of the merging partners, there was little to fault her application and capability of filling in the post. However the two other positions were filled after substantial amount of controversy, innuendos and bad mouthing. In the case of the Executive Director Human Resources, the post was initially advertised, but no suitable candidates were found and the post was re-advertised. In the meantime an internal candidate had raised objections about being overlooked and the matter had even reached the Commission for Conciliation Mediation and Arbitration (CCMA) in the form of a dispute. In the case of the Public Affairs position it was filled with an internal candidate who also came from within the union leadership. This, as one Senior Manager jokingly told the researcher, the appointment of union leaders, would have weakened the unions. However this was not to happen and in many instances their union colleagues, along ex-institution lines (partisan) were much more critical of these appointed individuals to these senior posts and did not let up to discredit these individuals whenever an opportunity arose. These attacks observed staff members were both overt as well as covert. It probably demonstrates how difficult merger integration and consolidation can become.

However there are also positives out of filling posts from external candidates. The three Executive Deans were not caught in a web of institutional politics

¹⁵⁸ The researcher spoke to many staff members during the merger period and the phase in inverted commas reflect many a person response to why certain events were occurring post merger.

arising out of the merger. They and other new employees were able to neutralize some of the difficulties between the individuals and groups that were being integrated. The fact that they would not have any history of either institution or be willing to take sides greatly assisted the merger integration process. This particular factor seems to be borne out by experiences of mergers elsewhere in the world.

The appointment of the DVC: Resources and Planning was made in July 2004. Interestingly of course was that while he was an external candidate, he did serve one of the institutions on its Council and was very familiar with the merger. He also served on the Interim Council post merger for a period of six months. Nevertheless an appointment was made and his past service on the Council did not have any effect that seemed to bedevil the other Executive Management appointments. One of the interesting observations from this merger is that no existing Executive Managers from either institution were retained. In fact everyone took exit packages with the last being Prof Ncayiyana who retired at the end of December 2004, having served as Interim Vice Chancellor for a period of 2.9 years, but stayed on for a further 3 months as the new Vice Chancellor only took up the appointment in April 2005. It seemed that the delay in advertising the Vice Chancellor's post was largely due to the uncertainty that arose as a result of the promulgation by the Minister of Education that Mangosuthu Technikon would be merged with Durban Institute of Technology from 1 January 2005. It was only in July 2004 that the Council of DIT was officially informed by the Minister of Education that this intended merger was postponed. The first substantive Vice Chancellor—Professor Goba since merger was appointed by the Council to take office from the beginning of April 2005. Like other appointments at the Executive level, this also was not without its fair share of controversies.¹⁵⁹ Prof Goba was a former Vice Chancellor of M.L. Sultan Technikon and had resigned for personal reasons when the merger of the both institutions was quite close to being finalized. At the time a number of stories had done its round regarding this appointment, including one that Prof Goba was favoured largely because certain stakeholder groups were of the opinion that their interests would be assured through his appointment.¹⁶⁰ While this appointment was approved by Council, the major union Nutesa had not supported it for amongst other things the reason mentioned above.¹⁶¹ It is obvious that the filling of the first lot Executive Management positions post merger was at best a traumatic exercise for the fledgling institution. The

¹⁵⁹ A letter by Dr Cloete to Chairperson of Council upon resignation from Council 31/03/2005

¹⁶⁰ Primarily this came through interviews with Nutesa union leaders.

¹⁶¹ Interview with union top leadership.

elaborate details of the filling of Executive Management posts are provided here to demonstrate how contentious each step of merger integration had become. The result of this was to have in certain instances continuous and flagrant disregard for the authority of these Senior Managers by their objectors and agitators. This no doubt had a serious impact on the speed at which the merger integration activities were completed.

7.3. Governance Failing the Institution

In his communication to the DIT community upon assuming office of Vice Chancellor, Prof Goba said 'I see one of my critical roles in this job is to consolidate the merger' He was certainly right about that. A number of key merger issues remain incomplete and merger integration was still an ongoing activity. In the beginning Prof Goba was able to make a few successful strides, but sadly his short lived tenure at the institution was also one of the most difficult periods in the history of the institution post merger. Any gains made in dealing with outstanding merger issues, was outweighed by the collapse of governance at the institution which took centre stage. While some may argue that the governance crisis bears no relation to the merger, it occurred at a time of ongoing merger integration and therefore distracted the institution's top leadership from managing this process properly. However it should be added that Prof Goba may have not been the major contributor to the crisis that prevailed at the institution between 2005 and 2006. However, he also cannot escape culpability to the situation that had developed.¹⁶² Prof Goba and his team as incomplete as it was with the absence of a DVC-Academic (there was an Acting DVC), managed to focus on getting completed some aspects from the merger, one of these related to the Conditions of Service. The other was the development of the vision and mission of the institution and launching of the University of Technology. Although the Human Resources task team began to work early on a new set of staff conditions of service, it was not approved by the Council until Prof. Goba assumed office three years after the merger had taken place. As NUTESA in a letter to the Minister of Education dated 7 May 2006 wrote: "...relations with labour have been significantly improved and the Vice Chancellor has managed to pass through Council a set of Conditions of Service which the previous Management failed to achieve and which caused much

¹⁶² Report of the Independent Assessor Prof.N. Chanani Manganyi to the Honourable Minister of Education Naledi Pandor, M.P. Investigation into the Durban University of Technology July 2006. **All references hereafter termed Assessor's Report.**

friction with organized labour”.¹⁶³ Prof Goba was very instrumental in setting up the Labour Consultative Forum. The forum created an opportunity for various Senior Managers and Unions leadership to meet on a monthly basis to discuss various human resources matters and policy issues. This forum in its early days helped to resolve a number of human resources issues directly attributable to the merger. Interestingly of course was that this new set of Condition of Service was approved by Council with at least four employment conditions still subject to negotiation with the unions and this included post retirement medical aid, accumulative leave, group life and voluntary severance packages. The protracted negotiations on these four issues resulted in them being put aside temporarily so that the core conditions of employment could be put in place.

The other aspect of the merger that required attention was the appointment of a new Deputy Vice Chancellor for Academic Affairs. The context under which this appointment had to be filled is an intriguing one, revealing once again how merger integration has been shaped by amongst other things micro-politics, which infused itself into what would otherwise be considered normal organizational processes. In June 2004 the interim DVC academic retired and in his place Prof Ncayiyana appointed Prof Lortan as acting DVC, who at the time was an Executive Dean: Engineering, Science and the Built Environment. We having already noted some of the difficulties associated with his appointment as Dean. This background is important given the approach taken by Prof Goba shortly after taking office, which was to terminate the services of staff that were acting in senior management positions. This action was undertaken largely on the instruction of Council who were concerned with the lengthy period in which certain individuals had been acting.¹⁶⁴ This meant that the Prof Lortan was required to go back to his job as Executive Dean. Pending the appointment of a new Deputy Vice Chancellor –Academic, another Dean was appointed as acting DVC Academic. The same applied to the Curator’s position at the Midlands campuses. Prof Goba obtained Council support for a new Management structure which included the position of Executive Director: Public Affairs being re-designated Director of Public Affairs. The existing incumbent applied and was appointed to the job. However all these individuals mentioned above felt that this was a purge of the previous Vice Chancellor’s Management team. Some them held the view that Prof Goba had succumbed to external as well as internal pressures to act in this particular way, but provided little reasoned explanation for these beliefs, except to confirm to the researcher

¹⁶³ Letter quoted in the Assessor’s report. Page 9

¹⁶⁴ Interview with the Chairperson of Institutional Forum.

of an intense high level organization politics at play.¹⁶⁵ Many of them felt that there was no need for their acting positions to have been terminated until the posts were properly advertised and filled. For them this was a ploy to deprive them of any 'legitimate expectations' to the post. In particular the Executive Director Public Affairs was so incensed by the down grading of the post that she pursued the matter in the CCMA. The decision went against the University and the incumbent had to be reinstated in the higher level post together with back-pay.

After a lengthy period the post of Vice Chancellor – Academic was finally filled. Many staff members did remark that by not attending to the appointment of the DVC- Academic at the time of its vacancy in July 2004, this affected the ability for many crucial academic integration matters to be timeously resolved. For the Vice Chancellor, the blame of the non filling of this and other executive posts was left at the door of Council, who were viewed as procrastinating over such appointments. The Senate minutes of May 2004 point to the continuing trend of dual academic headships and that the restructuring of academic departments need to be done sooner because there are too many departments.¹⁶⁶ It could be argued that although they were Acting Managers who should have attended to these matters, in fairness to these individuals for most parts they were simply maintenance type managers.

A critical (negative) turning point came with the filling of another executive management post. This was that of Deputy Vice Chancellor –Human Resources and Corporate Services. There was nothing wrong procedurally with the filling of the post and when the process was completed the incumbent appointed, was suitable for the post. However the chain of events that played itself out in the background resulted in what many interviewed staff said was the causal factors in governance crisis. The debacle came to pit Management, especially the Vice Chancellor against certain Council members. The end result of all of this was a total breakdown of relationship between these parties. This resulted in the Department of Education stepping in and appointing an Assessor in terms of the Higher Education Act. Consequently, in terms of the report of the Assessor, the Minister of Education dissolved the Council and appointed an Administrator to take over the duties and functions of a Council.

So how did this post mentioned above become one of the contributing factors that resulted in the most debilitating period in the history of the new institution

¹⁶⁵ Conversation/interviewees with those staff members affected by the decision.

¹⁶⁶ Senate minutes 12 May 2004. This situation continued way into Prof Goba's tenure.

and how did it impact on merger consolidation? The background to this incident as many other stories in this case study has shown is often grounded in the effect that the merger had on people. This relates to one Deputy Vice Chancellor who having taken a voluntary severance package, claimed that the new post(Deputy Vice Chancellor- Human Resources and Administration) that was advertised was the exact or similar to the one that he was holding when he elected to take the severance package. He claimed that the previous Interim Vice Chancellor had indicated that such a position did not exist in terms of the new Executive Management structure. He contended that the choice to take the severance package would not have been voluntary, had he known that shortly after he had left, the very post he held was to be advertised.¹⁶⁷ Thus he believed that he had a legitimate expectation to be appointed to this post without making any application although he took a voluntary severance exit package. His contestation came in the form of a legal challenge which had the potential to delay the finalizing of this post. On the surface it should have been a straightforward legal matter, however this was complicated by the fact that the individual's wife was on the Council of the institution. Rumour has it that this incident resulted, amongst other things the feud between the Vice Chancellor and some of the Council members who were her allies. Strangely when the Minister of Education ordered an investigation into the developments at the University, the investigation pointed to the deteriorating relationship was between the Chair of Council and the Vice Chancellor. In the end nothing much came of this legal challenge.

It would be too simplistic to say that this one incident was sufficient to result in the total breakdown of the Council and ultimately in their demise. A number of factors contributed to this situation. A critical one amongst these was the Forensic Audit ordered by the Council. Various stakeholders within the institution held the belief that certain staff members were corrupt and strongly advocated for an investigation. The Council while sharing in this belief decided to institute an investigation. At the time of appointing Prof Goba it was decided that his performance contract apart from developing a future vision for the institution, to include defining the terms of reference for the forensic audit.¹⁶⁸ All indications point to Prof Goba delivering on these terms of reference. The then Vice Chair of Council - Ms Tshabalala requested, which was granted that she joins the Vice Chancellor in a meeting with the auditors. Further, towards the end of the year 2005 Ms Tshabalala took on the role of acting as Chairperson of the Executive

¹⁶⁷ Letters sent for the attention of the Vice Chancellor and Council and interviews/conversations held with H.R. colleagues with new details of this matter.

¹⁶⁸ Extracted from the Assessor's Report to Minister of Education, July 2006.

Committee of Council and subsequently became Chairperson of Council in the New Year. Most of the problems with Council and University Management occurred in 2006 with visible signs of the 'blurring of boundaries between Management and Council started to show'.¹⁶⁹ It was this group of Council members led by the Chairperson of Council who kept an oversight watch on the investigation, which was carried out by a professional auditing firm. Firstly Ms Tshabalala displaced the Vice Chancellor as the chairperson of the task team dealing with the audit on the premise that it needed an independent person. Secondly she signed the contract with the auditing firm, a generally unacceptable practice given her governance role. Furthermore the legitimate Audit Committee of Council was by passed in this forensic audit. While staff had welcomed such an investigation, given all the rumours about corruption, many that were interviewed felt that the process that had began to unfold seemed more like a 'witch-hunt'.

Most of the information supplied to the forensic investigators came from staff as well as some Council members. It seemed that many staff members took the opportunity to report their bosses, colleagues or other staff members to the forensic auditors via a hotline, set up by the investigators to receive reports of wrong doing by individuals. The vast majority of complaints to the hotline proved to be nothing more than perceptions individuals had that some sort of wrong doing was committed, but very little proof of fact. A singular usefulness of the forensic audit was to show the laxity of 'controls' following the merger. Given the scale and cost to undertake the forensic audit,¹⁷⁰ it seems that the end results were rather disappointing; reflecting more on what was a dysfunctional institution, especially that of its governance structures since being merged. Through this forensic audit it became clear how fractious and divisive staff were and clearly many were polarized along the lines of their respective ex-institutions, but this also applied to the Council. An example of this was evident in the selection of staff's computers for forensic audit analysis. Many staff was surprised as to why their computers were selected for analysis, once again proving that unknown individuals were able to supply names to the investigators. The computer of the Vice Chancellor was also taken away to be analyzed. In the meantime the relationships had got so bad, as the Vice Chancellor tried to fend off involvement of some Council members but particularly the Chair of Council in the day to day operations of the University. The Chairperson of Council with her supporters arranged for many unscheduled executive committee meetings but this did not result in any substantive outcomes of these meetings. The majority

¹⁶⁹ Assessor's Report.

¹⁷⁰ It took several months of work at an estimated cost of R7 million.

union, Nutesa according to a leader finally realized how certain Council members had encroached on the day to day running of the institution.¹⁷¹ Therefore they amongst other groups approached the Minister of Education to call for an urgent investigation into governance problems, as they believed that this was now destabilizing the university.

A member of the Institutional Forum remarked to the researcher, that the Chairperson of Council had totally misunderstood her role and believed that she was more of an Executive Chairperson.¹⁷² Prior to the intervention of the Minister of Education with the appointment of an Assessor, on the 2 April 2006 five members of Council requested a special meeting to discuss what they saw as the deteriorating relationship between the Vice Chancellor and the Chairperson of Council as well as what they perceived was a Council that was becoming dysfunctional and hence should be disbanded. Arising out of these and other complaints to the Department of Education, the Merger Unit in the Education Department conducted its own investigation; however the report given to the DUT Council received mixed reaction.¹⁷³ Finally the Council voted on dissolution on the 8 June 2006. Despite having voted in favour of disbanding by a margin of one vote, still no action was taken. By that time some of the Council members who were not totally happy with what was going on began resigning. The Ministerial representatives on Council also reported these developments to the Minister of Education. The Minister finally with overwhelming evidence appointed an Assessor to carry out an investigation. Certain members of Council, who had been in the fore front of contributing to this difficult state of affairs, simply argued that the request by unions/staff to have the Minister send an Assessor was nothing more than a ruse by staff to stem the forensic audit. However this turned out in the end not to be the case as the forensic audit was completed.

The Assessor made a telling observation as a backdrop to his recommendations to the Minister of Education this being: "... the prevailing view in the highest councils of the institution is that decisive steps need to be taken urgently to bring the prevailing inertia and uncertainty to an end. Those members of Council who obstructed the adoption of solutions following the report of the Merger Unit may try to do so once again. No one should be allowed to stand in the way of reason, justice and the best interests of the Durban University of Technology."¹⁷⁴ The Assessor went on to observe that the present Council proved that it was unable

¹⁷¹ Interview with union leader and letter quoted in Assessor's Report.

¹⁷² Related by an Institutional Forum member (interview).

¹⁷³ Report of the Merger Unit to Minister of Education.

¹⁷⁴ Assessor's report- page 21.

to get things done properly, in time and in accordance with generally accepted norms of public accountability. The recommendations of the Assessor included:

- The dissolving of the Council and the Appointment of an Administrator for a period of one year in terms of the Higher Education Act, 1997 (Act No. 101 of 1997).
- The Administrator must reconstitute a new Council for the University.
- Establish a full complement of executive managers.
- Undertake a full review of the position of Vice Chancellor.
- Complete the audit promptly.

The Minister of Education, Naledi Pandor accepted the report of the Assessor, Professor Manganyi, and appointed Professor Jonathan Jansen as the Administrator with effect from the 12 August 2006. When the Council was dissolved and replaced by an Administrator, the forensic audit continued and was brought to finality. The Administrator had a difficult job of not only selecting a new Council, but also of trying to settle the institution as well as bring back some form of normality to university life. The Vice Chancellor also retired in December 2006. Despite his short tenure, Professor Goba, did manage to ensure that the name changed from an 'Institute to a University' and laid the steps for the completion of the University's strategic plan. Beyond that the University made no or very little progress in unravelling what is a 'university of technology' and this state of affairs continued during the 2005/2006 period. Further, arising from the governance crisis, serious academic issues were also neglected. Other institutions who had merged in either 2004 or 2005 or those who had changed their names to UOTs' had begun to transform their institutions thus having at least two years head start on the Durban University of Technology, claimed Prof Roy du Pre, the Vice Chancellor who took over from Prof Goba in August 2007.¹⁷⁵

¹⁷⁵ Recorded in speeches and texts to the DUT community.

7.4. Other Factors and Issues Affecting Merger Consolidation

There are a number of other factors that have contributed significantly in shaping the DUT merger process and the outcomes. We now turn to examine some of them and how these have been dealt with during the merger.

7.4.1. Multi-Campus Integration

The decision on how best to govern, manage and administer multi-campus given geographic separation by significant distances remains a challenge to any University operating such a structure. Earlier chapters pointed out that while the DUT merger was unitary in nature, it did operate multi-campus and sites both in Durban and Pietermaritzburg. The major campuses in Durban are within close proximity and therefore require very little elaboration here. These campuses/sites have been integrated as a whole either in terms of walking distance or by means of a short drive; however they do continue to pose operational and administrative difficulties. The operational issues tend to revolve largely around questions on the depth and intensity of 'centralization versus decentralization'. The DUT merger experience shows us that the jury is not fully out on this question of centralization versus decentralization, but significant steps have been taken as part of merger integration to devolve authority and responsibility to especially the Executive Deans. To this end, this implies that in certain instances the Deans could be required to look after specific parts of the campus infrastructure and buildings which are used by their faculty. Despite these good intentions to decentralize the campus infrastructural responsibility, this has not worked out well and probably the only best example of this working reasonably well is the City Campus where we find the Arts Faculty, even then there remains certain difficulties. Part of the inability to get this working correctly in a merger is that different directorates (functional departments) still have a hand in dealing with the daily matters for e.g. the facilities and maintenance department. The intention here is not to over elaborate on one specific aspect of multi-campus but rather to illustrate that it can become a rather complex matter.

For the purpose of this case study the intention is rather to examine more specifically the relationship between the Durban and Pietermaritzburg campuses when making an assessment of a multi-campus structure following a merger. The programme offerings at the Pietermaritzburg campuses have been largely restricted to Commerce, Teacher Education and Civil Engineering and in more

recent times the Nursing programme. It has been acknowledged that if any expansion has to occur, then ideally it should happen at the Pietermaritzburg campuses comprising the Indumiso and Riverside Campuses. Initially staff and programme offerings at Pietermaritzburg were not affected by the merger integration activities taking place on the Durban campuses and sites. In many ways they were left to their own devices during the key merger integration period and staff of the Pietermaritzburg campuses often felt that they are not part of the greater University. This feeling was very often expressed by staff as the 'step child syndrome'. The simple reason for this is that only Technikon Natal had campuses at Pietermaritzburg. At one stage during merger integration many Durban Academic Heads felt that they should not be burdened to look after this distant campus and this campus should have its own academic structure. Even discussions at a senior management level talked about whether the new institution can afford to keep and maintain this distance campus. This of course resulted in waves of panic from the staff at the Pietermaritzburg campuses.¹⁷⁶

The above kind of thinking was taking place at a time when the newly merged institution was in great financial difficulty. However, careful examination of the financial sustainability at the Pietermaritzburg campuses pointed to an overall contribution to University not only in financial terms. As Wallis (2005: 7) argued 'staff teaching loads tend to be higher in Pietermaritzburg and this has given rise to some concern'. The better qualified staff is to be found in Durban. The student residences shortly after merger was in a poor state and would have required substantial funding to get it to a reasonable standard, the same would have been said of the library and other resources. Wallis also went on to observe that "while it can be argued that these problems would have been present within Technikon Natal even if there had been no merger, the creation of the Durban Institute of Technology has in some ways been a complication, in that managers and academics especially from M.L. Sultan Technikon are now required to deal with issues unfamiliar to them. This is compounded by the centralized mode of operation and possibly a corresponding centralist culture, as far as ML Sultan is concerned" (2005: 7).

The Pietermaritzburg campuses administratively are headed by an Executive Director who at the time of merger reported to the Vice Chancellor and subsequent restructuring saw the position report to a Deputy Vice Chancellor. So from an operations point of view the head of the campus has sufficient clout to get things done. Despite this it seems that inherent difficulties exist in

¹⁷⁶ Colleagues of the researcher shared these concerns with him at the time.

managing a multi campus set up. The question of resources and who controls them remains an issue. The academic locus of control remains with largely academic head through the Executive Dean, some of whom are based in Pietermaritzburg and others in Durban. The Executive Director in this type of organization structure takes no responsibility for any academic affairs, but only for the operational management of the campus i.e. the key administrative functions. The staff of these operational units report to him and not to Durban as in the case of some of the academic structure. These issues and others need to be properly addressed post merger in order for the single goal of a multi-campus system to be achieved, that is, all campuses should be equitable in services to their students.

From a merger perspective there seems to be very little differences from a student point of view. Of course the Durban campuses are far more endowed with resources but aspects such as student registration and administration seems very similar, equally the Student Representative Council (SRC) system seem to work well with elections being held that ensures representation of both campuses students.

7.4.2. Media and Merging: The Impact

Key influencing factors of the perceived quality of a university can be examined through image perceptions of students, staff and in the general public. It therefore goes without saying that continuous negative publicity can be detrimental to the long run well being of any institution. Given that the case study points to a great deal of difficulty with the DUT merger, it would follow that there may have been a great deal of negative or adverse publicity throughout the various stages of the merger process.

In order to assess how the DUT merger was reported by the press and its' effect on the institution, we ought to firstly contextualize this within the higher education sector. For a significant period higher education institutions have been on the receiving end of a disproportionately higher attention from the media. The reasons for this are associated with the broad context of institutional protest and politics commencing in the 1980s. While much of the '80s can be attributed to the struggle for national liberation and following the establishment of a democratic country, the adverse publicity did not diminish. For student organizations and more recently staff, the need for protest action some of which was violent at times received ongoing national adverse publicity. Invariably

merger dynamics simply added new intensity for staff and or student protest action, most of which the media were always willing to report on.

Given difficulties with the DUT merger, the overall statistics in respect of press reports should paint a grim picture. However the table12 below point to an assessment of press reports in mainstream media in the selected years of 2003, 2005, 2006 and a very short period of 2007, show little evidence of substantial negative adverse press. The above years are important in that significant upheaval had taken place at DUT and this was followed by protest action either by students or staff. The analysis of press reports indicates that the institution had in 2003 significant number of positive press reports. The positive press reports diminish considerably in 2005 and onwards. Most of the press reports are purported to be balanced. Balanced reports could means that a very negative story could be countenanced by plausible explanation, but the negativity is not altogether diminished.

For DUT the small negative percentages do not in any way take away the nature, type and intensity of the issues and events that result in such adverse press reporting. The main type of issues that gave rise to these negative press reports include student protests and strikes, staff protests/strikes, parties using the press to air their grievances as well as anonymous letters to the Council and the Ministry. In the early days of the merger, there were negative stories related to crime within and in the surrounding areas of the campuses. Given that the campuses are in close proximity to the downtown area called the Warwick Triangle which is perceived to be a rundown area with a higher level of crime, this does affect the ability of the institution to have programmes which can enhance the position of the DUT brand in a positive way. Despite this and problems associated with the merger, the positive stories do outweigh the negative ones. Different groups of Executive Managers have over the period been able to introduce ways to improve internal communication, establish better relations with the media, and build closer relations with schools and employers.

Table 12: Analysis of DUT Press Reports for Selected Periods.

DATE	NO. OF ARTICLES	POSITIVE	NEGATIVE	BALANCED
March 2003	36	36%	10%	54%
April 2003	75	19%	11%	70%

May 2003	49	84%	14%	2%
June 2003	63	58%	2%	40%
July 2003	54	76%	9%	15%
August 2003	86	79%	7%	14%
September 2003	66	44%	21%	35%
October 2003	87	59%	13%	28%
November 2003	57	68%	30%	2%
December 2003	45	64%	18%	18%
January 2005	34	38%	0	62%
February 2005	60	13%	28%	59%
March 2005	86	19%	13%	68%
April 2005	95	7%	7%	86%
May 2005	141	21%	5%	74%
August 2005	130	17%	4%	79%
September 2005	126	25%	4%	71%
October 2005	134	2%	0	98%
November 2005	139	4%	0	96%
December 2005	77	1%	0	99%
January 2006	61	5%	0	95%
February 2006	109	4%	0	96%
March 2006	139	1%	3%	97%
April/May 2006	145	7%	7%	86%
June 2006	88	11%	7%	82%
July 2006	98	7%	0	93%
August 2006	195	3%	5%	92%
September 2006	114	4%	4%	92%
October/Nov 2006	136	1%	10%	89%
December 2006	78	1%	15%	84%
February 2007	120	2%	12%	86%
March 2007	133	3%	3%	94%

Source: Newsclip Media Monitoring Monthly Reports

7.4.3. Delivering on Key Academic Indicators

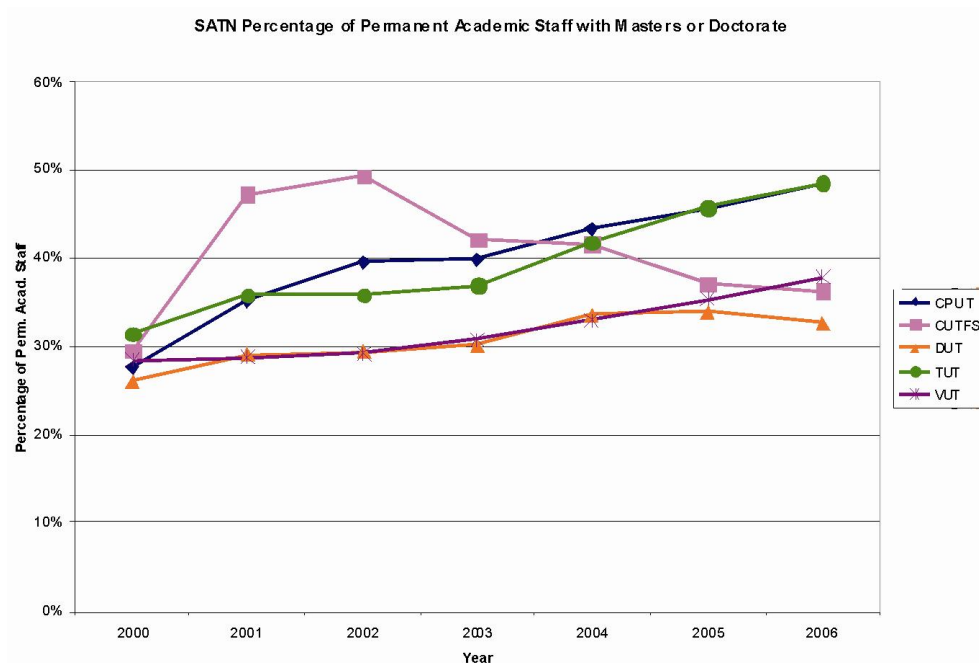
The ultimate test of a merged institution is to examine once integration is completed, how does the new institution perform relative to rest in the sector? A more fundamental question to be raised is, whether any key academic indicators were negatively affected during the integration and consolidation period. While any number of indicators may be examined, for this case study the first point of departure is to examine how the merged institution has compared with the

Department of Education benchmarks. Here the focus is on staff qualifications, postgraduate student numbers, research output, success, graduation rates and student enrolment. The table 13 indicates that after five years following the merger there remains serious deficiencies in respect of staff qualifications, postgraduate student percentages and research output.

Table13: DUT COMPARISON VIS- A- VIS DOE BENCHMARKS			
INDICATORS	DEC 2007	DoHET BENCHMARK	DEC 2009
% Doctorates among academic staff	7.5% (38)	40% (203)	10% (58)
% Academic staff with M degrees	29% (150)	60%(317)	28% (157)
Post graduate % of Student Numbers	1.60%	7%	1.52%
Research Outputs	51	0.5 per lecturer (260)	98
Success Rate	72%	80%	76%
Graduation Rate	19%	22.50%	23.50%
% of Student FTEs in SET	40%	50% for UOTs	45%
Student Enrolment	19176	Capped Growth 22226	24026

The DOE benchmark requires at least 40% (203) of academic staff to have doctorate degrees but at DUT at the end of 2007 the figure stood at 7.5% (38). The position in respect of Masters Degrees is slightly better at the DUT and was 29% translating into 150 staff members at the end of 2007. The DOE benchmark was set at 317 staff members to be in possession of a Masters qualification. The observation made by the researcher is that staff generally seems to have been distracted by the merger activities and processes since 2002, thus resulting not only in low levels of research outputs but also failing to attain advanced degrees. The researcher is cognizant that many will argue that in any event this position is to be expected because the institution was a former Technikon, which did not require academic staff to be qualified with advanced degrees to teach as did the traditional Universities. Further that research was not one of its priorities. Despite this assertion, if we compare DUT to other UOTs we find that the institution has certainly lagged in terms of staff having appropriate qualifications and in particular have even begun to decline as evident in Graph 1 below. Two UOTs who were also merged show an increased numbers of staff with Master and Doctoral qualifications thus reinforcing the view of Vice Chancellor – Du Pre that despite being the first higher education merger, progress in many areas has been limited because of being caught up with merger issues and problems.

Graph 1: Permanent Academic with Masters or Doctorates - UOTs



Source: www.satnonline.net.

It was not until Prof Roy du Pre became Vice Chancellor in August 2007 that he set the goal for lecturing staff to obtain their higher qualifications within a period of five years and the University also began adhering to the policy of employing academic staff with a minimum of a Masters degree to teach.

In respect of examining graduation, success, throughput and dropout rates the table 14 takes a look from the year of the merger until when the focus turned to becoming a UOT (2002 to 2007). Years 2008 and 2009 is added for information purposes to show steady progress in these key indicators. Graduation rate measures the number of graduates divided by the headcount enrolled in the same reporting year and this is expressed in percentage terms. The success rate on the other hand measures the full time equivalent (FTE) passed and this is divided by the full time equivalent (FTE) enrolled. Full time equivalent is a weighting attached to a basket of courses that a student enrolls for and this is used by the Government to work out an institution's subsidy. The DOE benchmark for success rate and graduation rate is 80% and 22.5% respectively. During the 2002-2007 period the DUT success rate has remained slightly below the DOE benchmark but certainly consistent. Similarly one could argue that the

graduation rate has been poor for the periods 2002 up to 2006. Since then it has improved to the point where it has now passed the DOE benchmark. Similarly the throughput rate declined so very slightly during the years 2003 to 2005. Since then it has been improving. Essentially throughput rate tracks a cohort of students registering for the first time for a diploma programme in a reporting year and shows the percentage that has completed in the minimum time period. So as an example, students who enrolled for a three year diploma in 2005, only 27.8% of these students managed to complete their qualification within the set time period. The dropout rate tracks a cohort of students, registering for the first time for diploma programmes, in a reporting year and have not completed the programme in a minimum time and did not register in the next year. The figures point to a consistently high dropout rate at DUT.

TABLE 14: DUT KEY ACADEMIC INDICATORS (2002-2009)

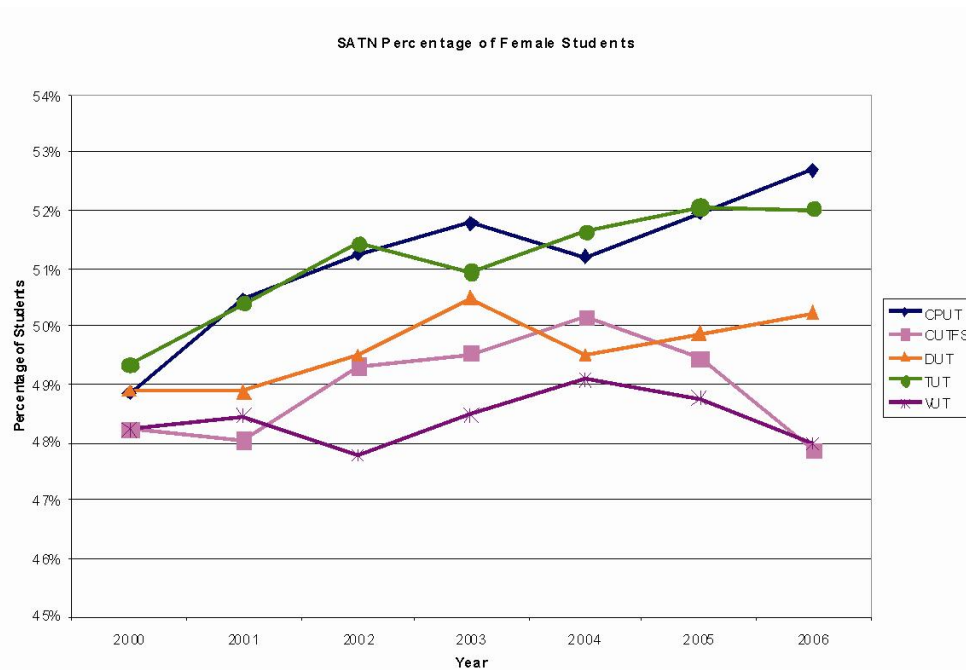
Year	Headcount	Graduation Rate	Success Rate	Throughput Rate	Dropout Rate
2002	20378	15%	72%	24.6%	unavailable
2003	20492	15%	77%	22.5%	49.5%
2004	21537	18%	73%	22.8%	52.6%
2005	22508	19%	74%	23.6%	46.0%
2006	22731	19%	75%	25.1%	44.6%
2007	22697	21%	75%	27.8%	45.4%
2008	22304	20%	76%	unavailable	unavailable
2009	24026	23.5%	76%	unavailable	unavailable

Source: Management Information Department

If we turn our attention to other indicators and compare the DUT with its sister institutions then in certain areas the merger did not have any effect, while in others the poor situation could be attributed to the merger. The graph 2 below shows the percentage of female students as compared to other UOTs and here we find that DUT does well having just over half of its students being female. This is an important goal from a national education perspective. One of the stronger points of UOTs is the need to have a higher percentage of student FTEs in science, engineering and technology (SET) type programmes. The DOE benchmark in respect of percentage of student FTEs in SET is 50%. As of 2007 this figure for DUT stood at 40%. While this is not necessarily a bad picture, the graph 3 does point to pattern of decline over the merger integration and consolidation period relative to the other UOTs.

Two reasons have been mooted for this development, the first being a general decline of students with mathematics and science coming out of the schooling system. Those students with mathematics and science prefer to attend the traditional universities. The second reason according to staff involved in student enrolment was the result of integration of academic departments in these areas.¹⁷⁷ Some departments cut their intake of student numbers on the basis that there were limited teaching and laboratory facilities. The second semester intake of students particularly in the Faculty of Engineering and Built Environment were also stopped for a short period but since continued.

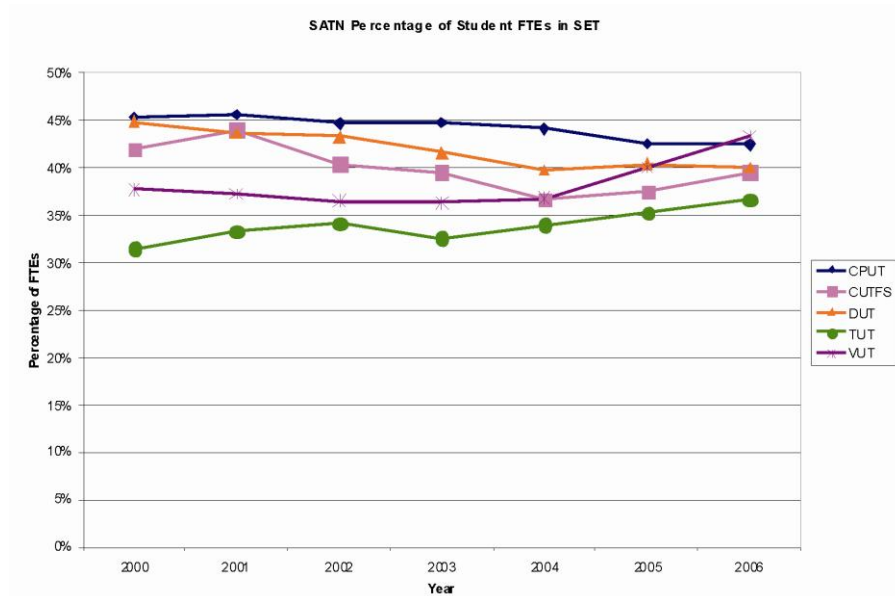
Graph 2: Percentage of Female students in UOTs



Source: www.Satnonline.net

¹⁷⁷ Discussion with staff involved with enrolment planning.

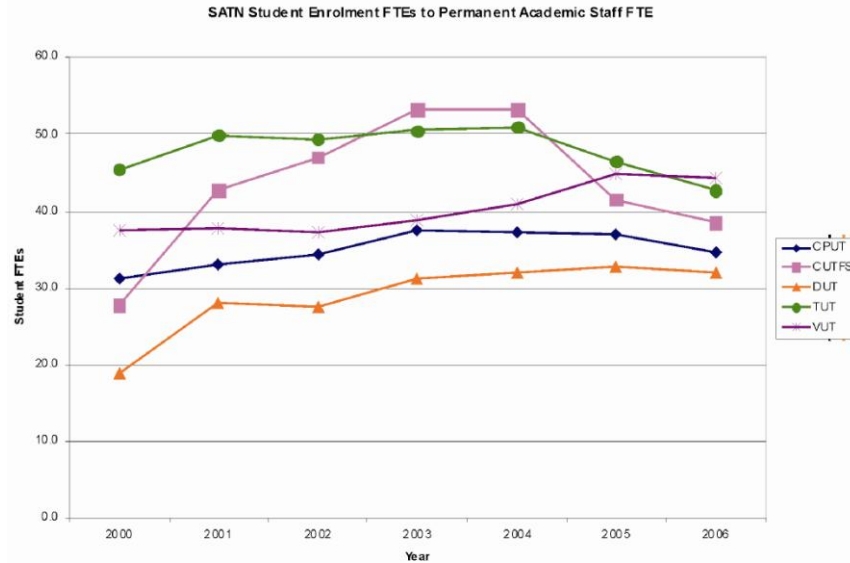
Graph 3: Percentage of Students in SET



Source: www.satnonline.net.

We finally take a look at 'student enrolments FTEs' to 'permanent academic staff FTE' in graph 4. The ideal student FTE to academic staff that the DOE prefers is for 1 to 20. DUT has the best ratio amongst the other UOTs close on 1 to 30. Two of the UOTs operate between 40 and 50 to 1 student FTE to academic staff. While the figure 10 shows a steady increase over the merger period, the combining of the both institutions academic staff has certainly assisted DUT in maintaining such a favourable position.

Graph 4: Student Enrolment FTE to Permanent Academic Staff FTE



Source: www.satnonline.net.

As this case study has unfolded, it would have become evident that this indeed has been a very difficult merger. So the obvious question would have been, when did some normality return to the university? Or put another way when did the institution and its constituents come to realize that attributing all ills of the institution to the merger can no longer be the reason. For many at the University there stood out two developments that became the turning and rallying point away from the destructive approach that had prevailed for such a long time during much of this merger period. The first related to the Higher Education Quality Committee Audit and this was undertaken in August 2007 and second was the appointment of new Vice Chancellor – Professor Du Pre who set the agenda for becoming a university of technology.

7.5. Quality Assurance and the HEQC Audit

The long run success of a merger is certainly affected by academic quality issues. Throughout this case description there have also been various incidents arising out of the merger that have negatively impacted on the overall quality of the institution. Any damage to the image and reputation of the institution is often immediately translated into a value assessment of quality. As Hall observed

during his study of higher education mergers in South Africa that, 'current experience at the institutional level indicates that quality management and quality assurance in particular are given too little attention in the early phases of merger...' (2004 :135). Prior to the merger, Technikon Natal quality matters were incorporated together with academic development in one office while at M.L. Sultan a separate office was set up. The early stages of the merger saw a low key role played by the quality specialists. This all began to change in 2003 and since then they have been pivotal in supporting the academic endeavour as well as establishing the quality consciousness of the university. The other important development during the merger integration phase was to ensure that the quality portfolio fell under the Vice Chancellor and not with the DVC Academic as had been the case in the past. Over the last few years the Quality Assurance department painstakingly put into place processes, procedures and structures so that the University can respond to overall quality issues in a holistic way. What remains to be seen like all matters of quality is whether this translates into substantial quality gains as demonstrated by the respective academic departments and specifically by the end products which is the students. This unfortunately takes a significant amount of time for a newly merged institution to accomplish.

As pointed out earlier, the HEQC audit of the institution in 2007 had the effect of redirecting the energy of all staff towards a common goal. When it became known that DUT was going to be audited, within a short period aided by the quality assurance department, staff largely set aside their differences, which up until then could be associated with the merger. As expressed by several staff members, the audit had galvanized people into action to portray a united front and not to let the institution down. It was not uncommon for all the unions to sit down in several meeting with Management and agree a set of HR policies which up until then was stuck in several negotiations and discussions.¹⁷⁸ The same level of preparation went into academic departments and some support areas. As the Chair of the Audit Steering Committee observed there were equally notable non-active role players for example the Vice Chancellor, Cooperative Education and Finance.¹⁷⁹ In the end the report from the HEQC was balanced and pointed to many positives and equally what ought to be done over the next few years. Interestingly many of the observations made were already acknowledged by the DUT community as matters that ought to be dealt with

¹⁷⁸ Minutes of the HR policy meetings. 2007

¹⁷⁹ Observation made by Professor Malcom Wallis, Chair of the Audit Steering Committee.

even prior to the audit.¹⁸⁰ One of the important recommendations taken up with gusto by the new Vice Chancellor (who was just appointed at the time of the audit) was to create the necessary mechanisms and processes for different layers of the institution to engage with the conceptualization of ‘university of technology’.¹⁸¹

7.6. Changing Direction- A University of Technology

As pointed out earlier that technikons were redesignated ‘Universities of Technology’ in October 2003 by the Minister of Education–Professor Kader Asmal, however for the DUT this name change only occurred in March 2006. Up to that point it still continued and operated as a technikon. When the Minister established universities of technology there remained no clear definition or position paper on what this new type of institution was about (Reddy, 2006). Rather the Department of Education left it to the new group of UOTs to provide the details of what differentiates this type of university from other types’ namely the comprehensive and traditional universities.

The important question here is: did the merger related problems in any way detract the institution focusing on becoming a UOT? This question has both a ‘yes and no’ answer. The yes would talk to the lack of focus since becoming a UOT in March 2006 apart from, the visioning statement under the leadership of Professor Goba.¹⁸² The fact that very little else was done in the subsequent period would be attributed to the ongoing problems at a governance level and other merger related problems. Therefore when the new Vice Chancellor Prof Du Pre took office in August 2007, his constant theme to the DUT community was that the institution was left behind in comparison to other UOTs that had merged a few years after the DUT.¹⁸³ He supported his argument largely by comparing the DUT’s position in respect of student success rates, graduation rates, staff with higher qualification against the DOE benchmark indicators and other UOTs. The Vice Chancellor also pointed to a number of processes, procedures and practices pertinent to ‘universities’ that was absent at the DUT.

¹⁸⁰ Comment made by the Director of Quality and other staff members who attended the verbal feedback from the HEQC committee.

¹⁸¹ HEQC audit report on DUT.

¹⁸² See vision and mission documents produced in 2006

¹⁸³ Vice Chancellor- Professor Du Pre made these comments in several addresses to the DUT community.

Those that would say 'no' would argue that in any event the notion of a UOT was relatively new. This did not only affect the DUT but all other UOTs were also grappling with what it means to be a UOT. Although as a sector the Technikons pushed for the name change to UOTs, there remained significant work to be done to flesh out and differentiate this from other types of universities. The other merged universities of technology were equally experiencing merger difficulties and could not have paid significant attention to unraveling this type of institution. The UOTs only managed to organize themselves as a distinct group within the Higher Education South Africa (HESA), towards the end of 2007 calling themselves the South African Technology Network (SATN). This body became the catalyst for the very extensive work to give shape and meaning to what is a UOT. Therefore, if one has to rely on the above arguments, for the DUT this would have meant that the merger difficulties and problems may have had very little to do with slowing down of developments necessary to reach the goal of becoming a fully fledged UOT.

Finally it is worth considering the observation made by Du Pre in his seminal work on UOTs, 'It must therefore be recognized and acknowledged that South Africa's Universities of technology are on a developmental trajectory and should be given sufficient time... to develop into fully fledged universities of technology, able to hold their own with international counterparts. ... Incidentally, these needed about 10-15 years to get where they were" (2009: 60-61).

7.7. Summary

One cannot help but ask why this merger, so long ago conceived, but only came to fruition in 2002, many years later. Leadership was certainly an important factor, as was the steadfast resolution of the Councils to continue and realise the merger of these two institutions. Equally significant was the attitude of the Government. All indications of a changing higher education landscape were not only on the horizon but were developing rapid momentum. If these two institutions did not take the plunge voluntarily, then the Government would have certainly stepped in and merged both institutions and that was certainly a widely held view at the time of the merger. Therefore the experiences of this merger indicates a situation where a substantial number of people and interest groups, through this voluntary approach, were taken into the merger still holding onto their notion of their previous independence and this became a tussle within themselves in changing their preformed attitudes about the merger, the other side and the culture of each institution.

Throughout the three chapters devoted to the DUT merger case study, events have been recounted as they have unfolded. The narratives in the case study have been captured through the conversations sometimes formal and other times in the door way or the corridor of an office, documents, questionnaire and the researcher himself who had such a rich first-hand experience with this merger. There is no doubt the information extracted not only sheds light on the historical developments of the merger, but when constructed paint a significant picture of human emotions, anxieties, fears and trials and trepidations of those affected by mergers. This case can never be complete as so many individual stories and explanation for what had happened in the DUT remain difficult to capture. However the description allows us to capture the essence of a higher education merger.

CHAPTER 8

DISCUSSION OF THE CASE STUDY

8.1 Introduction

The previous three chapters examined the DUT merger case from a historical perspective which included the pre-merger planning phase, followed by an examination of the process of integration, with the final chapter dealing with consolidation and the settling in of the new institution. This case study is brought to closure in two parts; the first is a brief reflection of the case and the discussion of the findings in relation to the relevant theoretical and empirical literature. The discussion addresses the primary research questions of this part of the study: 1) what can be learned about higher education mergers as examined through the Durban University of Technology (DUT) case study? 2) What are the factors that shaped the merger process at DUT? 3) To identify and examine the key merger process steps or actions which ought to be undertaken in order to conclude a higher education merger satisfactorily. 4) Are there fewer merger steps /tasks to be undertaken in voluntary merger as compared to forced mergers? 5) What conclusion can one draw about the “success or otherwise” of the DUT merger? The second part draws conclusions on the micro study of mergers.

8.2 Reflection of Case

It may be useful to briefly take a look at the merger in terms of the context, the role players and the process. Both institutions were ‘technikons’ and continued to be technikons until the re-designation to University of Technology occurred in 2003. This is an important similarity that would have assured greater success of a merger, as compared to Comprehensive Universities that were formed out of mergers between technikons and universities. Under these circumstances one could conclude that this latter type of mergers would have posed a greater number of challenges from an academic perspective. This has borne out by the Australian experience(Mahoney, 1995).

The second contextual factor is that this was a merger of neighbouring institutions; the main campuses of both institutions were literally separated by a fence. Merger literature points to this being a factor associated with merger

success. Mergers separated by large distances continue to pose grave administrative difficulties as is evident by the following South African higher education mergers of University of Limpopo, Walter Sisulu University and the North West University as examples.

In terms of other similarities, these two institutions provided largely the same educational programmes (mainly undergraduate diplomas and a sprinkling of postgraduate offerings) in similar fields of study. The vision and mission statements of each institution were largely similar – “to offer technological education in Africa”. Harman and Harman (2003) suggest that mergers appear to work better when the missions are complementary, to that I would include the ‘vision’. Hence, complementary vision and mission would tend to be one of the elements of a ‘horizontal’ merger type. Horizontal mergers take place between two or more similar institutions. Despite being a horizontal type merger, the DUT merger had its fair share of problems. This reinforces the point that while merging institutions with similar characteristics and make-up should be more successful than ‘vertical’ mergers (e.g. between a University and a Technikon) the contextual factors certainly affect such success.

From a merger context, both institutions were of similar size and any notion of one dominating the other based on size was eliminated. Lang and Eastman (2001) observed that where mergers of institutions of similar size take place the reality is the creation of something new. Alternatively where one institution can dominate the other because they are much bigger the result is very often an incorporation or absorption of the smaller institution. However, even under these circumstances a smaller specialised entity for example a college of education maybe able to flourish under incorporation provided it has no equivalent department or unit to integrate with. The School of Education at DUT, having been incorporated into Technikon Natal, found an opportunity to flourish within the new merged institution, largely attributed to not having to merge with any internal department because it offered programmes at an undergraduate level, while the internal department primarily was concerned with postgraduate training.

Both institutions tended to draw from the same pool of South African students that sought a career focused technological education programme. While there were 31 programmes duplicated at each institution, there were 36 and 18 different programmes at Technikon Natal and M.L. Sultan Technikon respectively. These programmes differed in so far as the teaching methodologies and approach were concerned. Important is that mergers in the

same fields present different challenges and opportunities as compared to mergers in complementary fields. As Lang and Eastman observed, there should be less disruption in complementary fields with far more opportunity to extend the breadth of the offerings of academic departments(2001). The opposite generally holds true for offerings in the same field.

The last decade saw a gradual de-racialization of the two institutions' student profiles from being primarily White and Indian respectively to the majority of students now being African at both institutions. Although this factor would have little relevance for merger process in general, it would however be relevant in terms of the intended South African merger outcomes. That is to ensure that greater access was given to previously disadvantaged students because of the apartheid policies.

Another close similarity was the employment of professional staff which showed that M.L. Sultan Technikon employed approximately 362 professional staff in 2001, while Technikon Natal for the same period, and employed 334 professional staff. In contrast Technikon Natal employed a far higher number of non professional than M.L. Sultan Technikon for the same period, almost 110 more staff. The staff in both institutions was unionized and was relatively strong in comparison to many other traditional universities. On the academic staffing side, both institutions were comparable in size and power. The student numbers were similar for both institutions. The one exception to the notion of size and power was the vast difference between the both institutions in terms of financial resources, with Technikon Natal in a financially very weak position closer to the time of the merger. It has been speculated that differences in size and power actually facilitates merger, while institutions that are relatively equal in size and power result in greater uncertainty in achieving the merger outcomes. Goedegebuure hypothesized that "uncertainty has been assumed to be inversely related to autonomy"(1992:129). Hence, merger uncertainty is maximized if the partners are of equal strength. Simply put, none of the partners will be willing to give into a range of issues thus becoming dependent on the other. This would explain why finalizing a written memorandum of agreement of the DUT merger never took place. Once M.L. Sultan Technikon realized that they were financially stronger, they launched an offensive against Technikon Natal, particularly through their unions. There was even talk of them taking over of Technikon Natal rather than continuing a merger of equals. Therefore Technikon Natal became quite vulnerable shortly before the merger. At that point M.L. Sultan Technikon negotiated from a dominant position because of

possessing the critical resources and was less threatened by the merger process as compared to Technikon Natal.

However the fundamental difference was that both these institutions were established many years ago in a political and ideological environment of apartheid. Hence, like many of the other mergers in higher education that have taken place in South Africa, this was to some extent a cross racial merger – between a historically advantaged White institution (Technikon Natal) and a historically disadvantaged Indian institution (M.L. Sultan Technikon). Despite many similarities that would have favoured a smooth merger, the historical and political legacy of each institution was a factor that carried significant weight which prevented the smooth blending in especially of staff. From a financial perspective, while the operating incomes of both institutions were similar, Technikon Natal's precarious financial position closer to the time of merger became the catalyst for staff at M.L. Sultan Technikon to demonstrate their unhappiness with the merger.

The decision to merger pre-dated the advent of a post-apartheid democracy (Chalufu, 2002/2003). Secondly, this case remains the only voluntary merger of a Public Higher Institution in South Africa in that the merger was mooted by the respective Councils of the two institutions long before Government began a restructuring exercise of the higher education sector with mergers being a preferred instrument. Despite these distinctions applicable to this particular case, the government came to play a very important and crucial role towards the final stage of the merger. While the government acknowledged that this was a voluntary merger it did see this as the start of the restructuring of the South African higher education system. For this reason, when the Minister of Education realised that there were pre-merger problems, he intervened decisively. The other important contextual factor is that government was clearly unequivocal about ensuring that funding was available for the restructuring. This is in contrast with experiences from other countries where the outcome from the merger was a demand for savings (Lang and Eastman, 2001; Harman, Goedegebuure, 1992).

8.3 Factors Shaping the Merger Processes

Few would disagree that a unitary merger is the most complex in the continuum of various forms of inter-institutional cooperation. Often a little change is in itself strenuous and quite arduous to deal with. In the South African merger context this change was of a significant magnitude relying on a number of factors which would have shaped any merger process. This would include the nature and role of leadership, the role of the unions, the role of student leadership, the reaction and resistance of staff to the merger and difficulties associated with merging diverse cultures. While these factors would generally be present in all higher education mergers, the varying degree of intensity of a particular factor is dependent on the particular merging environment and the merging partners. In the case of the DUT merger, the role played by unions and staff (read as interest groups) was by far greater in shaping the merger processes as when compared to student leadership. These factors are dealt with further on.

The DUT merger experience allows one to draw a distinction between what I term the technical merger issues and the soft issues. Both are critical if one wishes to make an assessment properly of the success of a merger. Technical aspects of a merger would simply be those aspects that have to be done to ensure the physical merger of two or more institutions. As a way of illustration, planning and preparing the legal steps and processes, would be one, another is appointing a new Management team or the joining of two similar academic or administrative departments. Thus a merger can be 'technically' completed, yet it could be an unsuccessful or partially successful. Alternatively it can continue to be beset with a variety of problems which then delays the technical aspects of the merger from being concluded. In a sense it is the soft issues which shape the merger process. These soft issues largely relate to people, the consultation with stakeholders, the negotiations and the cultural dimensions. Many would argue that making such distinction serves very little purpose given that merger processes are totally integrated. The experience from the DUT merger points to this. Where mergers are 'forced' or rather government initiated, the experience points to the technical aspects being largely completed, even while the soft issues of the merger may give the impression that the merger is floundering. Rowley's findings points to a considerable success of higher education mergers than mergers in industry(1997). Fielden and Markham's(1997) observation that up to 57% of business mergers appear to fail in the long run and three years following the merger were lagging their competitors. One could then speculate that whereas in 'forced' higher education mergers, the technical elements can be concluded between six to twelve months but the soft issues can only be dealt

with through the passage of time. That is why mergers can take up to ten years to be fully bedded down and the organization normalized (Millet, 1976; Goedegebuure, 1992 and Skodvin, 1999). Despite the problems associated with merging, this would therefore account for the greater success of higher education mergers.

Given the above context, what follows is an examination of the factors that shape the merger process and we look at the nature of leadership, the role of unions and students, and the impact of culture on merging.

8.3.1 Impact of Leadership and Management on Mergers

The quality of the leadership and management provided at all levels will invariably decide how rough or smooth the merger experience will be for that organisation. Ample evidence is available in the recent South African higher education sector history to point to a relationship between strong leadership and management in an institution and institutional stability (Mail and Guardian-higher learning, 2009). Looking through the DUT eyepiece confirms the adage of Yukl that effective leadership has become a *sine-qua-non* in modern organizations (1998: 438). Vinger (2005: 5) quoting Brunyee (2001:11) points out that South African higher education sector is experiencing what is termed, “discontinuous change”. By this, it is meant that the environment does not allow for learning, neither does the institution’s past prepares it for the future. Consequently traditional management and leadership approaches cannot be successfully applied. This argument resonates well with change of a significant magnitude, such as mergers in the South African higher education sector did.

If leadership and management’s role in shaping the DUT merger processes are examined in light of the above arguments, it then becomes easier to offer an explanation for many of the incidents described in the DUT case study. If this was not the case, then Management simply becomes a convenient scapegoat for all the ills of the merger and the post merger trauma that may have afflicted staff, this would rather be a too simplistic explanation not only in the DUT case but for all other mergers.

Given the period of study, the role of leadership and management in shaping the merger process has been quite varied. In the pre-merger stage, the initial indications point to a general acceptance by stakeholders of the need to merge. As interviewees pointed out “Professors Khoapa and Goba were trusted that

they could successfully lead the merging of the both institutions". The reasons for this were to be found both in their personal styles, but more so in that they had preached 'development'. In a development context, staff would buy into the change because there is a future for them in the new institution. However, with the resignation of Professor Goba of M.L. Sultan Technikon closer to the time of the merger meant that, it would have required greater effort on the part of the new leader of M.L. Sultan Technikon and the Vice Chancellor of Technikon Natal to build a collegial working relationship. However time may have been against this happening. Other developments occurring at the time of the merger, for example the financial trouble of Technikon Natal and the reaction of the unions towards the merger meant that each leader and to certain extent their teams turned 'inwards' to support and protect their own institution's positions. The DUT case study also points to evidence of leaders/managers not only acting parochially but attempting to solidify their own positions through such an approach.

Despite the various ongoing problems, the role that the leaders and managers played in ensuring that the merger took place cannot be underestimated. For this to have happened several technical merger elements needed to have been completed timeously. These included the legal matters, the name, setting up an interim governance structure, establishing the rules for the academic programmes, fees for new programmes and communicating important merger information. The leadership and management continued to play a similar role in the post merger phase. While the DUT integration took place against the backdrop of many people problems, the integrating of academic and administrative departments and the student body was a clinically approached exercise by the leadership and managers. In many ways this was very useful, in that structural integration had taken place, but not necessarily the soft issues that bedeviled the merger. The obvious conclusion that can be drawn from this is that the role that leaders and managers played in the merger processes is a traditional one and while it still remains important to get aspects of the job done, it may not be sufficient when major change and transformation takes place.

All indications from the DUT merger experience points to the fact that it was extremely difficult. There is fair amount of literature evidence to suggest that higher education mergers are connected to problems, stress, fear, inadequate planning, tensions and conflict (Skodvin, 1999; Schraeder, 2001; Soobrayan, 2003 and Sooklal, 2005). It would seem and supported by higher education literature that leadership is extremely important before and after the merger. The success of the newly merged institution is dependent on the vision and the

direction that the Vice Chancellor takes. Therefore to succeed under conditions of extreme change, the notion of 'transformational leadership style' is the way to go and will be effective in completing mergers successfully(Wan.2008:24 quoting Middlehurst, 1993 and Locke, 2007). Transformational leaders are those that change an organizational culture by introducing new beliefs and goals and get members to redefine their roles. Such type leaders are able to generate commitment from their staff towards a goal of creating a new institution. Under these conditions the leader ensures the growth of others by inspiring them with a new institutional vision. Vinger(2005) sees transformational leadership as how leaders can initiate, develop and carry out significant changes in organizations.

In 2007, Professor Roy Du Pre assumed the Vice Chancellor position at DUT and probably for the first time there was an attempt of transformational leadership style. Many DUT insiders would argue that he assumed the mantle at the tail end of the merger and therefore this would not count. However, through this style of management, he was able to shift the direction of the university substantially towards becoming a University of Technology. This was also an opportunity to lay to rest the merger. We contrast the above style of leadership and management against the approach taken by the leadership and management during the integration phase of the merger. This leadership and management approach was largely top-down that resulted in many technical aspects of the merger being concluded but never satisfactorily dealing with and managing the softer issues. This latter approach also did not engender any loyalty from lower level Managers towards the Top level Managers, to the point that it may even worked against them.

8.3.2 The Role of the Trade Unions

A cursory examination of the DUT merger would immediately point to the very significant role and influence that the trade unions had played in shaping the merger process. Invariably an examination of the trade union role will be lacking if this was not linked to the human side of the merger together with the role that other stakeholders had played.

Researchers have pointed out that generally far more attention is paid to the legal, financial and operational elements of mergers. However, executives that have been through such a process testify to the human side as being the most critical element(Schuler and Jackson, 2001: 242). The neglect of the human side tends to be taken up by a variety of stakeholders groups including trade

unions. The DUT experience shows that, both institutions were unionized by rather powerful trade unions as compared to the rest of the traditional universities in South Africa. This factor alone should have been a powerful warning to the leaders and managers to plan an inclusive process far more carefully than what occurred. The first indication of Union/staff unhappiness about the Merger investigation/process was expressed very early in 2000 followed by their domination of the Imbizo, where they complained bitterly about being not consulted on the merger matters. Once the unions were brought into the process at COT, they played a reasonably meaningful role. The conclusion is that in a major change process, it is far better to be 'inclusive' than to exclude interest groups.

Including major stakeholders in a process is not enough and it requires constant intra-organisational bargaining (negotiations within stakeholder groups) to ensure that the main outcomes of the change desired is realized. This is evidenced by the reaction of the trade unions from M.L. Sultan Technikon who a few days prior to the finalization of the merger, launched an urgent Court interdict. As trade union leader pointed out, there existed some support within certain quarters of the Unions wishing for the merger not to go on as planned, yet this group was part of the Committee taking decisions to ensure that the merger took place. While it can be argued that there may have been justifiable reasons for this behaviour, it reinforces the notion of power and where this lies during merger negotiations and discussions.

This case study also points to another interesting phenomenon that is the power accorded to the unions by individuals who were in powerful positions but could not exercise their power sufficiently without the assistance and support of the trade unions. These individuals then attempted to align themselves with such powerful structures such as trade unions within the institution in order to accomplish their own end goals. An example cited by interviewees was when member/s of Management may have wanted particular information from the other side during the pre-merger period but were unable to obtain it. The strategy was to drop hints to the union leaders often resulting in the unions now taking up the fight to obtain the needed information through the relevant committees. This type of development in the long run also accorded the trade unions far greater influence in the merger processes than what would have been traditionally acceptable. This power of unions has also been demonstrated by Nutesa and Nehawu of M.L. Sultan Technikon taking the Government and the Councils to Court in order to halt the merger for a variety reasons already discussed earlier.

The merger had an effect of polarizing relations between the unions of the both merging partners. The respective unions i.e. Nutesa and Nehawu were branches of National unions and should have themselves physically merged shortly after the new institution was established. Given the difficult relations between these union branches, merger between themselves took place much later than one would have expected. This however was less so for the Nehawu branches than for Nutesa. These poor relations were not surprising as each branch sought to protect its own member interests. One of the consequences of the inter branch rivalry was that, by the end of 2003, a splinter union, Tertiary Employees National Union of South Africa (TENUSA) was formed supported largely by ex M.L. Sultan Technikon staff, many of whom resigned from Nutesa. This impacted further on an already difficult merger process, by requiring the Management to consult with a third union.

At a pragmatic level the poor relations between the unions from each of the merging partners, can be traced to the work undertaken in the Human Resources task team. The task team made good progress in reaching agreement in a number of different aspects of the Conditions of Service. However with certain Conditions of Service items, strong disagreements took place between the parties. One example was the salary scales for the new institution, where the members of the Committee took a partisan view of such harmonization, with each union trying to protect their own staff of their respective Technikon, as compared to agreeing on something that made sense for the new organisation. Technikon Natal unions want harmonization of salaries, while M.L. Sultan Technikon unions simply wanted the pay scales lengthened and to retain their existing salaries within the lengthened pay scales. Salary discrepancies between the staff of both merging partners continue to plague the merged institution up to this day.

While the above assessment seems to be what trade unions traditionally do, their influence extended beyond the protection of worker rights. They were instrumental in influencing decisions related to the appointment of Executive Management, as well as in the Governing Body. In respect of the latter the only known example was stopping the AIMS findings from being implemented. The unions also sought the intervention of the Department of Education about the University problems.

8.3.3 The Influence of Culture

Both institutions offered similar programmes which were complementary in many respects, a feature associated with successful mergers. Despite these favourable characteristics, the DUT merger was at best difficult in a number of ways. The reason for such difficulty can be found in the cultural make up of these two institutions, a critical element in any merger process(Harman, 2002). The cultures of these institutions were shaped by the history, political climate and racial orientation at the time, coupled with the availability of resources.

Any attempt to create integrated and coherent educational communities from the merging of cultures that are historically and symbolically non complementary poses enormous challenges to higher education leaders, education planners and political leaders(Martin and Samels, 1994; Harman, 2002 and Harman and Harman, 2003). Even when merging institutions are highly compatible and could achieve profitable merger synergies, they often possess underlying cultural differences that can harm their integration(Wan, 2008 citing Buono and Bowditch, 1989). Central to notions of culture are entrenched history, saga, beliefs, customs, loyalties and traditions which are transgenerational, cumulative and symbolic(Harman, 2003). Both in organisations and in academia, these cultural elements are deeply embedded. The more intense a culture is the more influence it will have on the organisation.

The leaders of DUT's merger had particular difficulty in managing the divergent campus culture in its early post merger days and this explains why 'people merger' related difficulties continued to persist for many years after the merger. In many ways as integration unfolded, the creation of a coherent educational community that displayed high levels of cultural integration was lost on the new merged institution. From an academic cultural view point, M.L. Sultan Technikon operated on a centralized system and control, while the opposite prevailed at Technikon Natal. Therefore when the model of decentralisation was chosen to be implemented in the new institution, this was not welcomed in every quarter. It was reported that the Finance Department was uncomfortable with giving up their centralised mode of operation. Staff members in particular from M.L. Sultan did not have experience with running a multiple campus operation and there were even suggestions that the Midland campuses should be closed down and attention to be given to the running of the Durban campuses. While this was put forward as money saving exercise, in reality this could be construed as managers who had difficulty in having to operate in a multi-campus environment.

Much of the conflict was also set in the historical divide. For M.L. Sultan Technikon, they relied on their historical disadvantaged status to fight their differences with the other side, while in the case of Technikon Natal, the reliance of them being a superior institution to push through practices which may not have been allowed under other circumstances. These were often matters involving academic programmes and what to teach.

In many ways the move towards a more integrated culture started to occur when the focus turned towards a new vision of becoming a University of Technology. As Wan (2008) observed that the integration of cultures does not equal assimilation. The concept of an integrated 'happy family' culture based on consensus is not a realistic nor useful way to view institutional culture. Institutional culture certainly spans the spectrum from vision to daily administrative procedures, from governance to management and it permeates all levels of the institution and the entire institutional community. Hall, Symes and Leucher observed culture is likely to play out at the micro-level in ways that may appear insignificant but could prove to have substantial impact on the ease with which institutions that have distinct traditions and codes are merged in practice (2004). Therefore incompatibilities with respect to different institutional conventions have the potential to cause misunderstandings and conflict. This may result ultimately in the unravelling of the institution's mission from within by destroying the identity and value system. The DUT certainly had a taste of such conflict together with an ambivalence of what was the DUT culture post merger.

8.3.4 Other Factors Shaping the Merger Process

Given that students are the most important stakeholders in a higher education institution, it would be expected that they would significantly shape any merger process. However there is little evidence in merger literature and supported in the DUT case study that they played a significant and influencing role in the merger. While it is acknowledged and this is borne out in the DUT case that students do experience varying levels of difficulty arising out of mergers or incorporations, they are far more tolerant to the changes taking place even when they are severely prejudiced or inconvenienced. One of the reasons for this is that University Managers tend to be a little more in tune with student feelings and tend to make decisions that minimize these discomforts. The typical example in the DUT merger was to allow the pipeline students to retain the name of the institution, on their certificates, for which they had originally

registered. Legally speaking there would have been no reason to do so, except this was done in order to treat student requests with great sensitivity.

Another factor that has been deeply embedded in the DUT merger has been 'politics'. There is no doubt that the politics of Government and the institutional politics shaped the DUT merger. The significant example was the role that the unions came to play in the merger. This research confirms Jansen's thesis that merger origins and end cannot be explained by conventional wisdom only (2002). Jansen while not negating the resource dependency perspective put forward by Goedegebuure(1999), sought to provide an alternative explanation, namely "that politics and political explanation might provide more trenchant explanations for the rationale, the resistance and the results of mergers especially in contexts with strong traditions of stakeholder politics and in which institutional identities are racially fractured, financially unequal and historically recent in formation"(2002: 3). Higher education mergers in South Africa cannot be disentangled from a racially based past. Therefore from a macro political perspective, Government directed the restructuring of the higher education system through the instrument of mergers and was willing to ensure that it dealt with this through the power of its purse string. Similarly at an institutional level the politics of interest groups shaped the processes and outcomes.

8.4 Merging Steps

Based on the DUT experience, the conclusion reached is that merging process could be made up of three phases. The first one is the premerger phase, followed by the integration phase and finally what I term the consolidation phase or the settling down of the newly merged institution. The term consolidation as part of merger process is used here specifically to denote the total completion of all merger steps and a refocusing/repositioning of the new institution strategically. Although various writers suggest many more phases (Goedegebuure, 1992; Martin and Samels, 1994; Lang and Eastman, 2001 and Harman and Harman, 2003), others like Wan(2008) suggest that there may be two phases. There is no intention of dispelling the views of other writers on the number of phases and there is even some agreement that one could divide the merger process into further phases. What is clear is that there are a number of merger steps that ought to be carried out under the different phases. The DUT experience points to at least the following steps:

8.4.1 Informal Discussions with the other party

Most mergers are often initiated through informal contact. This was evident by the meeting over lunch of the two Vice Chancellors of M. L. Sultan and Technikon Natal way back in 1996. Informal discussions provide the opportunity for the institutions to decide whether it is worth commencing formal merger talks with the other institution. The informal discussion step is of greater significance to mergers that are of a voluntary type. This informal approach may result in some gathering of information, which can assist in deciding whether to formally pursue the intention to discuss a merger of the institutions. The key role players in such early exploratory talks are often the Senior Executives and maybe a member of the Governing Council; such discussions are held confidentially. Where Governments are the initiators of mergers in higher education, this informal discussion step may become superfluous. However, there still exists some value for this initial step.

8.4.2 A Feasibility Study

The conduct of a feasibility study assists in helping one or both parties to decide whether or not to seek a merger. The undertaking of a feasibility study is strongly recommended for voluntary type mergers. Here the parties could determine whether their mission and strategic goals will be realized through a merger. An assessment of the merits of the merger vis a vis other alternatives need to be examined. The alternatives could be partnerships, outsourcing of certain programmes or even jointly running of courses. Such a feasibility study should definitely cover three areas, viz. academic, finances and organisation and cultural compatibility. Hay and Fourie, deem it necessary to consider the educational benefits to students especially in terms of access and programme choices(2002:126). They also suggest that in making a financial benefits assessment, details of how any cost-efficiencies would be reinvested.

8.4.3 Setting Parameters for Negotiations

An important element in preparing for negotiation is for the institution to know clearly what their objectives are from merging. Is the outcome to the merger going to be incorporation or an acquisition or simply the creation of a new unit,

department, faculty or a totally new institution? While the DUT merger was going to be a unitary merger, there were certainly models put on the negotiating table that had the look and feel of a federal system (the decentralised campuses model). The usefulness of setting parameters for negotiation also helps all those involved in the merger to understand the institution's purpose as well as to guide negotiations and planning. Furthermore the objectives provide the basis for post merger evaluation. The objectives for the merger also help protect those that are entrusted with negotiations for being held unduly responsible for all merger ills by their respective institutions observed Land and Eastman(2001). In the case of DUT, the Joint Councils at a conclusion of its proceedings in 1996 released a Statement of Intent. In many ways this became the broad parameters for the negotiations.

8.4.4 Communicating and Consulting with Stakeholders

Unlike business mergers, higher education mergers are far more successful if stakeholders are brought in early into merger preparation and planning phase. A shared vision and joint ownership of a merger plan is preferable as compared to a merger process that is imposed on an institution or its stakeholders. Lang and Eastman(2002: 222) says that "negotiations in higher education mergers rarely proceed in secret for long, it is wise to begin this groundwork early, so that the negotiations, once publicized are perceived as appropriate and legitimate and so that a positive foundation for eventual integration is laid". Therefore by beginning a consultative process early with stakeholders before any final decision is taken to merger or not, helps not only to get buy - in but also to allay fears. Also such an approach to higher education mergers helps to minimize pockets of resistance, anxiety and opposition to a merger. When a positive climate is developed, there are greater chances for merger success both in the pre- merger stages as well as in the post merger integration. Importantly in this early stage of briefing, informing and consulting with stakeholders is not to exaggerate the benefits of merger or alternatively to set unrealistic expectations of merger to win support. The widespread dissatisfaction and frustration will be felt if on the other hand reality points out that the merger was sold on exaggerated benefits to faculty and staff. By employing a variety of communication strategies, in the early stages of a merger, the questions and concerns of staff, students and other interested stakeholders can be factored into the process going forward. Such communication and consultation prepares

one's institution for merger. Failure to communicate on a regular basis only results in the development of a 'grapevine' with generally false information being transmitted. Frankness and openness even when there is little to report on, is a preferred way of preparing one's institution for eventual merger.

In several ways in the DUT merger, the communication and consulting could have been far more effective, which would have presented less opportunities for staff feeling aggrieved. Certainly there were communication bulletins and newsletters to staff, but the constant complaint in this case has been the perceived lack of consultation between Management and Stakeholders. This demonstrates that there were gaps in communication.

8.4.5 Approaching Merger Discussions

The form that negotiations take is largely dependent on the culture of the merging institutions as well as those entrusted to lead the negotiations. Where the positions of the merging institutions are close to each other, a far more collaborative spirit prevails. This would extend from high level negotiations down to the department/unit level discussions. Generally higher education mergers are not negotiated single handily by the Vice Chancellor, simply because of its co-operative form of Governance prevents this from happening. In most instances the composition of the team may include senior managers and Council members. In other instances there may be two teams, one comprising the respective Council members, Stakeholders and Management who deal with the high level negotiations and reach an agreement. The second negotiating team will comprise Management who will deal with the practicalities of the merger including pre-merger detailed planning and especially post merger integration. One consideration that should be given to merger negotiations is the possible use of independent facilitators. This is useful where there exists substantial interest differences between the merging partners, as well as when adversarial bargaining is the order of the day. The DUT merger established different negotiating structures. These included the Councils being involved in joint sittings to take high level decisions. The Executive Committees of Council were involved in monitoring the ongoing merger discussions and taking high level decisions on behalf of the Councils. The final groupings comprised Management and or various task teams at different levels involved with negotiations of the practical elements of the merger.

8.4.6 Undertaking Due Diligence

Generally due diligence begins early in the process with the gathering of information about the prospective partner/s. The detailed assessment is often completed ahead of any final decision to merger is taken. Due diligence and feasibility study is often undertaken for the purpose of higher education mergers. In both instances detailed collection of information on the merging partner is gathered and analysed. Some writers tend to view 'due diligence' as the collection of primarily financial information which would point to the institution's financial standing and also largely to the sustainability and viability of the new institution. From a higher education merger perspective it should be recognised that while the information is sensitive and confidential, the parties must understand that it is necessary that such due diligence be carried out and it forms part of the legitimate process. This assist in making the decisions on whether to proceed with the merger or even one party extracting further benefits before agreeing to merge. Even in government initiated mergers, it remains useful to carry out such an exercise. Given that due diligence is detailed and covers an extensive evaluation of the proposed merger; the following key issues are covered:

- Strategic fit –that is, what are the managerial strengths brought together as the result of the merger? This would include the academic synergies.
- Financial fit -examines how do the financial elements fit together which includes future government subsidies, student fees, cash flow projections, computer systems and audit and financial reports.
- Marketing fit – takes a look at the branding of the existing institutions and the effect this will have on the new merged organisation. Also what new branding plans will be required to redirect the new institution.

Due diligence must cover all major functional areas and this apart from finances, looks at human resources, student affairs, academic programmes and structures, the legal aspects of the merger and general organisation structures. Therefore information is sourced from: minutes of Council and Management meetings, financial records, student debt records, employment records, physical plant and property records, contacts with service providers, unions and consultants.

Merger literature contains many examples of both business as well as public sector mergers where due diligence was poorly undertaken resulting in the compromise of the institutions in the integration phase. The principal purpose of

carrying out a thorough due diligence exercise is to ensure that all types of risks can be minimized as the merger exercise unfolds. Therefore it is also vital to examine the cultural and human resource issues. Cultural due diligence takes a look at the institutions cultures and sees if the fit is a reasonable one, a sorely neglected aspect in the DUT merger. Often if the cultures are very far apart it will take much effort in the integration of its people and working units. The same applies to human resources aspects, where the respective organisation structures, its people skills, the pay and benefits and how to retain key personnel after a merger is decided upon.

8.4.7 Formalize Merger Agreement

Once an agreement to merger is reached between parties, this should be captured in a written document. This agreement should ideally be approved by the respective Governing Councils and the Government if they are required to do so. There is no specific formula for the construction of a written merger agreement and it could contain broadly accepted principles and action steps to be undertaken. Alternatively the agreement could be a detailed document describing pre-merger plans and agreement reach on a wide ranging items in respect of the merger. Ideally an agreement should contain the following elements.

- The description of whether the merger is a unitary institution or an incorporation or even part of a federal system.
- How will staff and student matters be addressed post merger? In the South African context the major tenets of Labour law have to be respected. Nothing stops the new Governing authority (Council) from developing a harmonised new set of Conditions of Service. This is a critical task that ought to be undertaken quickly in the post merger phase.
- Is the agreement a legally binding contract or it a simply memorandum of understanding?
- The date on which the merger will be affected. This may be dependent on Government approvals, legislation and the Minister gazetting such merger.
- The preparation tasks and steps to be undertaken before the legal merger date.
- The tasks that have to be completed during the transition phase and those that are left for merger integration.

Issues like financial matters, name of institution, the awarding of qualifications and management of pipeline students will have to be clearly set out in such a written document. The details contained in the written document may be implemented at different stages of the merger process.

The lack of a written document tends to increase the likelihood of problems in the transition or implementation phase (Lang and Eastman, 2001). This was certainly evident in the DUT case. Non binding agreements also result in issues being revisited during and post merger. Written agreements settle the question of whether a merger will occur and allow the parties to focus on transition and implementation.

8.4.8 Transition Planning

Transition planning is an important step in the merger process. A plan is put in place which should be supported by an appropriate level of human and financial resources. As part of the transition planning, the DUT merger required certain legal steps to be taken both at a Government level as well as at the local level. As this was the first merger in South African higher education, Government had to amend the Higher Education Act to accommodate restructuring and the creation of new institutions resulting out of mergers. It also had to ensure that provision was made for a new Interim Governing Authority. Additionally Government gazetted a standard statute pending the newly merged institution's Council developing its own statute.

A transition plan is developed to communicate to all stakeholders both internally and externally the following:

- What has to be implemented before the legal merger date, which is critical for the establishing of the new institution?
- What has to be implemented over a much longer period, i.e. post merger, and in what order of priority?

Such a plan sets out time frames and lists all participants or expertise needed to implement the plan. Literature points to the complexity of merger integration and implementation especially demands that are placed on staff. For this reason the ideal approach is to appoint staff to work full time on the merger. In the DUT situation the facilitators and consultants served this purpose. Included in this

transition is to ensure that a merger office if not already fully functional, is appropriately staffed and led. The DUT experience is not a good one in this respect, in that senior managers continued with their normal work as well as prepared for the merger. The only full time staff member in the merger office was a secretary. Majority of successfully merged higher education institutions across the globe recommend the establishment of a dedicated merger office, outside the existing organisational structures. The purpose is to provide support to the leadership, policy groups and merger task teams. The merger office may comprise specialist consultants that bring neutrality and tend to keep the merger process moving.

The role and function of the merger office is largely a coordinating one in the planning, preparation, implementing and monitoring. The following role and functions were performed by the DUT merger office which could be widely applicable to other mergers subject to the merging context:

- Act as secretariat for joint councils/joint managements and Transitional councils during the pre and post merger phases.
- Coordinate the implementation of the decisions of the Governing Council, Management committee and task teams.
- Established the Steering Committees, Task Teams and Merger Steering mechanisms.
- Undertake climate surveys and other studies to assist with the merger process.
- Act as a repository for merger documentation.
- Prepare plans, draw up agreements and coordinate merger activities.
- Oversee the work of consultants.
- Undertake and commission research on specific merger issues.
- Schedule and arrange meetings between parties and work teams.
- Serve as the point of communication for all matters related to the merger.
- Monitor and track implementation of plans.

Padayachee and Khoapa(nd) say that there should be no confusion in the minds of line managers as to the roles and functions of the merger office. In some ways the role of a merger office could be different in the pre-merger phase, where it reports to both institutions' Management teams. After merger its role could be redefined to one of monitoring and evaluation of merger integration, including ensuring that pre-merger agreements are implemented.

8.4.8.1 Transition – Planning Task Teams

An important aspect of transition planning is to establish joint task teams representative of staff of both institutions for the major administrative and academic functions either at a Faculty/school/department/unit level depending on the size of the both merging institutions. If it is a unitary merger with a totally new institution being the result, it is likely that a substantial number of joint task teams may be formed. It is important that these task teams be given clear terms of reference, deadlines and a protocol for reporting their discussions and conclusions. Often recommendations of task teams have to be approved by the main Merger Committee for e.g. a Merger Steering Committee and at times even by the Governing Council. In the case of unitary mergers attention is paid to planning and implementing administrative functional areas before integrating the academic departments and programmes. Therefore one will find that in the early stages of a merger most of the planning and preparation is centred around drawing up of plans for Finances, Human Resources, Governance, Strategic Planning, Infrastructure, Information Technology, Legal matters and Student Support and administration. These support functions are the backbone of the institution hence they are often addressed first. Only when integration of these administrative departments is completed, does it become practical to integrate the academic departments/units. Further, we find that generally academic programme integration tends to take place over a much longer period.

8.4.9 The Legal Steps to a Merger and the Role of Government

An important step is to consider all the legal ramifications of the merger. This is dependent on the legal status of the merging institutions. The role of Government in South Africa in transforming the higher education sector has been a profound one. Although the DUT merger is classified as a 'voluntary' merger type, as a public institution it received assistance and support from Government for its merger. Support from government for funding post merger costs of the new institution as well as grants for merger related costs must be addressed early during the merger planning phase rather than later. International case studies indicate that funding or subsidies went down, because governments held the view that efficiencies should be gained by merging. The South African legal requirements to merge include the gazetting of the new institution, the appointment of the Interim Council for an initial period of six months, the proposing of a name, the address of the new institution and the

fulfilling of certain labour requirements. Other legal aspects that ought to be addressed in the pre-merger planning stage includes the transfer of assets and finances.

8.4.10 Implementing the New Institution

The final merger step is to bring the institution into full existence. This would entail the announcement of the new institution, the launching of the interim or permanent governing body and the interim management or the building of a new Management team. The integration plans with deadlines and who is responsible for leading this effort should be widely distributed within the institution. In most higher education mergers the existing management teams continue to assist with the implementation of the merger until a new Management structure is put in place. This was the case at the DUT. Similar arrangements are put in place for all the functional areas below the level of Executive Management. The previous heads of the departments/units may continue to work jointly until new organization structures are agreed upon.

As pointed out earlier, the merger process steps described above are not a finite set, but if followed allows for mergers to be undertaken and concluded satisfactorily. The steps described above are very much the approach evident in the DUT merger.

Given that merging is a complex process with several key dependencies converging at specific times during the process of unfolding the merger, a number of key issues must be addressed as part of the entire merger chain. The issues outlined below are not conclusive and have been confirmed from a wide number of sources which includes the work of Geodegebuure(1992), Martin and Samels(1994), Fielden and Markham(1997), Harman(2000), Botha(2001), Lang and Eastman(2001), Tearle(2002), Hay and Fourie(2002), and Harman and Harman(2003).

These issues or considerations may not have been clearly evident in the merger steps described earlier, but are part of the steps and are addressed as the merger unfolds. The important ones are:

- What will be the vision and mission for the new institution? Without a clear vision and mission, one has great difficulty in rallying staff around a

new institution. For DUT the vision was clear in the pre-merger phase. However this got lost in the post merger integration and hence the University was late in beginning to focus on becoming a University of Technology. This only occurred in 2007 when Vice Chancellor Du Pre took office.

- Deciding the name.
- Establishing the Governance structures and membership of such bodies. While the South African higher education restructuring legal processes makes provision for an Interim Council, it is quite possible to elect a new Council to begin a term of office at same time as the merged institution is formed.
- During pre-merger planning and preparation there should be an agreement on the basic merger model. This would include, whether it is a federal or unitary form of merger? Alternatively is this an incorporation? What are the preferred administrative and academic structures? How will multi- campuses be organised?
- How does one deal with the Human Resources issues including staffing the new institution with heads of departments. How does one deal with the conditions of service, especially harmonizing disparate conditions of service between the merging institutions. How are matters of training and development, industrial relations (especially grievances) to be managed?
- What will be the approach to appointing Executive Management and other levels of Managers? Consideration should be given to what happens to the Executives that are not appointed to the new posts – under what conditions do they exit the system? The same applies to other staff members that cannot be accommodated in a new organisation structure.
- How will finance and budgets be managed in the new institution? In particular attention has to be paid to the opening of new banking accounts and closing of the existing ones. Importantly is the drafting of interim financial policies and procedures for the new institution and these ideally should be operational from the first day of the merger. Will there be a differentiated tuition fee system for students from the merging institutions versus first time enrolled students?
- How will new academic leaders be appointed?
- What new policies and procedures need to be developed for the different phases of the merger process?
- How best should the academic plan unfold? What programmes will be retained and what will be phased out? How will combined curriculum be

examined, reviewed and revised? How will quality matters be managed during the various phases of the merger?

- What will be the new student academic administration process and procedures? What new student rules need to be devised for the institution? Are there new rules pertaining to newly enrolled students as compared to students who are in the 'pipeline'?
- What will the new Faculty structure look like? How will we integrate departments and programmes?
- What kind of support system will be provided for students in the newly merged institution?
- How will physical integration be attended to in the various phases of the merger? This would include consideration given to staff and student movement to new or relocated facilities, reallocation and redeployment of assets, logistical arrangements, development and reorganisation of information technology including online services to the University community.

The above list of issues must be considered when carrying out a merger. They remain important matters if a merger is to be carried out successfully. The merger process steps described are largely technical in approach. However any merger is really shaped by a number of non technical factors and these radically alter the outcome of mergers. In addition to the ones discussed earlier, the question of voluntary versus forced mergers is commented on below.

8.5 Voluntary versus Forced Mergers

An important consideration for this research is whether a "voluntary" or a "forced" merger is a far more preferable approach, especially from the point of the level of difficulty in achieving a combination of separate institutions. Voluntary mergers take place when the institutions themselves initiate the merger, whilst forced mergers tend to be largely interventions or directives from governments. The general assumption that voluntary mergers are easier to organize, manage and are more successful is based on the view that there is greater involvement and ownership by staff and other stakeholders in negotiations and implementation of the merger (Harman and Harman, 2003:31-32). The DUT case remains to date the only voluntary merger in the South African higher education sector. Therefore does the DUT merger experience

teach us anything about whether it is easier to negotiate and implement voluntary mergers as compared to forced mergers?

In most countries higher education mergers have been involuntary in that governments have intervened directly to ensure that mergers do take place, often as a result of restructuring the sector (see Table 1). In other instances, governments have given general direction in the course of restructuring the sector, but largely left it up to individual institutions to decide on the question of mergers. In countries like Australia and the Netherlands, the governments have tended to drive home their policy reforms by making use of incentives (Harman, 1986:567; Goedegebuure and Meek, 1991). In these two countries, mergers took place both as a reaction to education policy and due to competition between higher education institutions.

Despite the assumption that voluntary mergers are generally easier to negotiate and execute because of the perceived greater involvement of stakeholders as well as the opportunity of the merging institutions to control pace and timing, there remains little evidence in the literature to show that the process is necessarily more successful. Neither is it evident that there are fewer merger steps/tasks to be undertaken in the process of the pre-merger planning, implementation or consolidation of the merger arising largely because it is a voluntary merger as compared to a forced merger. As Skodwin (1999) observed, it may often be difficult to ascertain whether the merger is forced or voluntary. His argument is that even voluntary mergers are forced by a variety of circumstances, amongst others, financial exigencies.

In the DUT case, the merger is often seen as being pre-emptive in that it was done voluntarily rather than waiting for it to be forced. While this was the case and was preceded by extensive pre-merger planning, the merger almost ran aground closer to the decided date. It took the firmness of Government to ensure that there were no further delays with merging. The DUT case provides no evidence to support the position that voluntary mergers are generally easier to negotiate and execute. If anything the DUT merger although voluntary was at best difficult. Probably a voluntary approach works well where the motivation for merger is financial considerations, as was evident in Western nations. In contrast the DUT merger although voluntary was largely motivated by national political considerations as well as the local context, especially the proximity of the two institutions.

8.6 Evaluating Merger Success

It should be relatively easy to answer such a question given that it is seven years since the merger but this is not the case. Conclusions reached on success or failures of higher education mergers are affected by the following considerations:

Timing of evaluation - an assessment done within a year or two of merging is not sufficient indicator of whether the merger is a success. Case studies have shown that it takes up to ten years for a higher education merger to be fully bedded down although the technical aspects can be assessed within six to twelve months (Martin and Samels, 1994). My observations also point to the conclusion that some of the most testing human relations and organization cultural factors tend to play up in the first three years. They may settle down later.

What factors should be taken into account to evaluate merger success or failure? If we turn to industrial/business mergers, evaluation is largely based on a limiting set of factors such as profitability, efficiencies and market share. In contrast higher education merger assessments are made against a wide range of factors, such as academic considerations, student integration, administrative procedures, financial sustainability and national objectives.

The final contextual factor that affects success or failure is the impact of Government or National policies. Although forced mergers are not ideal, the South African experience indicates that despite varying levels of internal strife and conflict between merging partners, Management and staff have tried their best to make the decreed mergers work. The mediating role by Government in mergers has significantly featured in measuring success or failure.

8.6.1 Assessment

This DUT experience at best was not a totally positive one and proved to be difficult especially through the merger integration phase. It is difficult to detail all the experiences in this case study to demonstrate the above point. However, seven years later the merger and its difficulties seem to be almost forgotten, with the institution beginning to display the vibrancy expected of a University. Further, it may be on the threshold of becoming a great higher education institution.

8.6.2 Macro Assessment

For a macro assessment we need to turn to what the Government or rather National policy intentions were in respect of mergers. In terms of the White Paper 3- A Framework for the Transformation of Higher Education(July 1997), in order to achieve the vision of a transformed higher education system of non-racialism, non-sexism and democracy, the following three objectives ought to be attained:

- Meet the demands of social justice to overcome the legacy of apartheid which distorted and fragmented the higher education system including resource allocation and access to institutions.
- Address the challenges of globalization especially the role that knowledge and information processing to drive social and economic development. In particular the higher education system must be able to produce the graduate with skills and knowledge to participate in a democratic society and the economy.
- Ensure that resources are effectively and efficiently utilized given varying competing needs and other priorities in the country. The system has been characterized by high dropout rates, poor throughput and graduation rates, low research outputs and the under-utilization of and physical resources.

Of further importance to our assessment is the National Plan for Higher Education released in March 2001. Goal Five was “to build institutional and organizational forms and new institutional identities and cultures as integral components of a single co-ordinated national education system”(Department of Education, 2001:68 - Draft National Plan for Higher Education in South Africa). In respect of this goal the priorities were as follows:

- To reduce duplication and overlap in programme and service provision.
- To promote the joint development and delivery of programmes.
- To enhance responsiveness to regional and national needs for academic programmes, research and community service.
- To help build academic and administrative capacity.
- To refocus and reshape the institutional culture and missions of institutions as South African institutions(2001: 68).

Based on the above vision, broad goals and objectives the DUT merger would be deemed reasonably successful. Other national objectives have been achieved largely over time. These were:

- the reduction of duplicated programmes, with there being 31 common programmes at the time of the merger. Since then further amalgamations between departments and programmes have taken place.
- the conclusion of the discussion and transfer of the Music Department to University of Natal (later merged as the University of Kwa-Zulu Natal) as part of rationalizing expensive programmes.
- the slow but steady post merger development of a new differentiated higher education institution – a University of Technology.
- the slow but steady rebuilding of a financially sustainable institution given that Technikon Natal was in a serious financial crisis in the period just before the merger. The institution now has a decent build up reserve of funds.

There remained national goals and objectives on which the merger had no direct immediate impact: high dropout rate, poor throughput, research outputs and graduation rates. There was even some decline of graduation rates and throughput post- merger.

8.6.3 Meso- Assessment

The National Commission on Higher Education whose report a Framework for Transformation(1996), strongly advocated “increased cooperation and partnership” envisaged through cooperative governance and the transformation of the system through collaborative regional arrangements. The draft National Plan for Higher Education in South Africa pointed to there being little or no collaboration in relation to broader policy goal such as reducing programme duplication and overlap, building academic and administrative capacity and being responsive to regional and national needs especially laying the basis for new institutional types.

In KwaZulu-Natal some degree of collaboration existed driven by the Eastern Seaboard Association of Tertiary Institutions (esATI). Programme cooperation related to library services, joint health programmes and the Central Application

Office. These were some of the successes albeit few. Now that mergers have been concluded and there are differentiated Universities, the collaborative structures have largely been abandoned. esATI has been disbanded. There is even talk of one of the Universities pulling out of the Central Applications Office.

At the Meso level regional cooperation now remains at a largely informal level between academics/departments and the only formal structure for cooperation is the Central Applications Office.

8.6.4 Micro Assessment

The real assessment is at the level of the merged institution. The only conclusion that can be reached is that some elements of the merger were extremely well handled and others were poorly managed.

Positives

- The establishment of the new Faculties to be led for the first time by Executive Deans.
- The merging of Academic and Administrative Departments.
- The development of new Students Handbook and Academic rules and regulations. This assisted greatly in removing any confusion in the minds of students in respect of which set of rules applied to their respective courses.
- The excellent management of pipeline students.
- The seamless development of the legal process to undertake the merger which then paved the way for the other mergers in the sector.
- Establishment of common examination rules.
- Communication to the public and students

Negatives

- The lack of a signed agreement between the parties in the pre-merger planning phase. It became difficult to say what was exactly agreed upon between the parties, for example the issues of Conditions of Employment.

- Although both institutions were physically next to each other, the organization cultures coupled with the respective histories saw a gulf between the both parties widen during the early few years of the merger.
- On reflection, all merger planning and discussions between the respective two senior Managements as well in COT, tended to paper over the cracks and difficulties. This is what Sooklal(2005: 260) quoting Fullan (2001) refers to as 'false clarity', describing what happens when reforms are more complicated than people realize.
- A factor that contributed to DUT's dysfunctionality and instability can be attributed to the notion of 'Interim Management and Interim Council'. While the issue of the Interim Council is of a lesser consequence given its specific tasks as per legislation, the same cannot be said of Management. While it is generally not possible to have a fully installed management team when the merger takes place, the notion of interim management did not favour the DUT. The interim managers appointed firstly had to contend with the colleagues that were not given interim manager status and there were some unpleasantness in that regard. Secondly, when they came to learn that they would have to compete for the substantive jobs in the new management structure, some became disillusioned and consequently moribund as the merger process unfolded.
- The financial difficulties especially cash flow problems that were experienced for at least the first two years post merger certainly had the propensity to cause significant harm to the fledgling institution.

8.7 Other Considerations

- It has been speculated by some that DUT being merged prior to the others in sector has worked to the disadvantage of the institution. This view is based on the notion that DUT would have been better placed had it been part of a collective process, rather than trying to swim alone two years earlier. There is no doubt the DUT merger at best was difficult and it is only since late 2007 that the institution began to focus on its real mission and vision of being a University of Technology. All other Universities of Technology (UOT) which were merged a year or two after DUT have had a head start in focusing on becoming a UOT. DUT, from its experiences including the collapse of its Council, certainly lost a substantial amount of time in meeting the set benchmarks laid out by the

Department of Higher Education and Training. It is not clear how significant factor this was but it cannot be ignored.

- A factor that has helped is that the University recruited considerable number of staff since merger from outside the two institutions and this included a Vice Chancellor and three Executive Deans as well as other senior staff. This has perhaps had a 'neutralising effect'.
- Finally, a conclusion reached is to avoid the interpretation that all problems at the DUT could be attributed to the merger. It is sometimes tempting to blame merger, rather than look for other root causes and problems. A number of problems that may beset DUT as well as any other merged institution would have existed or arisen irrespective of mergers. Here we can take examples such as throughput, shortage of skilled staff, executive leadership, governors and governance, poorly prepared students for University education, lack of students in mathematics and physical sciences, underfunding and deteriorating physical infrastructure. While significant amount of funds have been made available by Government to support mergers this would not necessarily have addressed all the problems described above. Many of the academic problems could not have been solved in the short term through merger. Similarly the student protests that take place on a regular basis would not have been resolved through a merger. The demands linked to student protests change annually.

8.8 Summary

It is evident from the afore going chapter that the DUT case as a result of its thick description allowed for a number of observations to be made about higher education mergers in general. The reflection pointed to many similarities as well as significant differences between the merging partners. The factors that shape mergers were identified, which included leadership and management, role of trade unions which in the DUT experience were very strong, the influence of culture as well the impact of politics. The various merging steps were identified and confirmed with merger literature. An important consideration for this research was the question of voluntary versus forced mergers and no support was found in the DUT case to suggest that voluntary mergers are any easier to implement. The final part dealt with merger success examined from a macro, meso and micro perspective.

CHAPTER 9

CONCLUSION OF THE CASE STUDY

9.1 Introduction

This study focused on contributing to the knowledge of higher education mergers by investigating higher education mergers in South Africa from a micro as well as macro perspective. At a micro level a case study methodology was employed to examine the Durban University of Technology (DUT), the first merged higher institution in the country. A cursory reading of the case would lead one to conclude that this was not only a troublesome merger but one that every bit looked like it would have failed, given the numerous negative incidents throughout the various stages of the merger. From very difficult beginnings, this new institution has slowly grown in strength, to the point where a general conclusion on it becoming a great institution in years to come can be predicted. Given this background, what have we learned about higher education mergers as examined through the DUT case study? In the sections that follow the major findings are summarized, followed by the brief discussion on the development of a plausible model for the study of higher education mergers, the practical implications for mergers and we conclude with a brief discussion about the theoretical contribution of this study.

9.2 Summary of Findings

This study is at a micro level, an examination of the processes, procedures, practices and trials and tribulations when two or more higher education institutions merge. Micro study here implies not only the impact of the merger on individuals and basic units within participating institutions as Goedegebuure(1992) implied, but includes merger processes at the inter institutional level that reflect how mergers are negotiated which he termed meso-level studies. The emphasis is on providing a detailed analysis of DUT's merger in terms of its problems, pitfalls and peculiarities. Through this case study the pre-merger, integration and consolidation phases were examined to see how a merger practically unfolds. Based on the DUT experience and merger literature a plausible model for the study of higher education mergers has been

developed and is illustrated in Figure 7. This model discussed later in this chapter provides the framework to analyze the various stages in a higher education merger. The main findings to the first central research question and the sub questions are summarized below:

Research question (What are the factors that shaped the merger process at DUT?) addresses the enabling forces that affect higher education mergers. These are external as well as internal forces. The particular emphasis in this study was to get an understanding at a micro level as to what really occurs when mergers take place. The literature does indicate that there are not many studies that penetrate the proverbial 'bowels of the merger'. Therefore, far more attention was placed to the internal enabling forces than the external ones. Before the internal enabling forces are examined, it is important to examine one particular external enabling factor which is the role of Government in shaping higher education mergers. In this case, while it is classified as a voluntary merger type, the Government lent a steady hand to ensure that the DUT merger took place. The problems and difficulties of the DUT merger would lead one to conclude that it was more likely to have failed in the short to medium term. However, this turned out not to be the case. The only conclusion that can be reached is that the environment and context in which a merger occurs is an important one. Here the merger of DUT, as were subsequent South African higher education mergers was conducted against the backdrop of a major national transformation reform. Despite the problematic DUT merger, no stakeholder was ever going to contest a national objective of Government or go against this. This objective was to overcome the apartheid legacy that afflicted all aspects of South African society including that of higher education. Therefore a finding arising out of the South African merger situation is, *Government initiated mergers (forced mergers) are less likely to failure often because of a greater national agenda*. To a certain extent this would support why higher education mergers are more successful than business mergers. It would also seem that, where unhappiness with the prospects of a merger exists, stakeholders do not necessarily rebel against the Government's decision in a significant way. Of course there are instances, the DUT case in point, where Unions tried to take Government to court. Rather stakeholder unhappiness is demonstrated by in fighting to vent out amongst other reasons governments decision. The consequence of this in fighting is all too well known and has been amplified in the DUT case. Empirical evidence suggests that it takes between five to ten years for the negative effects of a merger to wear off (Goedegebuure, 1992). While armed with this evidence Governments still continue to prefer

mergers as a way of restructuring and reorganizing their higher education sectors.

At a micro level examination, the internal factors that shaped the merger were found to be the nature of leadership and management, the role of trade unions and students and the impact of culture on merging. Politics and micro-politics were also reflected upon. This study simply reaffirms that leadership is critical in order to negotiate, finalize and implement any merger. The role of leadership is paramount in establishing structures, providing support, building a vision, ensuring the availability of resources and establishing a culture and embracing the change (Sooklal, 2005: 268). Given that unitary mergers entail radical change, i.e. something new is created; it follows as was evident in the DUT case that a traditional form of leadership is not sufficient to embrace that level and intensity of change. Traditional forms of leadership are often high on task and may get the technical aspects of the work completed, but it is low on taking people with them on the journey, thus resulting in a far lower mutually satisfying outcome for everyone. Rather than a top-down delegation, the new transformative approach embraces a bottom up approach which encourages debates, reduces individual fears and resistance and builds holistic and cooperative decision making. In sum the main conclusion reached, *is that an all new embracing style of leadership is needed when institutions undergo great changes such as through a merger*. The traditional management approach at DUT worked in so far as ensuring that certain key merger tasks were completed for example the merging of academic or administrative departments; however the human relations and the esprit de corps that are prevalent in well functioning and effective organizations were the missing ingredients, somehow lacking when a traditional leadership style is employed.

Closely allied to the role of leadership and management in mergers is the role of trade unions in higher education mergers. The DUT experience points to an inverse relationship between weaknesses in Leadership and Management when it pertains to people issues and strength of Trade Unions. The Interim Management team certainly paid less attention to people issues and people involvement during the course of the merger and more to getting the basic mechanics of the merger completed, like integrating departments, relocating staff and students to new campuses and buildings. This is not necessarily a weakness of Leadership and Management and may be strength in another context; however in the context of South African higher education transformation this would have strengthened the trade unions. They would have taken up the fight for staff on the smallest of grievances, a common feature during the various

stages of the DUT merger. Mergers by their very nature bring on great fear and resistance from staff as it is often associated with amongst other things the loss of jobs or the disorienting staff from their comfort zones. All of this was prevalent in the DUT merger, hence it became very easy for unions to assert themselves as the merger proceeded from the pre-merger phase right until Vice Chancellor Du Pre was appointed in 2007. It was then that he refocused the direction of the institution allowing the unions to buy into such vision. So the findings here are that *where trade unions exist they will become powerful forces if people management issues are neglected or dealt with poorly during the merger. Additionally a failure to involve trade unions from the earliest possible period in major organization change results in the processes being rejected or delayed. A genuinely co-operative and consultative process is the way to go.* The latter was evident in the pre-merger phase when trade unions (staff) were not involved in broad policy discussions and debates on the merger and managed to slow down the merger process until they were given due recognition.

Even when both organizations were structurally similar and came from the same academic family, cultural differences have a way of minimizing effective integration. In the case, the defining cultural difference was the political background of each institution. M.L. Sultan Technikon relied on their disadvantaged status, while claiming that Technikon Natal was a previously privileged institution. This did not matter that each institution had changed considerably over the years including that of its student demographics and staff racial profiles. The findings here are that *to overcome past cultural differences a new cultural identity must be established early in the merger by sharing the new vision and mission of the new entity, This must be matched by strategic plans , implementation and monitoring.*

The second research question (To identify and examine the key merger process steps or actions which ought to be undertaken in order to conclude a higher education merger satisfactorily) relates to the different phases of the merger process. It has been proposed that three phases are ideal to negotiate, implement and consolidate a merger. Through an examination of the DUT merger, it is suggested that *mergers could be understood and managed in three distinct phases, which are, the pre-merger phase, the integration phase and the consolidation phase.* The decision to merge is dependent on both external and internal factors. The intensity of each factor is dependent on the merging environment and context. The finding in respect of merger steps suggest, *that there are no fixed number of merger steps in each phase that ought to be carried out to ensure success.* The steps suggested in the model comes out of

the observations made in the DUT case and is largely confirmed by the work of Geodegebuure(1992), Martin and Samels(1994), Fielden and Markham(1997), Harman(2000), Botha(2001), Lang and Eastman(2001), Hay and Fourie(2002), Tearle(2000), and Harman and Harman(2003).

The third research question (Are there fewer merger steps /tasks to be undertaken in voluntary merger as compared to forced mergers?) attempts to establish whether the DUT merger being voluntary was easier to conclude. Merger literature generally supports the notion that because the parties have decided to voluntarily merge, they will have a far smoother approach to concluding all the merger steps. This is very difficult to refute especially for economic or what Wan(2008:22) quoting the work of O'Neill and Barnett(1980) referred to bankruptcy-bailout mergers. As a result of financial distress by one of the merging partners where the approach was a voluntary merger, the processes are far easier to conclude and implement. In contrast the findings at DUT indicate *little or no support that voluntary mergers are easier to navigate*. If anything it probably confirms the findings and observations of Skodvin that, voluntary ones are often forced by circumstances(1999). In the DUT case, the merger is often seen as being pre-emptive in that it was done voluntarily rather than waiting for it to be forced. If this is accepted as a departure in respect of the DUT merger, then the only part that was truly voluntary was in the pre-merger phase. Once the Government had stepped in to prevent the merger from being further delayed, it had become a 'forced' merger.

The final research question (What conclusion can one draw about the "success or otherwise" of the DUT merger), sought to define the factors that could be used as a basis to test the success or failure of higher education mergers. In this regard the following were found to be important considerations, *timing of evaluation*, the assessment done shortly after the completing a merger is not a sufficient indicator of whether higher education mergers are successful or not and a much longer period is needed to draw such conclusion; *what factors should be taken into account to evaluate merger success – it was found that business mergers have fewer and clearly defined factors as compared to higher education mergers which may require several factors to be included in an assessment instrument*; and the third consideration was, *the impact of Government or national policies*. It is clearly evident that by far most higher education mergers are carried out today at the behest of the State. So any assessment would be sorely lacking if the impact of the Government or a national agenda are not taken into consideration to measure success or failure of mergers.

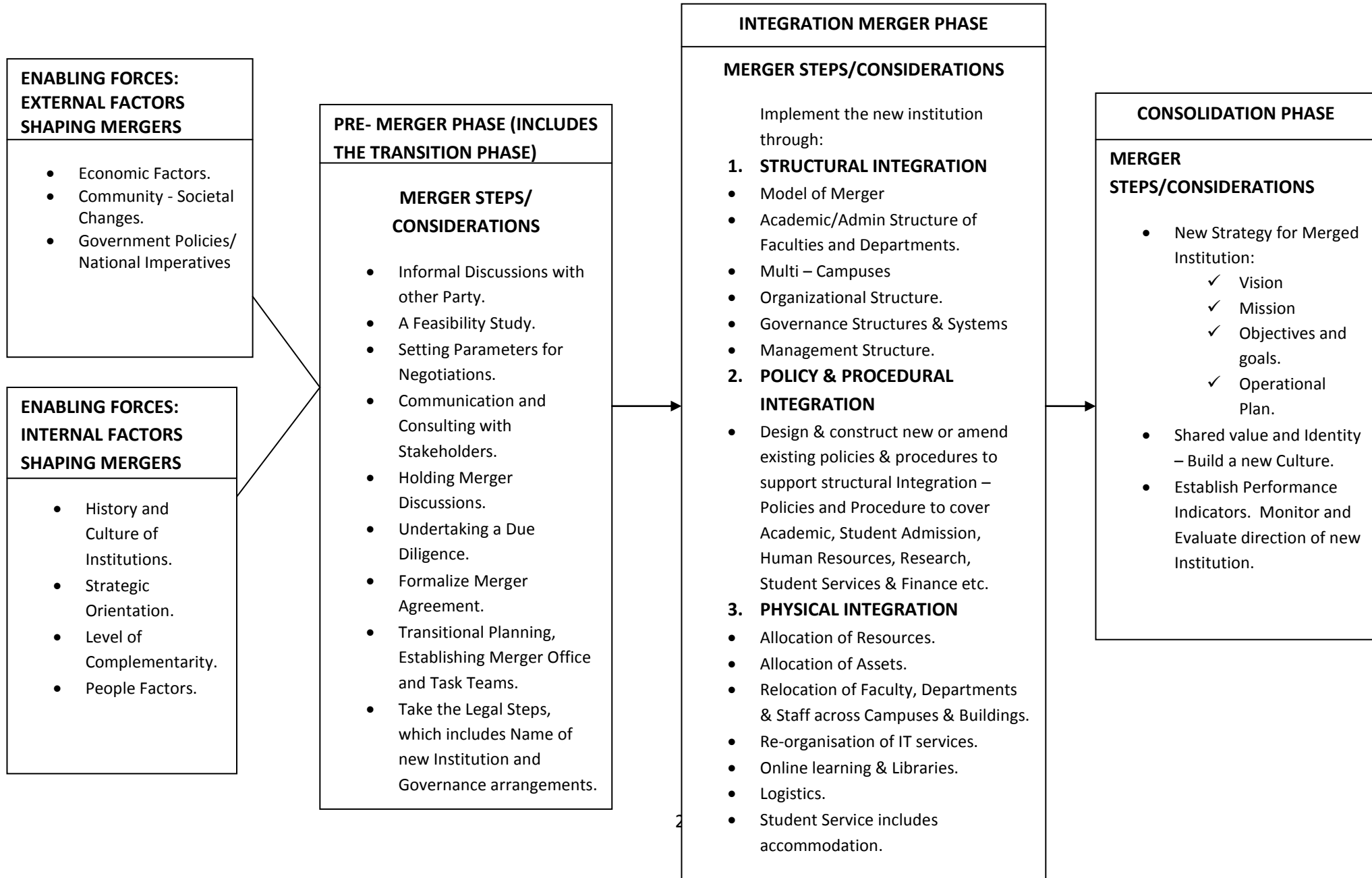
A further conclusion reached was that based on the South African situation, it was useful to draw conclusions about success or failure of mergers at different impacting levels of mergers. Hence the *macro, meso and micro form of assessment*. The macro assessment measured against government or national policies, meso against regional or inter-institutional cooperation and micro at the institutional level including the basic departments and units.

9.3 The Development of a Model for the Study of Higher Education Mergers

The model (see Figure 7) describes the entire merger process and to a significant extent addresses the primary research question: What can be learned about higher education mergers as examined through the Durban University of Technology (DUT) case study? The model is a simplified illustration of the research observations and findings, but it is by no means conclusive. Many more merger steps and phase could be added and certainly this can become a further research on its own. The intention here is not to describe in detail what is set out in the model, except to sketch out the envisaged merging processes. This model can also serve as a practical guide for the carrying out of a merger, primarily for now in higher and further education sectors. Of course the model could easily be adapted for other public sector mergers as the processes are generic.

The proposed model comprises three phases, which are the pre-merger, integration and consolidation. The pre-merger phase also embodies what many writers on mergers have referred to as the transition phase. The beginning of any merger whether it is a voluntary or a forced merger does requires a certain level of individual institution, as well as joint institutional planning and preparation before the parties are merged. Equally it does not matter whether a unitary, federal or even incorporation that is the preferred model. In the pre-merger phase, a number of merger steps have been suggested, which if done properly will result in the merging partners being well prepared for the day that the legal merger takes place. The steps include the undertaking of a due diligence, communicating regularly with stakeholders, beginning a set of discussions with the merging partner with timeframes becomes important foundation steps. Equally ensuring a bottom-up consultative process helps build a future people centered institution. Critical for effective planning is setting up a well staffed merger office and having a strong involvement of staff in all facets of merger planning and preparation through task teams across the various

FIGURE 7: MODEL FOR THE STUDY OF HIGHER EDUCATION MERGERS



functional areas of the institution. Merger literature points to the usefulness of formalizing a merger agreement. It avoids many of the disputes that would take place after the merger has occurred. This certainly was a weakness in the DUT merger. If these steps which are suggested as part of the premerger phase are undertaken, irrespective of the sequence of some of them, this should result in the new merged institution being better prepared for the integration phase.

While difficulties can occur in the pre-merger phase, as was evident in the DUT merger, it occurs far more frequently in the integration phase. The potential for conflict is at the greatest at this point because both students and staff are more likely to experience firsthand the effects of the merger. This may include moving to new buildings and campuses, finding new rules and policies operational, and generally find routines disrupted. To overcome such difficulty in the merger integration phase, a more embracing style of leadership and management goes a long way to realizing a successful merger. Communication with stakeholders should be at an all time high during the integration phase.

The model suggests that there are three elements to merger integration. The first is structural integration and this deals with the various structures that need to be established to make the institution operate. This included the preferred academic, administrative and student services structures (Shrivastava, 1986 and Wan, 2008). It is always best to decide the academic structure ahead of deciding on any of the administrative and support structures. Equal consideration has to be given to multi-campus and how these will operate relative to the main campus. Another crucial issue to resolve in the multiple campus set up, is to decide whether one replicates the Management structure across campuses? Equally important is to resolve very early in the merger negotiations issues of Management and Governance structures and how they will function in a merged entity. The next element needing attention in the integration phase is the revisiting and revising of the policies and procedures of the merged institution. These can be prioritized and dealt with over a period of time. There are some policies that have to be attended to immediately after merging and these include Finance, Human Resources and Academic/Admission policies. The final element of integration is physical integration, which allows for the distribution and reallocation of resources and assets. The re-organizing of buildings and space management planning is critical if the facilities of the new merged institutions have to be optimally used.

The final merger phase of the model is termed consolidation. This is used to refer to the settling down of the newly merged institution. While this may take

several years to happen, as was evident in the DUT case where the focus on becoming a UOT only commenced five years after the merger had taken place, the institution can limp along for as long as it has no clear vision and mission. Of course in the DUT case various other factors apart from people conflict were responsible for this state of affairs. While some preparatory work in developing a strategic plan and the new direction for the merged entity undertaken in pre-merger, most of it is done when there is a new Management team in place. It is very difficult for Interim Managers to set the vision and mission of an institution. A very important part in ensuring consolidation is to develop a shared value system. The building of a new culture is paramount if one intends to dissipate the old cultures. Integral to the implementation of this model is to deal effectively with human resources issues. Failure to do so results in conflict and the ability to implode the new institution.

9.4 Implications for Practice

Arising from the earlier analysis, the following also emerge as important considerations for practice. They affect merger success or failure.

- The Merger Office and then post merger Communication is critical and ideally it should be centralized in the new Vice Chancellor's office.
- There is value in the use of consultants to neutralize difficult elements in the negotiations or to get merger steps progressing.
- Handle relocation and redeployment of staff and students with great sensitivity and care.
- It is ideal to finalize severance/retrenchments prior to merger taking place. This removes one serious matter to attend to post merger. In higher education mergers this is often difficult to reach such an agreement in the pre-merger phase.
- Reward staff who are required to carry an additional burden during the merger exercise.
- Ensure that facilities are available before relocating or moving staff to new work areas.
- Ensure that the financial and information systems are operational on the legal merger day. Ideally a set of new financial policies should guide the new merged institution.

- Ideally the team building, change management and sensitivity workshops for all staff should be done ahead of the commencement of merger integration. It begins to build a new culture.
- Monitor the morale of staff.

9.5 Comments on Theoretical Contributions

In chapters 1 and 2, reference was made to the inadequacy of merger theory and that generally they remain largely underdeveloped. There is no doubt that a number of studies have focused on the macro perspective of higher education mergers. This is the way governments have restructured their higher education systems through the instrument of mergers. Generally, there remains little research in the area of how mergers actually take place and unfold at the institution level. In other words, how are mergers planned in the premerger phase, negotiated and then implemented with finally the new institution developing a new ethos, culture and strategic direction. What has been the dynamics at a micro level when merger has to be carried out in higher education institutions? Where such cases have been documented, they are the stories and experiences of those involved, often lacking in empirically derived theory that explains the full spectrum of the merger processes and dynamics at a micro level. When this research began, it was an attempt to find an explanation, for why the DUT merger became so difficult and problematic? Why such difficulties continued to persist for many years, to the point that it had become very debilitating to the institution. Therefore using the case study approach and describing the detailed merger story from a coal face perspective, without limiting the DUT merger terrain. Hence a thick case, that is not often written in this way using a number of tools to gather the data and information. The qualitative approach is quite useful and well suited to elementary theory building and my grounded theory approach lent the flexibility to this.

Literature on higher education mergers as well as in a limited way business mergers, helped not only with the concepts, but also the development of the questions that guided the study. Through the DUT merger experience, the broader merger steps as well as the factors that influence mergers have been sketched. While a number of merger steps have been identified as the result of the DUT merger, neither is there a confirmation of a formula for merger, nor that there are a specific number of steps that has to be undertaken under the different phases of the merger process. The merger process has been

conceptualized at a micro level, as occurring over three distinct phases, supported by a number of merging steps. This was certainly the DUT experience. The model illustrated in this chapter comes as a conclusion to this study after examining in-depth the different issues pertaining to the DUT merger. The model helps with the understanding and study of higher education mergers. The value of the findings of this study has helped, contribute to conceptualizing higher education mergers at the micro level. Importantly it captures different themes and constructs in merger processes. It shows what happens in the premerger process phase, in the integration phase and what ideally should happen in the consolidation phase.

Importantly in the study was the finding that despite it being a problematic merger, the merging steps described were completed. This was especially prevalent for the integration phase, for example moving and relocating staff and students to new campuses and building. It therefore confirmed two distinct but related elements undergirding a merger, that is the technical element of merging and the softer elements – the people issues that make these technical aspects work. This finding confirms Wan's study that organizational integration and human integration are two conceptually different but interpenetrating and interrelated processes(2008). Organizational integration can drive and facilitate human interaction and integration.

Turning to other theoretical implications arising from this study, the question of merger motives were looked at. After all this began as a voluntary merger. The managerial motives approach espoused by Goedegebuure(1999) cannot be strictly considered in this case study. Management of both institutions simply became instruments to lead the completion of the merger, rather than having demonstrated that they were the advocates for the merger thus giving credence to the managerial motive. To a very limited extent it could be argued that the initial discussions held way back in 1996 could be ascribed to managerial motive, in that the Vice Chancellor of Technikon Natal was the one to broach the topic of merger with the neighbouring Vice Chancellor. One could speculate that it must have occurred to the Vice Chancellor of Technikon Natal that it was the politically correct time for a merger to take place. It was just two years after the first democratic elections in South Africa. However this remains an untested point. Had the merger taken place at that time and the Vice Chancellor of Technikon Natal had become the new head of the merged institution, an argument could be made for the managerial motive theory. A further reason would have been that the timing would have also favoured the appointment of a Black–African Vice Chancellor. However this is rather academic now.

Furthermore the managerial motive to explain mergers do not sit well in higher education, as there are no substantial rewards for Management arising out of mergers, as there would be with business mergers.

The other theories mentioned in chapter 1 continue to hold value for this study and cannot be discounted. This includes the 'resource dependency' approach of Goedegebuure(1999), politics and political explanation to explain the nature and outcomes of higher education mergers as espoused by Jansen(2002) and Sehoole's(2005) contingency theory to explain merger processes and outcomes.

What one can learn from the merger case, is how it all unfolds and the effect it seem to have on people (stakeholders) resulting in quite a profound effect(negative) on the merger processes. What happens in the pre-merger phase rolls onto the integration phase; therefore a difficult pre-merger phase has a greater tendency to result in a difficult integration phase. The other conclusion reached is that it does require more than a traditional leadership approach to manage great transformation and change agendas. Mergers certainly are a significant organization change demanding special leadership competencies.

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CHAPTER 10

RESULTS OF SURVEY OF MERGED INSTITUTIONS

10.1 Introduction

Given the two parts to this study on higher education mergers (the first being the micro study) we now turn our attention to the macro perspective. This is an examination into the impact that mergers have had on the transformation of the South African higher education sector. The second central research question seeks to establish whether South African higher education mergers have been successful or otherwise and whether they have been the appropriate instrument to transform the higher education sector. The questionnaire was used to gather the perceptions of staff in respect of their mergers, particularly whether national merger transformation objectives have been achieved or are being achieved as the result of mergers.

10.2 Response Rate

Given the nature of this research, responses received from five of the ten merged institutions surveyed were considered sufficient for findings and analysis. In this study, responses were received from the staff of nine institutions detailed in **Graph 8**, although in the cases of Walter Sisulu University(WSU) and the Nelson Mandela Metropolitan University(NMU), it was just one response respectively. Most importantly the findings and analysis are not presented per merged institution; neither is there any inter-institutional comparison undertaken. Therefore for the purposes of this research it was unnecessary to ensure that the target population was representative of each merged institution. Rather all the responses received from staff at the merged institutions have been consolidated and the findings and analysis reflect the total South African higher education sector perceptions of their mergers. While this is the approach to reporting the findings and analysis, it should be noted that in five of the merged institutions there were fifteen or more units of analysis. Welman and Kruger(1999:64), quoting the work of Huysamen(1991), pointed out that as a general rule one should not use a sample with less than 15 units of analysis although ideal to use twenty five or more units of analysis.

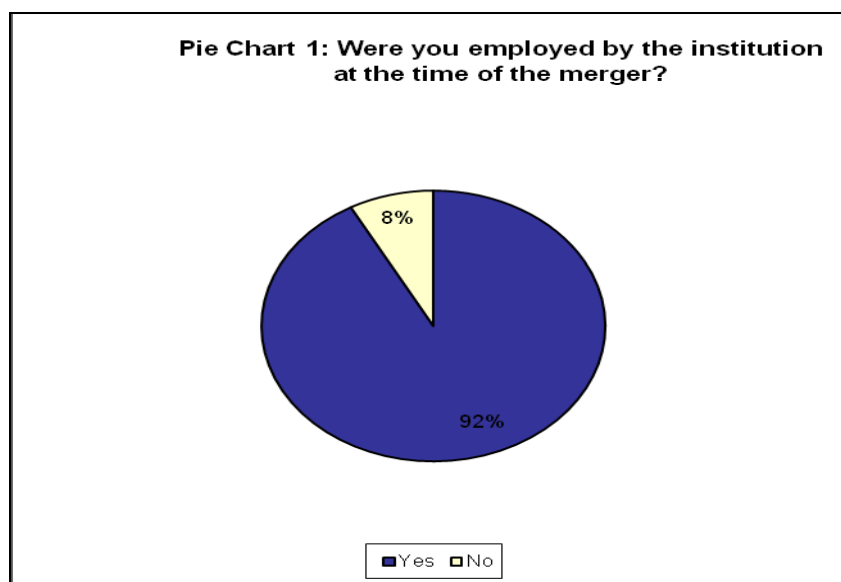
The original intention to solicit responses by means of an electronic questionnaire, proved to be extremely difficult given especially the geographic spread of the merged

institutions across the country. This resulted in the use of the more traditional approach of delivering by post the questionnaires. As this was a perception study, the researcher preferred that staff exercise their full discretion on whether they wish to participate or not in the survey. For this reason no incentives were used to increase response rate for this study.

The results of the survey from responding merged institutions are detailed below. The first section covers the biographical details, followed by a summary of the results to all 'statements'. The final section reports on comparisons of a number of questions/statements related to key national transformation merger objectives as well other merger related localized objectives and outcomes.

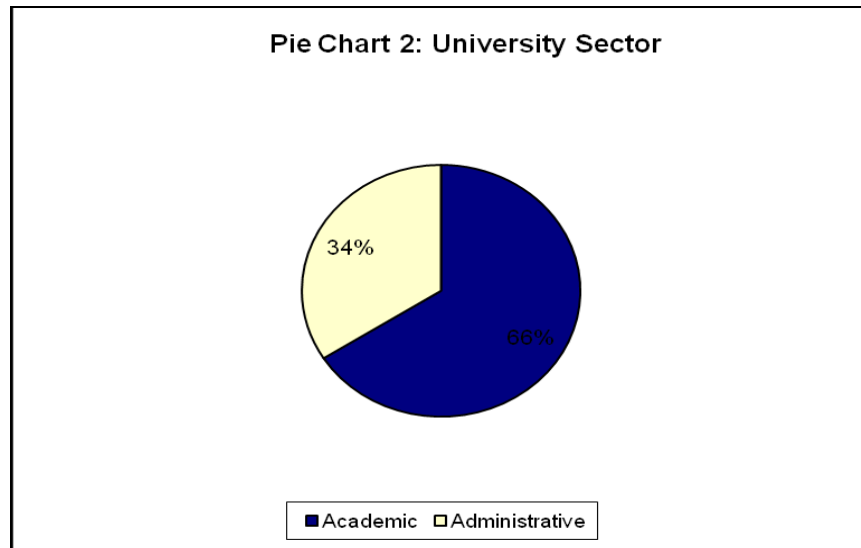
10.3 Biographical Details

Pie Chart 1, points to 92% of the respondents were in the employ of one of the merging partners. This study did not discriminate between those that were in the employ of one of the merging partners and those employees that joined after the merger had taken place.

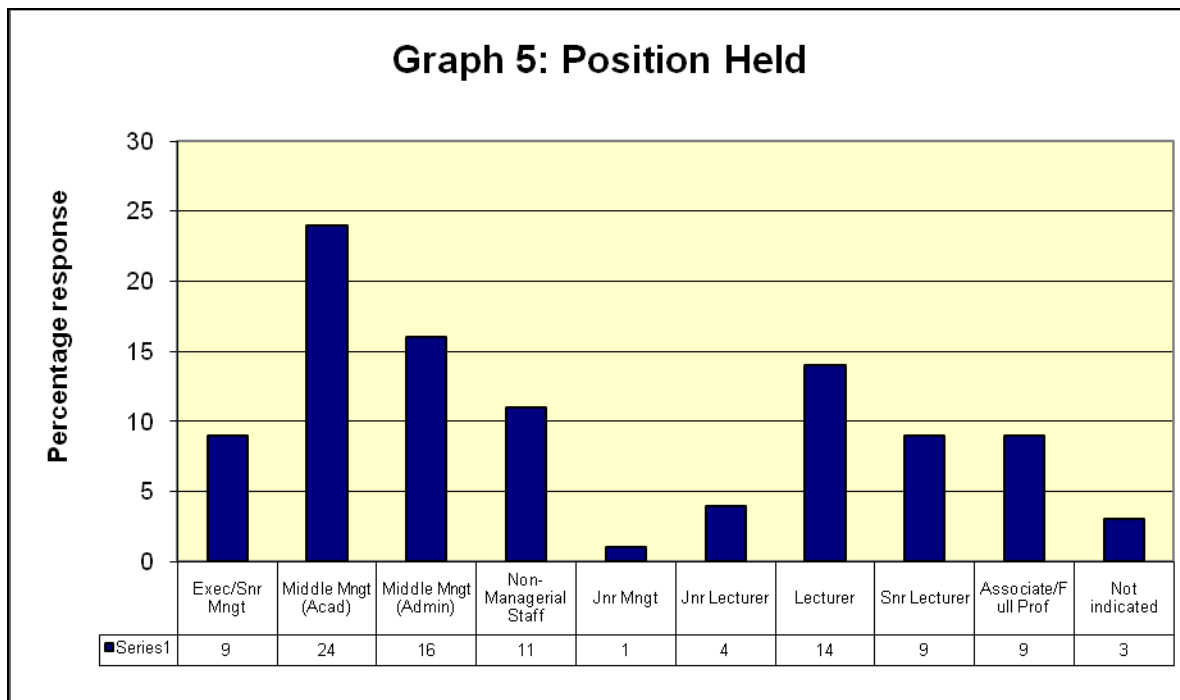


In respect of the composition of the respondents, 66% are Academic staff and 34% are from the Administrative and Service functions as seen in **Pie Chart 2**.

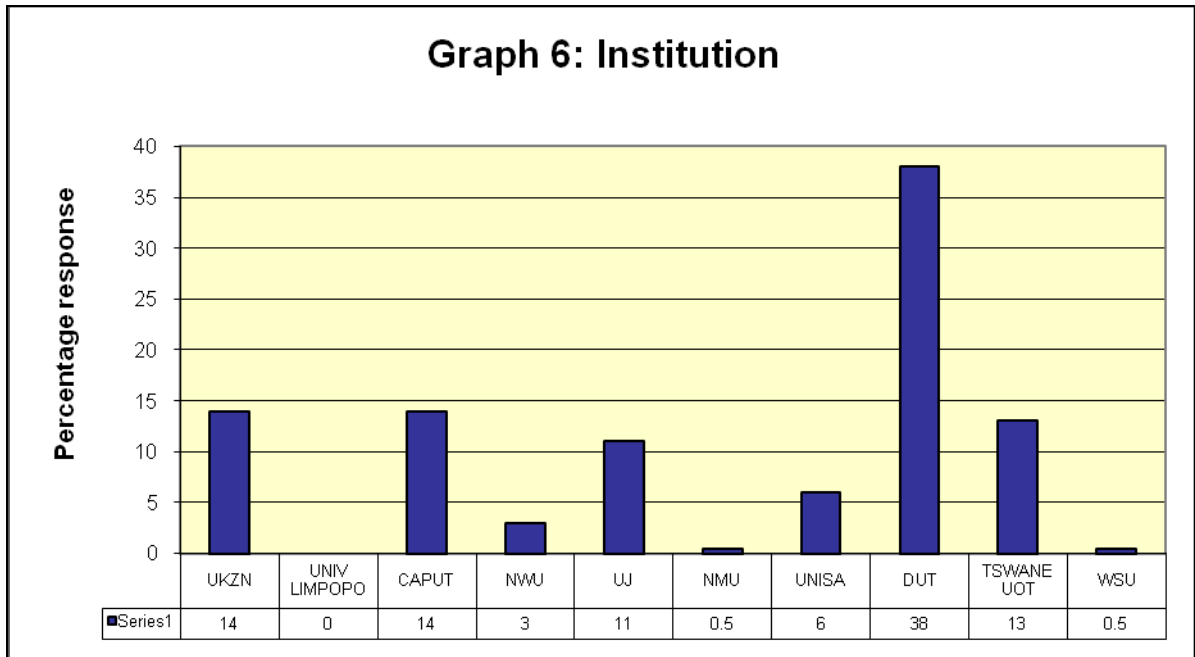
There were 9 job categories (positions) provided for, ranging from Executive Management to Non Managerial staff to Professor level as seen in **Graph 5**. The respondents were well represented across all 9 job categories including 3 % that did



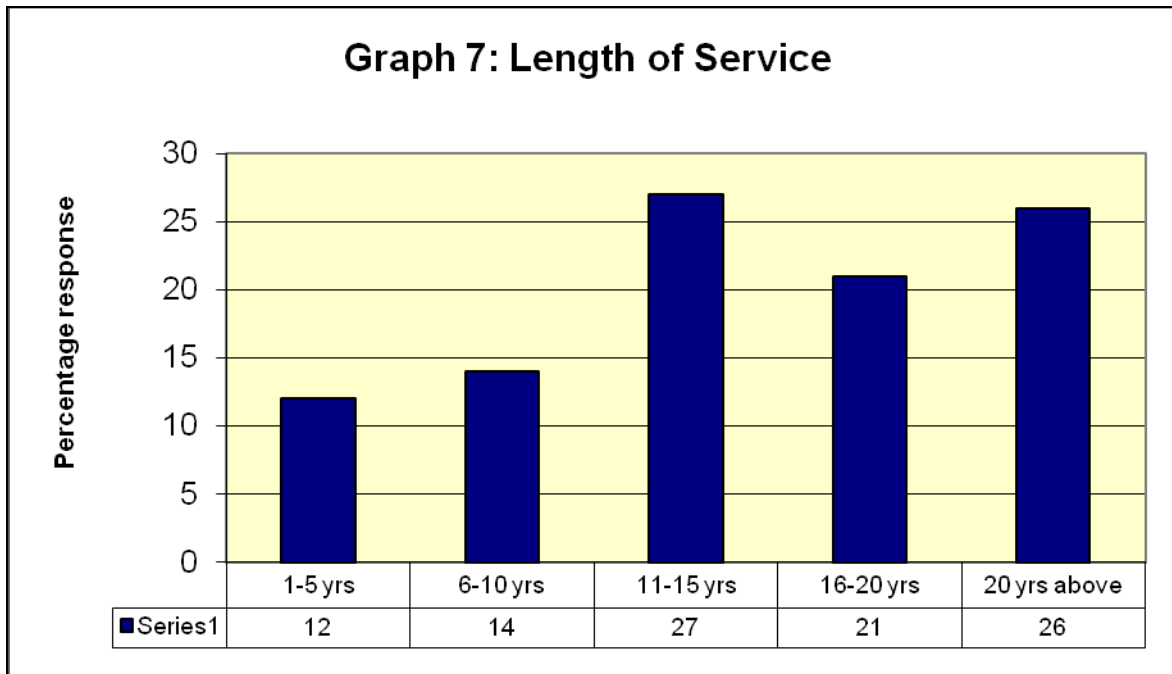
not indicate which job position they held. Generally this is a good spread of respondents across the various job categories, which required the respondent to select from only one category, irrespective of whether they may have been able to select two or more categories.



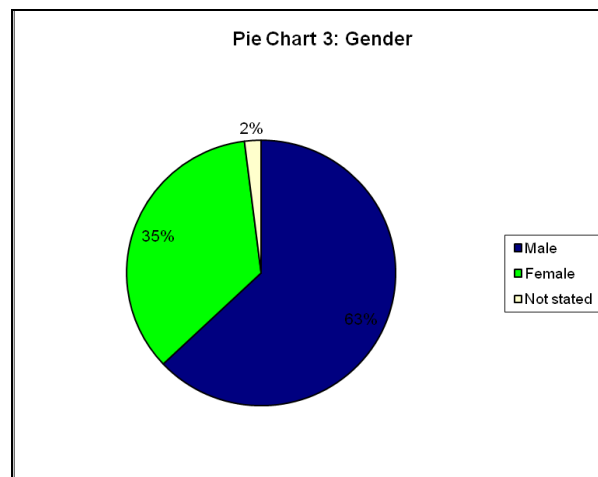
The research population consisted of 10 merged higher education institutions. In total **176** questionnaires were returned from nine institutions. **Graph 6** indicates that the highest return was, not surprisingly, from Durban University of Technology. The response rate is considered satisfactory for the purposes of this study, as descriptive statistics is used to report the results.



A very important biographical detail is that of length of service. **Graph 7** points to length of service and importantly indicating that over 70% of the respondents had over ten years of service. In the twenty years and above category, this made up 26% of the respondents. This of course points to a mature workforce with a far greater investment in their careers through long service.

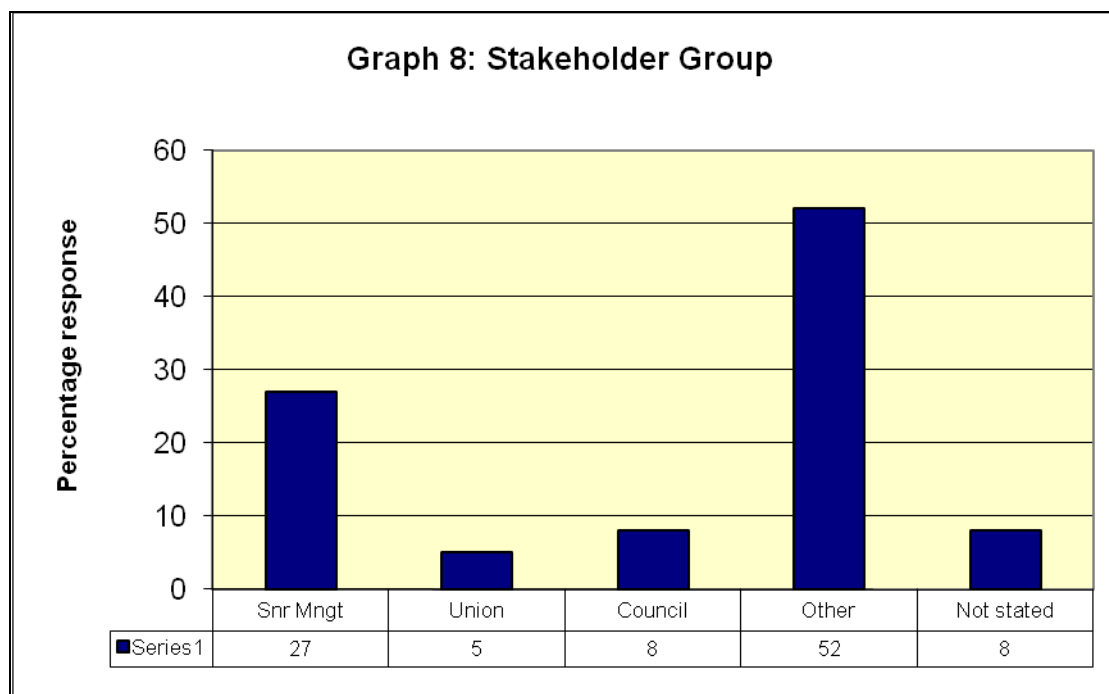


Pie Chart 3 points to a higher number of male respondents at 63% with 2% of the respondents not answering the question of gender.



The final variable in the biographical grouping is the stakeholder group. Given that various stakeholder groups are consulted and at times intimately involved with the merger, **Graph 8** depicts that there were responses from Senior Management, Union

leadership, and Council. These three stakeholder groups collectively accounted for 34% of the responses with the balance of 60% coming from the rest of the staff.



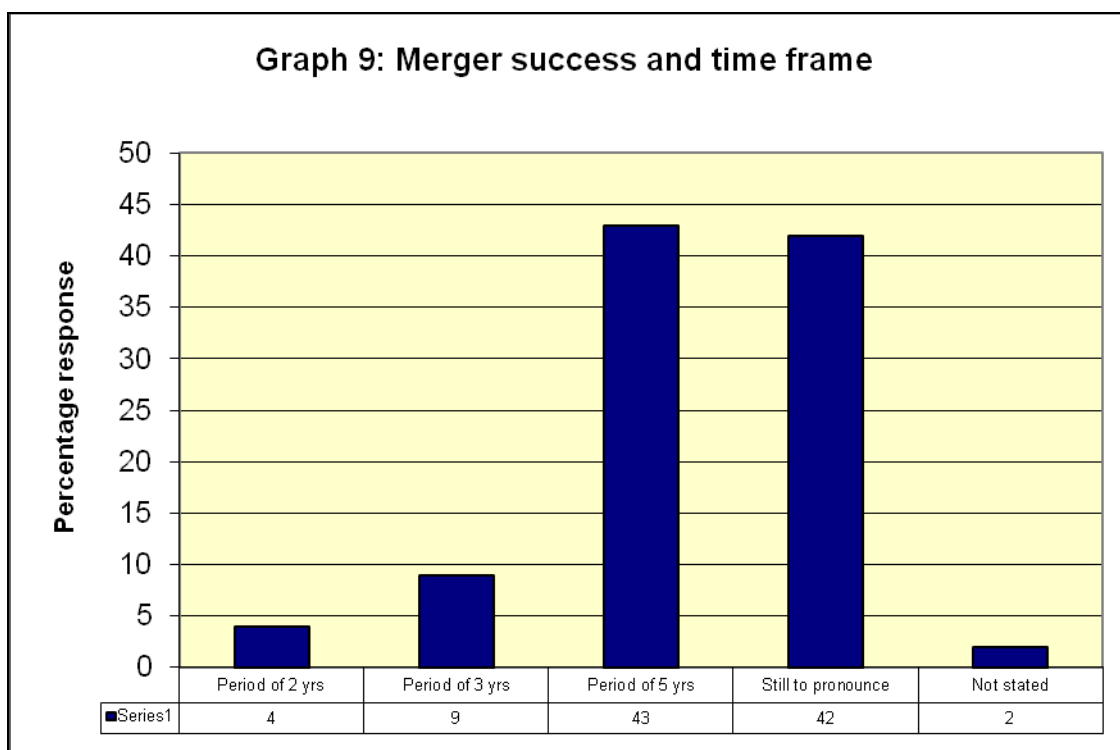
10.4. Analysis of Questions Related to Research Objectives

Table 15 lists the research questions employed to test the perceptions of staff across the sector in this study together with the percentage response rate as per the five point Likert type scale. The questions/statements, 1 to 36 address the second central research questions and objectives. The findings to question 37 addresses the period before the merger could be concluded as ‘successful or unsuccessful’ is illustrated in **Graph 9**.

TABLE 15: PERCENTAGE RESPONSES PER QUESTION/STATEMENT

	Strongly Agree	Agree	Neither Agree nor Disagree (neutral)	Disagree	Strongly Disagree
1. The University has been far more effective in contributing to socio - economic development at a national level as a result of the merger.	2.27%	32.95%	31.82%	21.02%	11.93%
2. The University has been far more effective in contributing to socio - economic development of the region as a result of the merger.	3.98%	27.84%	34.66%	21.59%	11.93%
3. Higher levels of academic productivity have been achieved, as a result of the merger.	0.57%	21.02%	26.70%	30.68%	21.02%
4. Higher levels of administrative and support services productivity have been achieved as a result of the merger.	0.57%	21.59%	14.77%	33.52%	29.55%
5. The institution has a better student equity profile resulting from the merger.	3.98%	44.89%	15.34%	23.30%	12.50%
6. The institution has a better staff equity profile that mirrors the demographics of the nation, resulting from the merger.	2.27%	35.23%	28.41%	22.73%	11.36%
7. A result of the merger has been a positive financial position.	1.14%	13.64%	27.27%	30.68%	27.27%
8. As a result of the merger a more sustainable institution has been the outcome.	1.14%	22.73%	20.45%	33.52%	22.16%
9. Merger resulted in students gaining immediate access to academic benefits (e.g. smaller class sizes, extra teachers/tutors, more programmes), which may have not existed at their previous institutions.	1.14%	16.48%	17.61%	36.93%	27.84%
10. Staff benefited from the merger through improved salaries and benefits. .	2.27%	19.32%	24.43%	32.95%	21.02%
11. Staff benefited from the merger through improved working conditions.	1.14%	18.18%	16.48%	44.32%	19.89%
12. Merger resulted in better teaching and learning facilities for students.	0.00%	15.34%	25.57%	42.61%	16.48%
13. Merger resulted in better working facilities for staff.	1.14%	9.09%	17.61%	43.75%	28.41%
14. The support for academically disadvantaged students has been more effective than was provided for by the individual merging partners.	0.57%	23.86%	24.43%	34.66%	16.48%
15. The merger had the effect of raising the job satisfaction levels of staff.	0.57%	12.50%	18.18%	30.68%	38.07%
16. Focus on quality issue matters weakened at the institution, as a result of merger integration activities.	10.80%	25.57%	31.82%	25.57%	6.25%
17. Generally the institution's focus on excellence in teaching, research and community service suffered immediate setbacks as a result of merger.	10.80%	30.11%	27.84%	24.43%	6.82%
18. A merger outcome has been the establishment of a high quality Management at the institution.	1.70%	17.05%	30.68%	28.41%	22.16%
19. Weakened governance systems and structures were the results of the merger.	13.07%	28.41%	22.73%	26.70%	9.09%
20. The establishment of a high quality Council was the result of the merger.	1.14%	18.75%	38.07%	31.25%	10.80%

21. There has been greater 'student access' at the institution resulting from the merger.	1.70%	44.89%	25.57%	21.59%	6.25%
22. Merger and restructuring has resulted in the elimination of duplicate and overlapping programmes/courses, which has had the effect of improved efficiencies at the institution.	2.84%	42.05%	25.57%	18.75%	10.80%
23. The development of a new institutional identity to overcome the legacies of apartheid was a goal achieved at the institution.	3.98%	42.05%	19.89%	15.34%	18.75%
24. Merger has brought about greater efficiency as the result of economies of scale.	0.57%	19.32%	21.02%	31.82%	27.27%
25. The merger gave rise to greater conflict within the institution.	17.61%	48.86%	12.50%	13.64%	7.39%
26. Most of the benchmarks/indicators (e.g. qualified staff with min. masters, graduation rates, research outputs, pass rates etc) set by the Department of Higher Education and Training improved because of the merger.	2.27%	25.00%	36.93%	25.57%	10.23%
27. Merger had no effect on institution autonomy.	2.84%	29.55%	38.07%	22.73%	6.82%
28. Merger had no effect on institutional academic freedom.	3.98%	34.09%	33.52%	18.75%	9.66%
29. The merging partners would have been better off had there been no merger.	25.00%	32.39%	15.34%	13.64%	13.64%
30. The merger has resulted in lower levels of staff morale.	28.41%	40.34%	5.68%	10.80%	14.77%
31. Staff was kept fully informed of all merger activities at our institution.	4.55%	36.93%	16.48%	24.43%	17.61%
32. Our merger had the effect of reducing job security.	15.91%	28.41%	20.45%	29.55%	5.68%
33. Our merger can be considered unsuccessful.	9.66%	36.93%	25.57%	21.59%	6.25%
34. Generally merger related problems at our institution could be attributed to staff insecurities/anxieties.	11.93%	35.23%	29.55%	16.48%	6.82%
35. Quality of student life has been enhanced as a result of the merger.	1.14%	25.57%	32.95%	28.41%	11.93%
36. Cooperation/collaboration with other institutions in the region has not been negatively affected by our merger.	1.70%	39.77%	27.84%	23.30%	7.39%



10.5. Comparative Analysis of Questions Related to Research Objectives

In order to examine the impact that mergers have had on the transformation of the higher education sector, in particular whether the goals and objectives of transformation have been or are being accomplished, a number of comparative analysis of questions/statements have been undertaken. These analyses are grouped around broader transformational objectives and themes. These themes/groupings have been put together after an assessment of national goals and objectives and it would seem linking the comparative analysis in this way would have the greatest synergy to the various national identified goals and objectives of mergers. Furthermore when discussing and assessing mergers, these are often the pertinent areas, they are as follows, academic implications, quality, student and student life, leadership and governance, human resource matters and finance and efficiency. The vast majority of questions/statements (see Questionnaire -Appendix 7) tend to address the above areas/groups/themes. They are linked as follows:

- Establishing Merger 'success or failure' – Question numbers 29, 33 and 37 – Tables 16 and 17.

- The softer or Human Resources issues linked to mergers – Question numbers 23, 25, 30, 31, 32 and 34 -- Tables 18, 19, 20, 21 and 22.
- Specific Human Resources matters (job satisfaction and benefits) -- Question numbers 10,11,13,15 and 31 -- Tables 23, 24 and 25.
- The impact of Leadership and Governance on mergers – Question numbers 18, 19, 20 and 31 -- Tables 26, 27, 28 and 29.
- Efficiency, Productivity, Financial and Sustainability impact on mergers – Questions numbers 3, 4, 7, 8, 22 and 24 -- Tables 30, 31 and 32.
- Effect of mergers on Academic related matters – Question numbers 9, 12 and 13 - Tables 33 and 34.
- The impact of Quality arising out of merging – Question numbers 14, 16, 17 and 21 – Tables 35, 36 and 37
- Merging impact on Students and Student Life – Question numbers 9, 14, 21 and 35 – Tables 38, 39 and 40.

10.5.1 Examining Merger Success or Failure

In **Table 16**, the statement ‘our merger can be considered unsuccessful’ (Q33) is compared with the statement ‘the merging partners would have been better off had there been no merger’ (Q29). The table results are expressed as actual number of respondents.

TABLE 16: COMPARATIVE ANALYSIS FOR QUESTION 33 AND QUESTION 29

QUESTION 33	QUESTION 29					Total
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Strongly Agree	14	1	0	0	2	17
Agree	12	31	4	5	13	65
Neutral	11	16	12	5	1	45
Disagree	6	8	10	10	4	38
Strongly Disagree	1	1	1	4	4	11
Total	44	57	27	24	24	176

Close examination of table 16 points to 58 respondents either strongly agreeing or agreeing to both statements. Equally 27 of the respondents felt that they would have been better off if there had been no merger but were neutral about whether their merger was a success or not. A smaller number of 22 respondents considered their mergers successful and that the merging partners are better off for having merged.

In comparing the responses of the statement ‘our merger could be concluded as a successful or unsuccessful merger after (time period)’ (Q37) with the statement ‘our merger can be considered unsuccessful’ (Q33), the following observations are made (**Table17**). Most of the respondents felt that they could draw conclusions about success or otherwise after five years and an equal number believed that they could not draw a conclusion as their merger integration was not complete. Turning to those that chose 5 years as the timeline to draw conclusions about their merger, 27 agreed that it was unsuccessful and 29 thought after five years their merger could be considered successful. While 47 respondents who believed that their merger can be considered unsuccessful, were not ready to commit themselves to a timeline and indicated that their merger integration remains incomplete.

TABLE 17: COMPARATIVE ANALYSIS FOR QUESTION 37 AND QUESTION 33

QUESTION 37	QUESTION 33					Total
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
A period of 2 years	0	3	3	1	0	7
A period of 3 years	1	2	4	7	2	16
A period of 5 years	6	21	19	23	6	75
Still to pronounce on merger success as merger integration is not complete	9	38	18	6	3	74
Not answered	1	1	1	1	0	4
Total	17	65	45	38	11	176

10.5.2 Analysis of Key Human Resources or Softer Issues

There is substantial evidence in the literature that points to significant organizational problems related to mergers. Under the banner of human resources or softer issues a number of responses have been compared to draw a wider conclusion on the impact that mergers have on people and human relations.

The statement 'the merger gave rise to greater conflict within the institution' (Q25) was compared with the statement 'generally merger related problems at our institution could be attributed to staff insecurities/anxieties' (Q34). Nearly 70 respondents either agreed or strongly agreed with both statements as evident in **Table 18**, whereas only 17 respondents disagreed with both statements.

TABLE 18: COMPARATIVE ANALYSIS FOR QUESTION 25 AND QUESTION 34

QUESTION 25	QUESTION 34					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	12	6	8	3	2	31
Agree	8	44	20	12	2	86
Neutral	0	7	11	4	0	22
Disagree	1	5	6	6	6	24
Strongly Disagree	1	0	7	3	2	13
Total	22	62	52	28	12	176

When conflict (Q25) is compared with the statement 'staff was kept fully informed of all merger activities at our institution (Q31), a large number of respondents (51) felt that while they agree that merger gave rise to greater conflict within their institution, they also acknowledge that communication was good in respect of them being kept informed of merger activities (**Table 19**). Equally were respondents 41 in number who acknowledged the rise of conflict within their institutions at the time of merger, but did not agree that they were kept fully informed of all merger activities. All this seems to prove is that in some mergers the communication with staff was very good and in other cases this was poor.

TABLE 19: COMPARATIVE ANALYSIS FOR QUESTION 25 AND QUESTION 31

QUESTION 25	QUESTION 31					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	4	3	5	11	8	30
Agree	1	44	16	22	3	86
Neutral	1	10	5	5	1	22
Disagree	0	6	2	4	12	24
Strongly Disagree	2	2	1	1	7	13
Total	8	65	29	43	31	175

When conflict (Q25) is compared to the statement ‘the merger has resulted in lower levels of staff morale’ (Q30), an overwhelming number - 98 respondents either strongly agreed or agreed to both statements (**Table 20**). The remainder of the respondents was generally too small to be of any significance to this study.

TABLE 20: COMPARATIVE ANALYSIS FOR QUESTION 25 AND QUESTION 30

QUESTION 25	QUESTION 30					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	26	5	0	0	0	31
Agree	19	48	4	11	4	86
Neutral	3	10	5	4	0	22
Disagree	2	6	1	3	12	24
Strongly Disagree	1	1	0	1	10	13
Total	51	70	10	19	26	176

Conflict (Q25) was compared with the statement ‘the development of a new institutional identity to overcome the legacies of apartheid was a goal achieved at the institution’. The intention was to gauge whether there was a link between increased conflict at the time and the need to develop not only a new culture but an identity (**Table 21**). Did this change arrive at a huge cost of heightened conflict? The results point to 55 respondents either agreed or strongly agreed that while merger gave rise to increased conflict, an outcome was also the forging of a new institutional identity to overcome the legacies of apartheid. A reasonably high number of respondents, i.e. 41 agreed that conflict rose during the merger but disagreed or strongly disagreed that a new institutional identity was developed.

TABLE 21: COMPARATIVE ANALYSIS FOR QUESTION 25 AND QUESTION 23

QUESTION 25	QUESTION 23					Total
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Strongly Agree	1	8	4	8	9	31
Agree	5	41	16	12	12	86
Neutral	1	7	12	2	1	22
Disagree	0	18	3	3	0	24
Strongly Disagree	0	0	0	2	11	13
Total	7	74	35	27	33	176

In this group of softer issues the final comparison in **Table 22** below looks at the statement ‘our merger had the effect of reducing job security’(Q32) and ‘generally merger related problems at our institution could be attributed to staff insecurities/anxieties’(Q34). A group of 44 respondents strongly agreed or agreed with both statements. There was also a group of respondents who did not feel that merger had reduced job security; however they were neutral about the statement that generally merger related problems could be attributed to staff insecurities/anxieties.

TABLE 22: COMPARATIVE ANALYSIS FOR QUESTION 32 AND QUESTION 34

QUESTION 32	QUESTION 34					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	11	7	5	2	3	28
Agree	3	23	12	12	0	50
Neutral	1	18	10	6	1	36
Disagree	3	14	19	9	7	52
Strongly Disagree	3	0	6	0	1	10
Total	21	62	52	29	12	176

10.5.3 Analysis of Job Satisfaction, Benefits and Communication

Further human resources indicators were analyzed as impacted during the course of merging. We now turn to examine whether mergers contributed to a drop in job satisfaction of staff. The statement ‘the merger had the effect of raising the job satisfaction levels of staff’(Q15) was compared with the statement ‘staff was kept fully informed of all merger activities at our institution’(31) as is seen in **Table 23**. Almost 55 respondents either disagreed or strongly disagreed that job satisfaction rose during the merger and they also felt that they were not kept fully informed of merger activities. There was another group of 47 respondents who were negative about job satisfaction rising during the merger but they agreed that they were kept informed of merger activities at their institutions.

TABLE 23: COMPARATIVE ANALYSIS FOR QUESTION 15 AND QUESTION 31

QUESTION 15	QUESTION 31					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total

Strongly Agree	0	0	0	1	0	1
Agree	0	14	0	2	6	22
Neutral	2	10	10	10	0	32
Disagree	0	28	14	8	4	54
Strongly Disagree	6	13	5	22	21	67
Total	8	65	29	43	31	176

The most telling response was on the comparison between job satisfaction (Q15) and the statement that merger resulted in better working facilities for staff (Q13). **Table 24** indicates that 101 respondents either strongly disagreed or disagreed to both statements that better working facilities for staff as well as increasing job satisfaction was the result of mergers.

TABLE 24: COMPARATIVE ANALYSIS FOR QUESTION 13 AND QUESTION 15

QUESTION 13	QUESTION 15					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	0	1	1	0	0	2
Agree	0	4	3	6	3	16
Neutral	0	3	17	7	4	31
Disagree	1	1	10	39	26	77
Strongly Disagree	0	13	1	2	34	50
Total	1	22	32	54	67	176

A very strong negative response was evident when the statement, 'staff benefitted from the merger through improved salaries and benefits' (Q10) and 'staff benefitted from the merger through improved working conditions' (Q11) were compared. Here 81 respondents totally either disagreed or strongly disagreed that this resulted from

the mergers; however a smaller number of 19 respondents tended to agree as evident in **Table 25**.

TABLE 25: COMPARATIVE ANALYSIS FOR QUESTION 10 AND QUESTION 11

QUESTION 10	QUESTION 11					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	2	1	0	1	0	4
Agree	0	16	7	10	1	34
Neutral	0	12	11	16	4	43
Disagree	0	3	8	39	8	58
Strongly Disagree	0	0	3	12	22	37
Total	2	32	29	78	35	176

10.5.4 Analysis of Leadership and Governance

Management and Councils are critical to ensuring a successful merger. In a comparison of statement ‘a merger outcome has been the establishment of a high quality Management at the institution (Q18) to the statement ‘weakened governance systems and structures were the result of the merger’ (Q19), the results are found in **Table 26**. A group of 44 strongly disagreed that there was a high quality Management as the result of the merger but tend to agree that there was weakened governance systems and structures.

TABLE 26: COMPARATIVE ANALYSIS FOR QUESTION 18 AND QUESTION 19

QUESTION 18	QUESTION 19					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	2		1	0	0	3
Agree	0	10	7	12	1	30

Neutral	4	13	20	10	7	54
Disagree	6	18	10	16	0	50
Strongly Disagree	11	9	2	9	8	39
Total	23	50	40	47	16	176

In **Table 27**, the statement ‘weakened governance systems and structures were the results of merger’ (Q19) is compared with the statement ‘the establishment of a high quality Council was the result of the merger’ (Q20). While 34 respondents agree that mergers resulted in weakened governance systems, they tend to disagree that there was high quality Council established as the result of the merger. Another 33 respondents do not feel that the governance structures were weakened by the merger but certainly these same respondents feel that there was no high quality Councils established as a result of merging.

TABLE 27: COMPARATIVE ANALYSIS FOR QUESTION 19 AND QUESTION 20

QUESTION 19	QUESTION 20					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	1	1	7	3	11	23
Agree	0	9	21	17	3	50
Neutral	0	11	22	7	0	40
Disagree	1	11	15	19	1	47
Strongly Disagree	0	1	2	9	4	16
Total	2	33	67	55	19	176

Similarly when Councils (Q20) were compared to Management(Q18), a large number of respondents of 52 tend to either disagree or strongly disagree on both statements that a merger outcome was the establishment of a high quality Council or that of Management . The details are found in **Table 28**.

TABLE 28: COMPARATIVE ANALYSIS FOR QUESTION 18 AND QUESTION 20

	QUESTION 20					
QUESTION 18	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	1	0	2	0	0	3
Agree	0	11	14	5	0	30
Neutral	1	14	22	16	1	54
Disagree	0	5	17	25	3	50
Strongly Disagree	0	3	12	9	15	39
Total	2	33	67	55	19	176

In **Table 29**, the statement - merger has resulted in the establishment of a high quality Management (Q18) has been compared with the responses to the statement –staff was kept fully informed of all merger activities at our institution (Q31). Here we find that only 19 respondents either agreed or strongly agreed that merger resulted in a high quality Management and that staff were kept fully informed of all merger activities. Significantly, 44 respondents disagreed with the statements that merger resulted in high quality Management as well as that staff we kept well in formed during the merger.

TABLE 29: COMPARATIVE ANALYSIS FOR QUESTION 18 AND QUESTION 31

	QUESTION 31					
QUESTION 18	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	1	1	0	0	1	3
Agree	1	17	4	2	6	30
Neutral	1	20	12	12	9	54
Disagree	2	19	8	17	4	50
Strongly Disagree	3	8	5	12	11	39
Total	8	65	29	43	31	176

10.5.5 Analysis of Factors of Efficiency, Productivity and Sustainability

Table 30 reports on the comparative analysis between higher levels of academic productivity (Q3) and that of administrative productivity (Q4). The respondents nearly 83 of them were clear that they either disagreed or strongly disagreed to the question that the productivity in the academic and administrative sectors went up as a result of merger. In fact the dichotomy between the academic and administrative ambits in Universities became evident when 28 respondents indicate that higher levels of academic productivity have been achieved as a result of the merger but the same group disagree that higher levels of administrative and support services productivity was achieved as a result of merger.

TABLE 30: COMPARATIVE ANALYSIS FOR QUESTION 3 AND QUESTION 4

QUESTION 3	QUESTION 4					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	0	0	1	0	0	1
Agree	1	23	5	5	3	37
Neutral	0	14	13	15	5	47
Disagree	0	1	6	29	18	54
Strongly Disagree	0	0	1	10	26	37
Total	1	38	26	59	52	176

A comparison of the statement – the merger has resulted in a positive financial position (Q7) to the statement – a more sustainable institution has been the outcome of the merger (Q8) is reported in **Table 31**. The important observation here is that 77 respondents either disagreed/strongly disagreed that merger resulted in a positive financial position as well disagreeing that a more sustainable institution was the outcome of the merger.

TABLE 31: COMPARATIVE ANALYSIS FOR QUESTION 7 AND QUESTION 8

QUESTION 7	QUESTION 8					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	1	1	0	0	0	2
Agree	0	22	1	1	0	24

Neutral	0	11	17	9	11	48
Disagree	1	6	15	25	7	54
Strongly Disagree	0	0	3	24	21	48
Total	2	40	36	59	39	176

In respect of the impact on 'efficiencies' during mergers, the statement – merger and restructuring has resulted in the elimination of duplicate and overlapping programmes/courses which has had the effect of improved efficiencies at the institution(Q22) has been compared with the statement – merger has brought about greater efficiency as the result of economies of scale(Q24). This finding is recorded in **Table 32** points to 40 respondents who tend to either disagree or strongly disagree to both statements. Not far off was another 34 respondents who agreed with the statement merger and restructuring has resulted in the elimination of duplicate and overlapping programmes/courses, which had the effect of improved efficiencies at the institution but disagreed with the statement merger has brought about greater efficiency as the result of economies of scale.

TABLE 32: COMPARATIVE ANALYSIS FOR QUESTION 22 AND QUESTION 24

QUESTION 22	QUESTION 24					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	0	3	1	1	0	5
Agree	0	22	18	24	10	74
Neutral	0	6	10	10	19	45
Disagree	0	2	7	18	6	33
Strongly Disagree	1	1	1	3	13	19
Total	1	34	37	56	48	176

10.5.6 Analysis of Key Academic Indicators

In order to draw conclusions about the academic imperatives of merging, a comparative analysis was undertaken in respect to the responses to the following statement: merger resulted in students gaining immediate access to academic

benefits (e.g. smaller class sizes, extra teacher/tutors, more programmes) which may not have existed at their previous institutions (Q9) with the statement merger resulted in better teaching and learning facilities for students (Q12). These findings are detailed in **Tables 33**. The only observation of note is that 83 respondents have either disagreed or strongly disagreed with both the statements.

TABLE 33: COMPARATIVE ANALYSIS FOR QUESTION 9 AND QUESTION 12

QUESTION 9	QUESTION 12					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	0	0	2	0	0	2
Agree	0	10	9	9	1	29
Neutral	0	3	17	6	5	31
Disagree	0	9	12	42	2	65
Strongly Disagree	0	5	5	18	21	49
Total	0	27	45	75	29	176

When the statement ‘merger resulted in better teaching and learning facilities for students’(Q12) was compared with the statement ‘merger resulted in better working facilities for staff’(Q13) the results in **Table 34** point to a significant number of 95 respondents that either strongly disagree or disagree to the above statements.

TABLE 34: COMPARATIVE ANALYSIS FOR QUESTION 12 AND QUESTION 13

QUESTION 12	QUESTION 13					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Agree	2	11	5	8	1	27
Neutral	0	3	19	10	13	45

Disagree	0	2	7	50	16	75
Strongly Disagree	0	0	0	9	20	29
Total	2	16	31	77	50	176

10.5.7 Analysis of the Impact of Merger on Quality

Given the importance of ‘quality’ to higher education institutions it becomes essential to analyze this factor in the context of mergers. In this respect the statement – focus on quality issue matters weakened at the institution as a result of merger integration activities (Q16), was compared with the responses to the following statement – the support for academically disadvantaged students has been more effective than was provided for by the individual merging partners (Q14). This result is reported in **Table 35**. The respondents, 30 of them either strongly disagreed or disagreed with the statement that those academically disadvantaged students got better support following a merger but agreed with the statement that quality issue matters weakened as a result of merger integration. Another 28 respondents disagreed with both statements.

TABLE 35: COMPARATIVE ANALYSIS FOR QUESTION 14 AND QUESTION 16

QUESTION 14	QUESTION 16					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	0	0	1	0	0	1
Agree	1	16	8	15	2	42
Neutral	4	13	15	9	2	43
Disagree	5	14	22	15	5	61
Strongly Disagree	9	2	10	6	2	29
Total	19	45	56	45	11	176

The statement – focus on quality issue matters weakened at the institution as a result of merger integration activities(Q16) is compared with the statement ‘generally the institutions’ focus on excellence in teaching, research and community service suffered immediate setbacks as a result of the merger’(Q17). The results are found in **Table 36**. Close on to 36 respondents agree including those that strongly agree with both statements. A further 33 respondents tend to disagree with both the statements and 29 respondents are neutral or undecided to both statements.

TABLE 36: COMPARATIVE ANALYSIS FOR QUESTION 16 AND QUESTION 17

QUESTION 16	QUESTION 17					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	11	2	2	2	2	19
Agree	3	20	11	6	5	45
Neutral	4	18	29	4	1	56
Disagree	0	12	6	27	0	45
Strongly Disagree	1	1	1	4	4	11
Total	19	53	49	43	12	176

The statement – focus on quality issue matters weakened at the institution as a result of merger integration activities(Q16) has been compared to the statement ‘there has been greater ‘student access’ at the institution resulting from merger’(Q21). **Table 37** point to 26 respondents agreeing that quality issue matters weakened during merger integration activities as well as agreeing that there has been a greater student access at the institution as a result of merger. There was also another 25 respondents that disagreed that there was greater student access as the result of merger but agreed that quality issue matters weakened during merger integration.

TABLE 37: COMPARATIVE ANALYSIS FOR QUESTION 16 AND QUESTION 21

QUESTION 16	QUESTION 21					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total

Strongly Agree	1	4	4	3	7	19
Agree	0	21	9	13	2	45
Neutral	1	30	19	6	0	56
Disagree	0	22	9	14	0	45
Strongly Disagree	1	2	4	2	2	11
Total	3	79	45	38	11	176

10.5.8 Analysis of Merger Impact on Students and Student Life

In examining the effect that merging has on students and student life, the comparative analysis is reported in **Tables 38**. The responses to the statement – support for academically disadvantaged students has been more effective than was provided for by the individual merging partners (Q14) was compared to the statement - quality of student life has been enhanced as a result of the merger (Q35). The table below indicates that close on to 47 respondents strongly disagreed or disagreed to both of the above statements. There was also another 23 respondents that disagreed with the statement the support for academically disadvantaged students has been more effect than was provided for by the individual merging partners, but they agreed with the statement that the quality of student life has been enhanced as a result of the merger.

TABLE 38: COMPARATIVE ANALYSIS FOR QUESTION 14 AND QUESTION 35

QUESTION 14	QUESTION 35					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	0	0	0	0	1	1
Agree	0	13	19	9	1	42
Neutral	0	11	19	8	5	43
Disagree	0	14	17	20	10	61
Strongly Disagree	2	7	3	13	4	29
Total	2	45	58	50	21	176

The statement – ‘there has been greater ‘student access’ at the institution as the result of the merger (Q21) has been compared with the statement ‘quality of student life has been enhanced as a result of the merger’ (Q35). **Table 39** shows that 32 respondents strongly agree/agree to both the statements. There were however 21 respondents that disagreed to both the statements.

TABLE 39: COMPARATIVE ANALYSIS FOR QUESTION 21 AND QUESTION 35

QUESTION 21	QUESTION 35					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	0	1	0	0	2	3
Agree	0	31	24	21	3	79
Neutral	1	7	14	14	9	45
Disagree	0	5	17	15	1	38
Strongly Disagree	1	1	3	0	6	11
Total	2	45	58	50	21	176

The final analysis in respect of students, pertained to them gaining immediate access to academic benefits such as smaller class sizes, extra tutors etc(Q9) and this was compared to the responses that – there has been greater ‘student access’ at the institution as the result of the merger(Q21). **Table 40** shows that 48 respondents strongly disagree/disagree to the statements that merger resulted in students gaining immediate access to academic benefits(e.g. small class sizes, extra teachers, more programmes etc) which may have not existed at their previous institutions but agreed that there has been greater student access at the institutions resulting from merger. There were also 37 respondents that strongly disagreed /disagreed to both the statements.

TABLE 40: COMPARATIVE ANALYSIS FOR QUESTION 9 AND QUESTION 21

QUESTION 21

QUESTION 9	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Strongly Agree	0	2	0	0	0	2
Agree	0	14	11	3	1	29
Neutral	0	18	5	8	0	31
Disagree	1	28	17	16	3	65
Strongly Disagree	2	17	12	11	7	49
Total	3	79	45	38	11	176

CHAPTER 11

DISCUSSION OF RESULTS(MACRO STUDY)

11.1 Introduction

While the micro study has attempted to examine the DUT merger reflecting on the practical processes, problems, pitfalls and peculiarities, the macro study has sought to examine the perceptions of staff of merged institutions in respect of their own mergers. Staff perceptions have not been limited to the mechanics of their mergers but also how they viewed their mergers as having achieved or are achieving national goals and objectives that should result in contributing to the transformation of the sector. In this chapter the overall results of the survey is examined and discussed, and concluding with comments on the second key central question.

11.2 Merger Perceptions: A Bird's Eye View

In many ways some of the responses of staff members from merged higher education institutions are almost predictable, whereas in other cases it points to the complexity of mergers and it requires further intense research to understand the reasons and rationale for the responses. If one takes the question or statement related to staff productivity, the results point to approximately 51% either 'disagreeing or strongly disagreeing' that academic productivity has been achieved as a result of the merger. The result is even worse for administrative staff where the rating is 63%. Bearing in mind that about 66% of the respondents were academic staff members, it shows that while they were critical of their own productivity not improving post merger, they were

unequivocal in their view that the fault was somewhere in administration. A response rate like this also reiterates the dichotomy between administration type employees and academic employees at higher education institutions.

On the question of merger financial and sustainability implications, it again points to largely negative perceptions by staff in these matters. Nearly 58% of staff either disagreed or strongly disagreed with the statement that 'a result of the merger has been a positive financial position' and a similar percentage response 56% to the question 'as a result of the merger a more sustainable institution has been the outcome'. Very small percentages of 15 % and 24% respectively, agreed or strongly agreed with these statements. Despite the Government budgeting approximately R3 billion to support the restructuring process, this it seems was not enough(Gower, 2009). As Stumpf observed in respect of the Nelson Mandela Metropolitan University merger, "frustrations arose with the bureaucracy with which the department approached applications for payouts and the long delays experienced in such payouts being made"(Stumpf, 2009). It would seem that the perceptions of staff about the poor financial position of merged institutions comes from issues like voluntary severance, cost cutting that went on during the early merger days and the need to spend significant amounts relocating staff to different campuses and reorganizing the use of existing space.

Closely allied to finance and sustainability are issues of elimination of duplication and efficiencies gained out of economies of scale. Both these are often the benefits of mergers(Goedegebuure, 1992 and Martin and Samels, 1994). The respondents close on 45%, tend to support the statement that merger and restructuring have resulted in the elimination of duplicate and overlapping programmes/courses, which has had the effect of improved efficiencies at the institution. While this is a positive affirmation of the benefits of mergers in South Africa, it should be noted that there is almost 30% who do not agree that the above has occurred. There are also close on 25% of respondents that seem undecided on whether mergers and restructuring resulted in the elimination of duplicate and overlapping programmes. When the statement, 'merger has brought about greater efficiency as the result of economies of scale' has been posed, the responses changes significantly. About 59% of respondents either disagree or strongly disagree that this has been an outcome of their mergers. The only consistent group when we compare this latter statement with the former is the undecided group. Here the undecided group is 21% as compared with the earlier statement of 25%. What we may begin to conclude from this, is that while staff at merged institutions acknowledge and confirm that there was elimination of duplication of courses resulting from mergers; they do not necessarily interpret this to be improving organizational efficiencies. More importantly is the perception held that

while mergers have resulted in a bigger institution, this has not translated into greater efficiencies. One can only speculate that academic staff are faced with larger class sizes because of growing access for students and the physical facilities of the merged institutions need to be significantly reconfigured to obtain real term efficiency gains. This often is a very costly exercise.

In respect of looking at the impact that mergers have on academia, a relatively high negative score of 64% disagreed or strongly disagreed with the statement, 'merger resulted in students gaining immediate access to academic benefits(e.g. smaller class sizes, extra teachers/tutors, more programmes) which may have not existed at their previous institutions'. If the DUT experience was to be taken into account, then the belief that mergers even between unequal institutions will not necessarily immediately benefit the less endowed institution. The joining of two faculties, for example, yields the efficiencies only in the long run. In a period following a merger there are pipeline students to consider and the idea that there will be spare lecturers and tutors did not materialize in the DUT merger or in several other mergers in the country. Closely related to the above statement was whether merger resulted in better teaching and learning facilities for students. Here again, nearly 59% of respondents disagreed or strongly disagreed. A high negative response was received to the question 'merger resulted in better working facilities for staff', in this case nearly 72% disagreed or strongly disagreed with the statement. The only plausible explanation for this high score is that a substantial number of the respondents had their normal routine upset by the merger. Unitary type mergers in South Africa would have resulted in a substantial reorganization of space within the institutions and campuses if multi sites existed. The consequence, as was evident in the DUT case that some staff members got good facilities and other worse than what they may have been previously used to.

Looking at whether academically disadvantaged students were given more effective support than the individual merging partners, at least half of the respondents felt this did not happen while close on 25% were undecided on this question. One of the intended consequences of mergers would have been to realize a certain level of savings, as had been the experience in mergers in other parts of the world. Given the South African situation of a vast number of underprepared students entering tertiary education, the need for support for these academically disadvantaged students becomes critical. These savings realized through mergers would have assisted in addressing this particular deficiency in the higher education sector. However, for a variety of reasons that is yet to be understood or researched, respondents in this study do not see mergers as having assisted the academically disadvantaged students.

Another important academic matter raised in this research was whether the 'institution's focus on excellence in teaching, research and community service suffered immediate setbacks as a result of merger'. It could be argued that such a broad question/statement does little justice to testing how each different leg of academic life mentioned, stands up to scrutiny in the context of mergers. While this difficulty is accepted, the results of the above statement do allow one to appreciate a holistic view expressed by the respondents on the major functions of academia. Nearly 41% of the respondents agreed or strongly agreed that the focus on excellence in teaching, research and community service suffered immediate setbacks as a result of the mergers. Equally nearly 31% did not agree with this statement and a further 28% seem undecided on the matter. According to Finweek survey, merged institutions stack up in the bottom 10 of the 23 universities assessed(Ray, 2009: 16). In particular the observation was that the quality of academic output in some new generation universities remains as poor as their historically black predecessors and further seem to be falling further behind the traditional universities. In the same Finweek survey, corporate executive and human resources managers interviewed seem to concur that the institutional terrain has shifted from one that is centred on academic excellence to one that is centred on institutional access. While many of the merged institutions now boast of improved benchmarks for example better graduation rates, pass rates and qualified staff, these are all coming off a very low base.

One of the critical concerns for higher education mergers is the effect this has on quality in its broadest sense. Hall, Symes and Leucher(2004) point out that academic quality issues are likely to be one of the most important factors determining the success of mergers in the long run. The responses to the question on whether 'quality weakened at the institution, as a result of merger integration activities', was almost even across the three broad categories. Approximately 36% either strongly agreed or agreed with the statement, while 32% was undecided on this issue and 32% disagreed or strongly disagreed with the statement. Taking into account the observation made by Hall, Symes and Leucher, that quality management and quality assurance in particular are given too little attention in the early phases of merger, especially at the higher levels of governance(2004: 135) together with the results above, the conclusion reached is that far too little attention was paid to it in the restructuring of the South African higher education system.

In terms of key national goals and objectives as espoused by Government in various position papers and laws (see chapter 3), the following are observed. Close on 49% of respondents confirm that their institutions have a better student equity profile as the result of the merger. However, one equally cannot be dismissive of the fact that nearly 35% of respondents seem to disagree or strongly disagree that mergers have

contributed to a better student equity profile. In contrast the responses on staff equity point to 37% respondents acknowledging that institutions have a better profile as the result of merger while 34% tend not to share this view and the remainder 28% is undecided on the matter. Another national imperative is for institutions to contribute to both national socio-economic developments as well as at a regional/local level. The response is almost evenly split over the three grouped categories. Almost 33% agree that the institutions are far more effective in contributing to socio-economic developments at both national and regional levels, while another 33% is undecided about this and the remainder do not support that mergers have impacted upon this national goal.

On turning our attention to examining how far the national goal of ensuring new institutional identity to overcome the legacies of apartheid was achieved, the findings show that close on 46% of the respondents agree or strongly agree that mergers aided this. Having said this, there remain 33% of the respondents who believe that the goal has not as yet been achieved and a further 20% are undecided on the matter. There have been reports where the dominance of one institution in the merger may have created this perception that a new institutional identity has not yet been achieved (Dibetle, 2009). Professor Asmal, the former Minister of Education under whose leadership South African higher education restructuring was implemented made the following observations about institutional identity post merger. He said, 'creating a new institutional identity and culture is proving more difficult even where, as in the case of University of Kwa-Zulu Natal (UKZN), a far-sighted decision was taken to establish the seat of the new university at the former University of Durban-Westville campus, signalling the commitment and determination of the new management to challenge the perception that the merger was between unequal (racial) partners (Asmal, 2009: 5). A similar observation was made in the case of North-West University, another merged institution. Here a Ministerial Committee investigating the disruptions in 2008 concluded that the creation of a federal structure and a technicist approach to the merger with an overly bureaucratic and legalistic interpretation resulted in creating the perception that the former Potchefstroom University, the stronger institution in the merger was not interested in transformation and was pursuing narrow self-interest.

In respect of the one other national goal tested, was the statement, 'most of the benchmarks/ indicators (e.g. qualified staff with a minimum masters degrees, graduation rates, research outputs, pass rates etc) set by the Department of Higher Education and Training improved because of the merger', the response showed that 27% agreed, while 37% were undecided and 36% disagreed that mergers helped this along. The general assumption that by joining two or more institutions some indicators would have improved but others may have worsened. In the case of

Universities of Technology, they would have been coming from a lower base especially in respect of staff qualifications and therefore mergers may have helped improve the situation. Using a similar argument an institution with good pass rates or graduation rates prior to merger could also feel pulled down by the merging partner whose rates were poor.

We now turn our attention to issues of leadership and management arising out of mergers. In respect of the statement, 'a merger outcome has been the establishment of a high quality Management at the institution', the results point to at least half of all respondents 51% either disagreeing or strongly disagreeing that this was the case at their institutions. There is a large group 31% that is undecided about the quality of their post merger Management. When the same question was asked in respect of Councils, the group that had earlier disagreed or strongly disagreed in respect of Management now fell to 42% for Councils while the undecided group rose to 38%. The rise in the undecided (neutral) responses to 38% probably points to a lack of information to this group about what Councils actually do. The alternative view is that Councils are generally remote from the rank and file staff members of institutions and that staff can more easily see the workings of Management than that of Council. On the question of governance structures and mergers, the following question/statement was asked 'weakened governance systems and structures were the results of the merger' and close on 42% agreed or strongly agreed with this statement, while 36% either disagreed or strongly disagreed. These are reasonably close percentage responses, thus pointing to mixed experiences by merged institutions about the effect of their governance structures and systems. These structures and systems will have included Council, Senates, Institutional Forum, Faculty Boards, Council sub committees, Student Representative Councils and other boards and watchdog committees.

One of the surprising results of this study related to communication and keeping staff, students and other stakeholders informed throughout the merger process. The role of Management in ongoing communication of matters related to significant change cannot be understated. The responses to the question 'staff was kept fully informed of all merger activities at our institution' pointed to the most extreme of results. Nearly 41% agreed that they were kept informed of merger activities while a similar percentage (42%) pointed out that they were not kept fully informed of merger activities. While the results reveal very contrasting institutional experiences, this study does not report on inter-institutional comparisons. However one could speculate that in some institutions communication about merger activities was better done than at others, rather than staff from the same institution reporting different levels of experiences in relation to the same factor.

Few would deny that while substantial attention is paid to legal, financial and operational elements of mergers, the human side is the key to ensuring long term success of mergers. This part of the study also sought to examine the perceptions of staff on a number of human relations and human resources matters. Beginning with whether 'staff benefited from the merger through improved salaries and benefits', the responses were as follows: 54% disagreed or strongly disagreed, while approximately 22% have agreed or strongly agreed. Interestingly of course was that close on to 25% remained undecided on this statement. One of the difficult issues for many merged institutions was the ability to adequately address the salaries and benefits discrepancies that existed between merging institutions. The higher education merger study group also report in their assessment of three mergers and an incorporation that one of the challenges has been the difficulty to achieve salary equity (Gillard, Saunders, Terblanche and Sukel, 2009). Looking at whether 'staff benefitted from the merger through improved working conditions' almost 64% disagreed or strongly disagreed, while 19% agreed or strongly agreed to this statement.

The way that staff felt about their mergers was demonstrated in the following key human resource indicators. The first one related to examining job satisfaction, here the statement was 'the merger had the effect of raising the job satisfaction levels of staff'. Almost 69% of respondents either disagreed or strongly disagreed with the statement, while only 13% seem to agree with the statement, the balance 18% of respondents were undecided. Mirroring the results of job satisfaction was the issue of staff morale. To the question/statement 'the merger has resulted in lower levels of staff morale', 69% of respondents either agreed or strongly agreed with this statement and approximately 25% tended to disagree or strongly disagree. If these two human resources indicators are read against responses dealing with conflict, then conclusions on mergers in respect of 'people matter' become easier to explain. The respondents to the statement 'the merger gave rise to greater conflict within the institution' overwhelmingly affirmed this statement with either 66 % agreeing or strongly agreeing while 21% either disagreeing or strongly disagreeing. Looking at these responses of staff from merged institutions supported by higher education merger literature, one can quite confidently say that mergers are fraught with a great amount of people difficulty. The experiences of several South African higher education mergers point to this (Dibetle, 2009, Pillay, 2009 and Stumpf, 2009).

Many of the stressors that accompany merger activity are well known. Most people can easily imagine job uncertainty, loss of security, redeployment and transfers. Included in this are changes in reporting relationships and even downgrading of one's job. So it is no surprise that mergers are traumatic for many people, often resulting in

health problems both psychologically as well as physiologically. Two questions dealt with security of employment and staff anxieties. In respect of the question, 'our merger had the effect of reducing job security', 44% of the respondents either agreed or strongly agreed with this statement, equally on the other side nearly 35% of staff did not agree with the statement. About 20% seem neutral or undecided on this question. It probably points that job security was an issue in only certain mergers or for certain members of staff. Also the decision by Government that no sites or campuses be closed, as the result of restructuring may have lessened any job insecurity concerns. Similarly to the question, 'generally merger related problems at our institution could be attributed to staff insecurities/anxieties', the results show that 47% of the respondents agreed with the statement, while 23% tended to disagree with the statement. However, what is significant is that close on to 30% seemed to be either indifferent or undecided as to what may have been the cause of merger related problems in their institutions.

Given that mergers in South Africa as in many other countries in the world were initiated by Governments as part of national imperatives, this study also sought to establish whether staff saw such interventions as impacting or reducing institutional autonomy and academic freedom. With reference to whether mergers had any effect on institutional autonomy, that is the eroding of the power of a university to decide its entry requirements, its programmes and to manage itself independently, irrespective that it receives a subsidy from the State the responses were muted. The findings show that 32% agreed with the statement and 30% disagreed, however a substantial group of 38% remain undecided on this matter. When examining the statement 'merger had no effect on institutional academic freedom', the responses changed slightly. More staff members tend to agree (38%) that merger had no effect on institutional academic freedom, while 28% tend to disagree. However the neutral group continues to remain large at 34%. What is not detected from these responses is whether the neutral group is from the administrative sector which comprised 35% of the respondents.

Given the historically legacy between disadvantaged and advantaged institutions in South Africa, one element that needed to be examined was that of student life. While it is acknowledged that not all mergers were between advantaged and disadvantaged institutions, the student experience is an important one. Did the students have an enriched student experience especially in terms of the quality of student accommodation, the support received from an administrative and academic perspective and the development and inculcation of life skills. Ideally the group that should answer such a question are the students. However for the purpose of this research the question was posed to staff. The statement 'quality of student life has

been enhanced as a result of the merger' indicated that only 26% of staff thought that quality of student life had improved as a result of the merger. The vast majority of 40% either disagreed or strongly disagreed that the quality of student life has been enhanced by the merger. Almost 32% of respondents seem to be neutral (undecided) about this.

Finally, we turn to examine the perceptions of staff in respect of whether they considered their mergers to be successful or otherwise. To the question 'the merging partners would have been better off had there been no merger', approximately 57% of the respondents either agreed or strongly agreed in comparison to 27% that either disagreed or strongly disagreed. When the responses to the statement, 'our merger can be considered unsuccessful' is examined, the picture changes slightly in that 44% of the respondents consider their mergers to be unsuccessful, however another 35 % either disagree or strongly disagree that their merger could be considered unsuccessful. The undecided group is at 20%. The perception of staff is very important given that the questionnaires were administered between 5 and 6 years after the mergers have taken place in South African. The only conclusion that can be reached is that many institutions are still experiencing the pains of the merger and this has been strongly felt by staff. The other conclusion is to accept that while technical aspects of mergers may have been completed within a relatively short period of time, the development of a new identity and culture can take a very long time, up to ten years and as Martin and Samels observed for the wounds to heal (1994).

Having looked at the survey results holistically with reference to Table 15, we now turn our attention to address the second central question of this research.

11.3 Addressing the Second Central Question

This was a study of South African higher education mergers, with the primary focus being the examination at an institutional level, a micro study of mergers. The objective was to examine how a merger took place, what happened during the various merger processes, i.e. how mergers unfold and what were the results and outcomes. Very much an examination of the intricacies and nuances associated with such a major change effort. Invariably the Durban University of Technology merger can only be confirmed by comparing the experiences of other institutional mergers. This has therefore led to examining South African higher education mergers from a macro perspective, the second, albeit minor part of this study. Given that mergers were used by the Government as an instrument to restructure the South African higher education

sector, the goals and objectives envisaged in the various Government papers and legislation are also examined through the perception study. This study not only solicited the views of staff in respect of issues pertinent to the unfolding of their own mergers, but in particular also sought to examine whether the goals and objectives purported by the State for the transformation of the higher education sector have been achieved or are being achieved through mergers. Therefore as a way of summary I go back to the second central research question and the sub questions to summarize the main findings.

The research question (Have mergers assisted with the revitalization of the academic project/goals?) attempts to address what were some of the benefits of mergers from an academic perspective. It could be argued that virtually all issues discussed in the study are about academia. However for the purposes of this research some of the academic benefits were narrowed down. The general test being, if two or more institutions were going to be joined together into a unitary organization, then there would be some efficiency gained as the result of economies of scale. If this were to be accepted as the general thrust of the argument, then it follows that students should have been able to get smaller class sizes, extra lecturers from the savings realized through mergers. The continued duplication of programmes/courses for pipeline students are often limited to a short time period post merger and therefore this additional cost should run itself out very quickly. This argument also factors in the South African situation that student numbers grew in the post merger period of 2004/2005(Ray, 2009). However in this study most respondents did not support the above thinking that mergers bring about greater efficiencies largely out of economies of scale. Another angle that this study explored on the question of academic benefits was whether mergers resulted in better teaching and learning facilities. Here again, the study shows that staff were emphatic that this did not happen. The only conclusion one can reach is that the facilities of all merging institutions were rather poor before the merger and therefore such a situation would have invariably continued post merger. However this cannot be the case especially if we have to consider the past state of South African higher education in terms of the historically advantaged institutions versus the historical disadvantaged institutions. If this was to be considered, then generally this would limit the argument that all merged institutions had poor facilities, however there may be exceptions.

Another sign that the academic milieu was affected is expressed by at least 41% respondents, who indicate that the institution's focus on excellence in teaching, research and community service did experience some problems immediately after merger. This is quite understandable in the context of great change taking place and the practicalities of undertaking a merger will certainly tend to distract staff generally

from the core business. Certainly the DUT case points to students experiencing difficulties as well as there was a drop in national research output and the dropout rate nationally, according to Ray has risen since the 2004 restructuring strategy was implemented(2009). Therefore the views of staff in merged institutions surveyed simply confirm that this would have happened at those institutions as well.

Finally from an academic perspective not everything is gloomy as the results of the survey seem to suggest. Observation made by Department of Education officials, point to the establishment of the Centre for Entrepreneurial studies in the merged University of Johannesburg's Soweto campus. Similarly the merger/incorporation of the Faculty of Dentistry of University of Western Cape and the School of Oral Health Sciences of the University of Stellenbosch resulting in a new Faculty at the University of Western Cape is now positioned to meet the oral health science research, education and training needs in the Cape(Qhobela, 2009). He also went on to observe that merger strengthened the animal health facility at the Mafikeng campus of the merged North West University. There are several such examples depicting good experiences on the academic front following the various mergers.

The research question (Is the higher education sector in better position to contribute to the country socio-economic development as the result of mergers?) looks at whether merged institutions are better placed to respond to the education and skill development needs of the nation. In the South African context the notion of a 'developmental state' given the country's past history requires that the higher education sector contribute significantly to socio-economic development using its sphere of expertise. There are one third of the respondents that seem to think that mergers have poised higher education institutions to make a contribution to socio-economic development both at a national and regional level. There is another group of respondents constituting almost one third who do not share the view that the institutions have been far more effective in contributing to socio-economic development both at a national and region level following mergers. The only conclusion that can be drawn from this latter group is that their mergers remain difficult to enable a proper focus and execution of a new vision and strategy, which would have included ensuring that there is a significant contribution to the socio-economic development of the country at all levels.

The research question (Have mergers brought about any benefits or improvements in the areas of Governance and Managerial leadership of the sector?) addresses an important wider national issue of ensuring that the higher education sector is led by very high quality Councils and Management teams. The reason for this is not hard to find in that Councils and Management are required to deliver a transformed higher

education sector collectively, that help build the young democracy and prepares the nation to survive in new world order of globalization. The role of leadership is paramount in establishing structures, providing support, building a vision, ensuring the availability of resources and establishing a culture and embracing change (Sooklal, 2005: 268). The research results paint a very bleak picture about the quality of Management and Councils. Nearly 50% of the respondents did not see mergers as having assisted in establishing a quality Management, while 30% seem to be undecided on this matter. In respect of Councils, 42% did not think they were of a high quality resulting from the mergers. Furthermore almost 42% of the respondents thought that the governance systems and structures were weakened as a result of mergers.

Given that one of the goals of transforming the higher education sector was to strengthen the sector by ensuring good leadership and governance, these results allows one to conclude the following: 1) Where mergers are at best difficult or problematic, Management would certainly have become a scapegoat for much of the ills. 2) Merger processes are only concluded successfully if there is strong leadership.

The observation made by the higher education study group into three mergers and an incorporation, point out that in the early stages of all mergers it requires firm and even autocratic leadership style (Gillard, Saunders, Terblanche and Sukel, 2009). In mergers, it is necessary to ensure that leadership is present at all levels of the organization. In this way it becomes easier to manage conflict and different cultures. Qhobela observed that institutions which had strong leadership and participatory and inclusive management were able to navigate mergers more successfully than others (2009). In particular these institutions were able to quickly adopt new visions, missions and new identities thus allowing them to focus their energies on the academic and other aspects of the merger.

The research question (Are there financial efficiencies gained and or general sustainability improvements as the result of merging?) address whether mergers have resulted in sustainable future higher institutions and by implication the sector. At the time of merging, a number of higher education institutions were in serious financial difficulties, especially the historically Black institutions. The reasons for this state of affairs have been dealt with in other parts of this thesis and therefore an expected goal was to ensure that through mergers strong, viable and sustainable institutions arose. An examination of the results of the survey tends to portray shocking perceptions about the financial position and sustainability of the new merged institutions. Nearly 58% of the respondents did not see mergers as contributing to a positive financial position of the new institution. Similarly, in respect of the question that as a result of the merger a more sustainable institution has been the outcome,

nearly 56% disagreed with this. The only plausible explanation for this is that mergers placed a huge burden on the finances of the merged institutions, resulting in the need to spend in areas where it may have been unnecessary to do so by the respective merging partners. This would have included a wide ranging merger related costs. The perception that mergers were a huge financial burden and drain on institution would have primarily come from staff whose institutions before the merger would have been in a reasonably financially strong or good position. These financial difficulties may have seen to persist despite the Government budgeting R3 billion to support the restructuring process(Gower, 2009). Included in this amount was R800 million to recapitalize the balance sheets of qualifying institutions and the balance for direct merger costs. The ex Minister of Education, Naledi Pandor did concede that the government had not set aside enough money or time for the process(Gower, 2009).

The research question (Did mergers contribute to the improvement of number of key human resources indicators which include: staff equity, staff productivity, improved working conditions and job satisfaction?) addresses the impact of mergers at the institutional level. In earlier chapters of this thesis the distinction has been made between the 'technical' merger issues and 'softer' merger issues. The point that has been made is that the technical merger may be completed but because the softer issues have not been dealt with adequately the merger is never properly settled, in order for the organization to begin focusing attention on its new vision and strategy. The new merged institution continues to be distracted by sometimes small but steady and frequent wrangling and disputes and at other times quite open conflict that has elements of violence. These were the experiences in many of the merged institutions in this survey. In this study it became clear that a number of problems beset merged institutions. Some were minor difficulties and others became debilitating to the institutions. In questions related to salaries and working conditions, nearly 54% respondents indicated they disagreed that staff had benefitted from improved salaries and benefits as a result of the merger, while 64% of respondents disagreed that there were improved working conditions as a result of the merger. As for whether mergers had the effect of raising their job satisfaction, nearly 69% disagreed that this had happened. Almost 66% of the respondents had indicated that merger had given rise to greater conflict. Similarly 69% of respondents indicated that merger resulted in lower levels of staff morale. Nearly 47% surveyed suggested that their merger could be considered unsuccessful and a further 44% pointed out that their merger had the effect of reducing job security. In this study there is reasonable evidence to suggest that from a people management perspective mergers were difficult and problematic. At its best given the complexity of mergers it was not always easy to deal with the problems associated with human relations and human resources.

The research question (Have students benefited from mergers which would include: improved access, learner support programmes, improved facilities and student life?) addresses how students have fared and benefitted from the mergers. Mergers were intended to create good quality sustainable institutions which ultimately benefitted the students. A positive development was the improved equity profile of students to which a significant percentage of respondents testified; as well as 47% respondents saw a benefit of mergers was the improved student access. However 51% of the respondents believed that the support for academically disadvantaged students was not more effective than was provided by the previous merging partners. Further 40% did not think that student life had been enhanced because of the merger.

We conclude from the above that students benefitted by finding that access to higher education had improved and consequently the participation rates of students in higher education had dramatically improved. However correspondingly, South Africa has one of the lowest graduation rates in the world at 15%(Ray, 2009). However this rate has been steadily improving due to both interventions by the Department of Higher Education and Training and the higher education institutions. When the dropout rate of students is examined we find that this has been rising since 2004; it is almost 50% now. This supports the survey finding about poor academic support for disadvantaged students.

11.4 Conclusion

The difficulty in drawing a general conclusion or making an assessment as to whether mergers have been successful or otherwise in South Africa and whether they have been the appropriate instrument to transform the higher education sector is that we have data on perceptions of success, not an 'objective' assessment against clear criteria. While acknowledging this limitation, perception studies are valuable in their own right providing a barometer for what is going on at the coal face. Therefore using the results of this study and literature on South African mergers a general conclusion and assessment is drawn.

If examined from the point of national imperatives, then as an instrument used by Government to restructure and transform the higher education sector, then mergers must be considered successful. There are 10 new merged institutions besides the various incorporations of facilities and sites across the higher education sector with other institutions. Although these merged institutions arise from institutions with their own rich history and culture which cannot be ignored, the opportunity from a national perspective exists for the establishment of a new institutional identity and culture that is congruent with the ethos of a new nation with democratic values. So from a Government or national perspective, a political goal has been achieved by instituting

higher education restructuring including mergers, though Government Minister of Education at the time – Professor Asmal did not agree that political goals and objectives were the driving reasons for the mergers. However, one cannot in a South African context deny its existence.

Mergers have brought many positives to the higher education sector, which included the opening of access to previously disadvantaged students and improved the student equity profile. There has been in some mergers an improvement in the staff equity profiles. Mergers have certainly helped in the elimination of duplication and overlapping programmes/courses. The efficiencies have been realized as the result of the mergers. All of these are evident in the survey results. The other positive development has been the establishment of newer types of Universities viz. the Comprehensives and the University of Technology. These co-exist with the traditional Universities. This certainly makes mergers successful from a national perspective. What remains is for these new type universities to begin to establish themselves within the single coordinated higher education system. This differentiation allows for broader access to students and the learning public.

In contrast no one can say that South African higher education merger experience has been easy. The very fact that mergers brought together different cultures and often deeply ingrained on the basis of a 'racial psyche' requires to be managed with a great deal of care. The tensions and conflict between staff as a result of cultural differences makes the South African merger experience unique. Therefore the experiences of staff and students point to many of them suggesting that their mergers are unsuccessful. These staff members bore the brunt of this massive change and many may have had their lives affected as a result. At the coal face, these mergers contributed to setting in motion a train of destructive elements in some institutions, which resulted in severe setbacks for these organizations that will take years for them to overcome. Despite difficult and problematic issues that consumed the merged institutions, it is evident from the research that many would argue that it is a price to pay to make a significant change. Many have indicated that if they have to repeat this exercise they will still go back to choosing merging.

If one had to review the various key indicators addressed in the survey, then the following general conclusion could be reached. On the question of academic matters, mergers have contributed to strengthening the programmes; in the area of leadership and governances while this was initially poor, there has been an improvement across merged institutions. On the issue of finance and efficiencies, despite initial difficulties in the early merger period, in the longer term all merged institutions should have stabilized and become healthy financially. The real problems in mergers have

been around human resources or the softer issues and these take a very long time to resolve. It can only be overcome by a new vision, ethos and culture. On the question of student matters, mergers have not placed students in too much of a difficulty. The general irritations existed at the beginning of a merger would have died down after a short period. The real long term benefits has still to be assessed. Five years seem to be the half way mark and the merged institutions need to pursue their new visions and strategies to establish whether merger as an instrument to change the higher education sector has been the appropriate one. At this point in time, despite many difficulties through the merging processes it is possible that the various mergers are likely to succeed.

CHAPTER 12

FINAL CONCLUDING REMARKS AND RECOMMENDATIONS

12.1. Concluding Remarks

This study focused on contributing to the knowledge of higher education mergers by investigating higher education mergers in South Africa from a micro as well as macro perspective. Consequently, there are two parts to this thesis, though interrelated, resulting in a somewhat unorthodox methodology of each part having its own detailed discussion and conclusion sections. In respect of the DUT case study (micro study) this is found in Chapters 8 and 9. Similarly Chapters 10 and 11 contain the discussion and conclusions in respect of whether South African higher education mergers have been successful or otherwise and whether mergers have been the appropriate instrument to transform the higher education sector. This part of the study (macro study) was undertaken through surveying staff perceptions at merged institutions. This final chapter is about bringing the two parts of this research together by way of a general summary and findings, followed by some suggestions for future research. The intention is not to repeat the detailed findings contained in the abovementioned chapters but rather to place it in a context that helps with the recommendations for future research.

12.2 Summary of Findings and Conclusions - DUT Case Study

At a micro level, a case study methodology was employed to examine the DUT merger. This was the first higher institution merger in South Africa, unique in that it was a voluntary merger which preceded the main wave of forced mergers of 2004

and 2005. A cursory reading of the case would lead one to conclude that this was not only a troublesome merger but one that every bit looked like it would have failed, given the numerous negative incidents throughout the various stages of the merger. From these very difficult beginnings, this new institution has slowly grown in strength, to the point where a general conclusion on it becoming a great institution in years to come, can be predicted. If this experience is used as a gauge, then all other higher education mergers are more than likely to be successful. The value of the micro study has resulted in greater understanding of the technical as well as the softer issues at work when a merger is undertaken. The thick and detailed merger case description has allowed one to better understand the problems, pitfalls and peculiarities of a merger. In addition this study, through an examination of the processes, procedures, practices and trials and tribulations shows what can go wrong when major change or transformation is contemplated.

The major findings from the case study are as follows:

- A unitary merger is probably the most complex in the continuum of various forms of inter-institutional cooperation and very often the change is quite drastic from complete changes in policies and procedures to total reorganization in terms of structures, people and location.
- The DUT merger experience allows one to draw a distinction between what is termed the technical merger issues and the soft issues. Both are critical if a merger has to succeed. More often the technical aspects of a merger would be executed and implemented well, for example the physical merging of two departments or a relocation of a faculty. However as evident in the DUT case and from recent merger literature, mergers are never completed or ended until the soft issues are dealt with. The longer the soft issues are allowed to fester during a merger the greater the chance for institutional instability and ultimately failure.
- Given the complexity of higher education mergers, it becomes very difficult for such processes to be managed using traditional management and leadership approaches. Traditional leadership and management approaches will result in many of the technical merging tasks and activities getting completed, giving the illusion of a completed merger, however it requires special leadership skills and competencies to successfully extract benefits from mergers. This argument resonates well with change of a significant magnitude, such as mergers.
- The DUT merger experience would immediately point to the very significant role and influence that the trade unions had played in shaping the merger process. Therefore, where there are strong stakeholder groups, constant interaction and

inclusivity will result in much more favourable institutional outcomes. However, this comes at a cost in terms of time and effort, a factor that is not in abundance during the time of merger integration and therefore an appropriate balance has to be found.

- While most would acknowledge underlying cultural differences between merging parties, this is downplayed or ignored during integration resulting often in harm to the successful completion of merger processes.
- Government initiated mergers (forced mergers) are less likely to fail often because of a greater national agenda. To a certain extent this would support why higher education mergers are more successful than business mergers. In the South African context the Government ensured that the restructuring exercise was supported with financial resources. It would therefore also seem that, where unhappiness with the prospects of a merger exists, stakeholders do not necessarily rebel against the Government's decision in a significant way. Rather their unhappiness is demonstrated by in-fighting. The consequence of this in-fighting is all too well known and has been amplified in the DUT case.
- In addition to the early point made about special leadership and governance skills needed when embarking on major organizational changes, such as mergers, the new transformative leadership approach embraces a bottom up approach which encourages debates, reduces individual fears and resistance and builds holistic and cooperative decision making. This approach helps mergers succeed.
- An important finding of this study is that to overcome past cultural differences a new cultural identity must be established early in the merger by sharing the new vision and mission of the new entity. This must be matched by strategic plans, implementation and monitoring.
- The DUT experience points to at least three distinct phases to carry out a merger, being the pre-merger phase, the integration phase and finally the consolidation phase. There are a number of steps to be carried out in each of the different merger phases.
- In respect of whether DUT being a voluntary merger was easier to implement; showed no support for this widely held view from merger literature. This of course does not necessarily negate the widely held view that voluntary mergers should be easier to carry out. The merging conditions were just very different.

By reviewing the processes, procedures and practices of the DUT merger, a plausible model has been developed to understand how mergers take place. This model for the

study of higher education mergers points to internal and external factors shaping a higher education merger. The model contains the major steps that ought to be carried out in the pre-merger phase. In the integration phase the model suggests that a merger may be implemented through three broad elements viz. structural integration, policy and procedural integration and physical integration. The final part of the model is the consolidation phase and it is about developing a new vision, mission and strategy for the new merged institution. This can, with further refinement be a useful way to understand and carry out mergers.

12.3 Summary of Findings and Conclusion - Survey of Merged Institutions

In the macro part of the study, responses were received from nine of the ten merged institutions. Given that this was a perception study on mergers, it offers new opportunities for further research discussed later in the section. Nevertheless perception studies are important in their own right. It gives one a reasonable understanding of what is occurring at a coal face and especially how staff viewed and assessed their own mergers. Staff perceptions have not been limited to the mechanics of their mergers but also to how they viewed their mergers as having achieved or are achieving national goals and objectives. The survey results reinforce the complexity and difficulties with mergers. However it does not necessarily point to the fact that mergers should not be undertaken. It does make us aware that it requires very high quality management and leadership skills to minimize the problems and difficulties associated with higher education mergers. It also tells us that we cannot draw too much of a conclusion about the success or otherwise in the early days of the merger. The only conclusion that can be drawn in the early days of a merger is whether the technical aspects are being dealt with properly and if they are successful.

The main findings of this part of the study are as follows:

As pointed out earlier the survey findings are mixed. It would seem that mergers have affected staff in a number of negative ways and this comes through quite clearly in the survey. The various questions linked to human resources matters point to the following, at least 69% did not feel that mergers had raised job satisfaction and closely related is that majority of staff felt morale had gone down during merger. Equally about 66% report that mergers contributed to conflict. These perceptions cannot be ignored, partly as they often tend to affect other merger related matters.

Almost 60 % of the respondents did not agree that mergers brought greater efficiency as the result of economies of scale. All this could prove is that staff may have not really seen the gains of mergers because this is being balanced out by improved student access. In respect of student access, it would seem that staff generally agreed that mergers contributed to opening up access that was previously denied to students.

There are many positives reported by staff as well. One of which is the elimination of duplication and overlapping programmes. This they viewed as contributing to greater efficiencies. Similarly the national goal of ensuring new institutional identity to overcome the legacies of apartheid was achieved, we find that close on to 46% of the respondents agreed that mergers have contributed to this happening. Staff also reported that their institutions gained a better student equity profile as the result of mergers.

An important finding was that only 44% of the respondents felt that their job security was reduced as a result of mergers. On broader reflection this should not be so surprising, given that no teaching sites were closed as it was a requirement of Government that this would not happen. Furthermore, student numbers have been growing and there remain serious shortages of academics in certain fields of study. Of course there would have been in certain positions especially on the administrative side a need to rationalize staff.

As a general conclusion, the following can be observed from this survey. Respondents saw some benefits accrue to the academic goals as the result of mergers. There were some efficiency gains and more students came into the higher education system. However the merger and increasing access brought its own set of problems. Not many were complementary about their physical resources including teaching and learning facilities. This was considered inadequate, if not interpreted to be poor. Some even felt that teaching and learning deteriorated during the merger period and this is backed up by key statistics like pass rates and dropout rates. However merger also gave opportunity to open new academic programmes, revitalize the curriculum and shed outdated courses. Given the difficulty with the softer issues in mergers, much of the blame seems to have been directed at Management and Leadership. Nearly 50% of respondents felt that mergers did not result in high quality Management, while a slightly lower percentage of 42% thought that mergers did not help establish high quality Councils. Many thought that their governance structures and systems were also weakened.

As a perception study, it is clear that staff in merged institutions were not necessarily sharing the glowing tributes about their mergers, as their Management would have been doing. For staff at institutions of higher education this was a big change and it overwhelmed them. Some had positive experiences and had benefitted from the mergers and others did not, including losing their jobs. While this is the situation and many considered their mergers as unsuccessful, this did not translate into staff not ever wanting to merge or undergo change. Rather the anguish of staff at merged institutions was that they were not prepared for the level of change brought as the result of mergers. Management would also share this same anguish, as many of them simply relied on traditional management and leadership approaches to dealing with mergers and often found this wanting.

12.2. Recommendations

Higher education mergers are not new and given its preference by Governments all over the world to intervene in restructuring their higher education sectors through mergers, it remains an important area of study. Despite evidence that mergers tend to affect the lives of people in these organizations profoundly; this has not halted mergers by Governments nor with voluntary ones.

It is nearly six years since most of the South African government decreed mergers took place. Therefore it remains important that the impact of these mergers on the higher education sector as well as on the country are evaluated and recorded. Given that there have been recent talks within the country about the wisdom of certain mergers(Dibetle, 2008; Sangotsha, 2008 and YCLSA Press release, 2008), it is even more important that further research is conducted in this area before any decisions are taken on further mergers or demergers.

This study has laid the groundwork for understanding the dynamics when two or more institutions merge. This is an area where there is a paucity of research and therefore further research is necessary to understand what actually goes on when integration and consolidation takes place. How are department integration negotiated, what are the levels of people involvement and why do these mergers give rise to so much conflict. It follows that opportunities exist for other South African institutional mergers to be researched along similar lines as the DUT case. The singular purpose would be to begin to develop an elementary theory in respect of merger processes and steps. The plausible model to understand mergers developed as a consequence of the DUT case, offers an opportunity to test and refine this model. Specifically it is essential to determine what constitute relevant key steps to negotiating and implementing a merger.

Another way of enriching the research suggested above is to detail a study of merging at a unit or department level within the context of the greater institutional merger. The value lies in tracing how staff and students in a particular level experience the merger through the different processes. It will certainly help in understanding the human relations dynamics better, especially aspects like loss of identity and coping with change.

This study has highlighted the significant impact that mergers have on staff. It suggests that softer issues have to be dealt with by superior leadership and managerial qualities and skills. This however may not be sufficient to stem conflict that arises during mergers. Hence new research should be conducted on ways to improve consultative merger processes with staff and other stakeholders. This type of applied research would assist in the practice of merger integration. A further research related to the softer issues is to understand the emotional aspects of the mergers and how they can be managed in future mergers, especially what type of support services can be established at the beginning of pre-merger planning and preparation to help assist staff to adjust and deal with such change.

The difficulty of the survey conducted with staff at merged institutions is that they are perceptions of success and not on an objective assessment against criteria. As a result the next step in assessing the impact of South African higher mergers would be to draw on objective data and compare this with these findings. This assessment would certainly contribute to better understanding the transformation of the higher education sector through mergers.

A finding that was not pursued in this study was between the length of service of staff and their reaction to the merger. The general view held is that the longer serving staff members were more affected by this change and therefore reacted a lot more adversely than staff that had been in the employ of the merged institution for a few years. This remains an area to be explored.

Finally, the difficulty or success of particular mergers depends on a number of factors. Amongst others the important ones are, the partners themselves, the structure and make up of the institutions, the culture and the academic profiles. This study has helped open the door for further research in understanding the post merger processes as they remain limited in higher education merger literature. Far more attention has been paid to macro perspectives on higher education mergers and in particular the role of Governments in shaping higher education sector restructuring and reform, than the micro aspects of mergers.

In conclusion, mergers do not solve all the problems of course duplication, non-viable institutions and a fragmented higher education system. Given the rapid changes in the knowledge market and the demands for access to post schooling education, requires vibrant, proactive and sustainable higher education institutions. Merged institutions seeking these outcomes are in the long run more likely to be successful. Where mergers are carefully planned, considered and inclusive this results in strengthened institutions which can be responsive to national and local needs.

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ANNEXURE 1

	TECHNIKON NATAL Programme						"Subsidy"	ML SULTAN TECHNICON			Programme			"Subsidy"
	Weighted FTE's for 2000 staff as FTE's FTE's/ FTE's/							Weighted FTE'S FOR 2000			staff as FTE's FTE's/FTE's/			
	Technol	Humanit	Total	in 2001	staff	staff		Technol	Humanit	Total	in 2001	staff	staff	
1 FACULTY OF ARTS														
Graphic Design	85.892	44.65	130.542	8.38	15.58	28.47		59.109	36.82	95.929	7.57	12.67	22.5	
Journalism	3	89.397	92.397	4.793	19.28	20.06		3.938	86.183	90.121	4.333	20.8	21.94	
Photography	9.95	57.725	67.675	5.537	12.22	14.48								
Video Technology	9.185	86.802	95.987	4.876	19.69	22.06								
Fine Art	0	140.25	140.25	11.793	11.89	11.89								
Jewellery Design	12.65	24.175	36.825	3.536	10.41	14.92								
Fashion	75.15	39.19	114.34	7.91	14.46	26.41		28.475	86.313	114.788	11.265	10.19	13.37	
Textile Design	23.879	21	44.879	3.793	11.83	19.75		18.943	14	32.943	3.596	9.16	15.79	
Drama Studies	0	31.813	31.813	3.807	8.36	8.36								
Entertainment Technology	0	58.991	58.991	4.868	12.12	12.12								
Interior Design	54.45	18.8	73.25	4.725	15.5	30								
Music	0	49.71	49.713	4.143	12	12								
Language Practice								5.35	74.265	79.615	4.681	17.01	18.45	
Translation and Interpretation Pract								0	0	0	1.631	0	0	
Education	2	43.205	45.205	6.951	6.5	6.87								
TOTAL/AVERAGE	276.156	705.711	981.867	75.112	13.07	17.7		115.815	297.581	413.396	33.076	12.5	16.9	
2 FACULTY OF COMMERCE														
Accounting	38.9	400.388	439.288	8.374	52.46	58.3		24.2	328.8	353	4.14	85.27	92.62	
Comm Admin/Office Manag Techn	66.66	190.803	257.463	12.976	19.84	26.3		109.206	359.296	468.502	12.2	38.4	49.66	
Corporate Administration	0	0	0	0.149	0	0								
Cost & Management Accounting	13.1	154	167.1	7.398	22.59	24.81		18.625	326.025	344.65	8.127	42.41	45.29	
Financial Information Systems	1.925	2.5	4.425	0.755	5.86	9.07		60.582	78.225	138.807	4.937	28.12	43.55	
Internal Auditing								8.25	111.275	119.525	4.316	27.69	30.1	
Taxation	0	26.625	26.625	2.346	11.35	11.35		2.1	9.9	12	2.205	5.44	6.64	
Computer Science (N Cert. TN)	0	0	0	0	#####	# DIV/0								
Info Technology/Software Techn	208.525	11.138	219.663	9.506	23.11	50.71		987.243	39.688	1026.931	26.451	38.82	85.78	
Com Practice (N Dip; MLS)								27	154.675	181.675	4.18	43.46	51.59	
Library and Information Studies								4.7	125.037	129.737	6.613	19.62	20.51	
Small Business Manag(N;Dip;TN)	0	47.725	47.725	1.45	32.91	32.91								
Human Resource Management	16.1	282.283	298.383	10.185	29.3	31.29		14.9	120.901	135.801	4.047	33.56	38.19	
Public Management	12.25	142.875	155.125	3.672	42.25	46.44		31.625	394.75	426.375	7	60.91	66.59	
Management	16.4	265.25	281.65	10.312	27.31	29.31		19.6	374.2	393.8	13.357	29.48	31.33	
Business Administration	0	35.302	35.302	0.815	43.32	43.32								
Production Management	0	44.8	44.8	1.253	35.75	35.75		29.75	167.3	197.05	5.472	36.014	42.85	
Marketing	17.2	352.9	370.1	9.419	39.29	41.59		12.8	147.425	160.225	4.201	38.14	41.97	
Retail Business Management	4.927	76.684	81.611	3.601	22.66	24.38								
Commerce(Ncert)	72.5	114.7	187.2	6.464	28.96	43.07								
Real Estate	2	16.125	18.125	0.107	169.39	192.91								
Credit Management (Phasing out)								6.9	117.3	124.2	4.264	29.13	31.16	
Tourism/Tourism Management	3.591	100.942	104.533	5.68	18.4	19.2		8.579	108.253	116.832	3.614	32.33	35.31	
Tourism & Hospitality Manag(M Tech)	0	0	0	0.196	0	0								
Public Relations Management	0	96.875	96.875	4.491	21.57	21.57		0	99.3	99.3	9.945	9.98	9.98	
Hospitality Management								40.23	86.413	126.643	9.701	13.05	18.27	
Food & Beverage Management	44.429	6.212	50.641	3.039	16.66	35.06								
Food & Consumer Science	25.105	9.21	34.315	3.191	10.75	20.65								
Catering Management	36.706	9.765	56.471	2.463	22.93	41.68		97.017	43.413	140.43	8.712	16.12	30.13	
Sport Management								0	0	0	1.124	0	0	
Tour Guides (N Cert; MLS)								2.49	12.118	14.608	0.936	15.61	18.95	
Horticulture	37.499	4.53	42.029	2.865	14.67	31.14								
Landscape Technology	3.916	5.025	8.941	2.14	4.18	6.48								
Hotel Reception (N cert; MLS)								0	21.309	21.309	0	#####	#DIV/0	
TOTALS/AVERAGE	621.733	2406.66	3028.39	112.847	26.84	33.77		1505.8	3225.603	4731.4	145.542	32.51	45.53	
3 FACULTY OF ENGINEERING, SCIENCE AND THE BUILT ENVIRONMENT														
Chemical Engineering	97.844	7.898	105.742	3.593	29.43	63.69		127.038	9.272	136.31	14.12	9.65	20.97	
Quality								37.7	0.15	37.85	1.333	28.39	63.98	
Electronic Engineering	256.975	9.825	266.8	16.486	16.18	35.79		263.35	17.725	281.075	11.567	24.3	52.94	
Electrical (Power) Engineering	178.175	4.875	183.05	7.362	24.86	55.31		133.687	3.825	137.512	11.668	11.79	26.2	
Compter Systems (MLS)								73.974	3.897	77.871	3.005	25.91	56.88	
Maritime Studies	36.037	5.652	41.689	3.94	10.58	22.09								
Mechanical Engineering	195.063	5.466	200.529	14.109	14.21	31.61		125.617	5.061	130.678	12.189	10.27	23.69	
Industrial Engineering								24.061	2.473	26.534	3.749	7.08	15.15	
Architectural Technology	85.698	3.86	89.558	6.15	14.56	32.09		114.818	1.287	116.105	8.432	13.77	30.9	
Civil Engineering	265.873	28.245	294.118	14.61	20.13	43.03		265.873	28.245	294.118	14.61	20.13	43.03	
Surveying	35.321	2.697	38.018	2.906	13.08	28.37		35.321	2.697	38.018	2.906	13.08	28.37	
Building/Constr Manag/Quant Surv	100.766	37.796	138.562	5.839	23.73	45.44		331.668	18.927	350.595	7.915	44.3	97.01	
Town & Regional Planning								55.576	25.239	80.815	7.684	10.52	19.62	
Analytical Chemistry	77.966	3.04	81.006	4.916	16.48	36.43		77.966	3.04	81.006	4.916	16.48	36.43	
Biotechnology	110.198	1.6	111.798	6.749	16.57	37.11		110.198	1.6	111.798	6.749	16.57	37.11	
Clothing Technology	45.25	22.958	68.208	4.62	14.76	27.09								
Food Technology	63.965	3.06	67.025	4.044	16.57	36.47		63.965	3.06	67.025	4.044	16.57	36.47	
Pulp & Paper Technology	60.65	0	60.65	2	30.33	68.48								
Textile Technology	20.553	0.923	21.476	3.183	6.75	14.87								
TOTAL/AVERAGE	1630.33	137.895	1768.229	100.507	17.59	38		1840.81	126.498	1967.31	114.887	17.12	37.28	
4 FACULTY OF HEALTH SCIENCES														
Environmental Health	77.3	26.13	103.43	7.309	14.15	27.46		72.1	23.82	95.92	7.883	12.17	23.67	
Community Nursing	94.725	0	94.725	5.454	17.37	39.22		7.35	0	7.35	2	3.68	8.3	
Child & Youth Development	2.075	92.846	94.921	3.587	26.46	27.19								
Homoeopathy	126.313	4.244	130.557	9.006	14.5	32.14								
Chiropractic	189.9	8.5	198.4	8.728	22.73	50.1								
Emergency Med Care & Rescue	40.3	1.35	41.65	5.241	7.95	17.62								
Radiography	192.4	6.75	199.15	8.833	22.55	49.95								
Somatology	69.065	27.33	96.395	6.863	14.05	26.71								
Dental Technology	69	9.958	78.958	6.708	11.77	24.71								
Dental Assisting (N Cert)								9.538	3.238	12.776	1.552	8.23	15.96	
Biomedical Technology								111.008	0	111.008	8.303	13.37	30.19	
Clinical Technology								118.083	7.23	125.313	4.427	28.02	61.24	
Pharmacy Sales (N Cert)								3.75	10.931	14.681	1.993	7.37	9.73	
TOTAL/AVERAGE	861.078	177.108	1038.186	61.729	16.82	34.37		321.829	45.219	367.048	26.203	14.1	29.46	
GRAND TOTAL/AVERAGES	3.389.30	3.427.37	6.816.67	350.2	19.47	31.64		3.784.25	3.694.90	7.479.15	319.71	23.39	38.22	

Consolidated Income Statement the nine months ended 31 December 2001(MLS)

Appendix 2

	Council Controlled Unrestricted	Specifically Funded Activities Restricted	Sub-Total	Students and Staff Accommodation Restricted	Total	Total
	R'000	R'000	R'000	R'000	2001 R'000	2000 R'000
TOTAL INCOME	190 578	9 270	199 848	5 715	205 563	176 076
RECURRENT ITEMS	190 502	6 807	197 309	5 715	203 024	178 222
State Appropriations- Subsidies and Grants	121 012		121 012	252	121 264	112 911
Tuition and other Fee Income	47 199		47 199	5 350	52 549	47 961
Income form contracts		6 807	6 807		6 807	4 033
For Research		1 898	1 898		1 898	1 723
For Other Activities		4 909	4 909		4 909	2310
Sales of Goods and Services	212		212	113	325	409
Private gifts and grants	260		260		260	193
SUB-TOTAL	168 683	6 807	175 490	5 715	181 205	165 507
Investment Income	21 819		21 819		21 819	12 716
NON-RECURRENT ITEMS	76	2 463	2 539		2 539	(2 147)
Profit/(Loss) on Disposal of property , plant and equipment	76		76		76	(3 007)
Loss on Disposal of Investments						(1 486)
Other non-recurrent income		2 463	2 463		2 463	2 346
TOTAL EXPENDITURE	180 331	9 270	189 601	7 421	197 022	188 087
RECURRENT ITEMS	179 558	9 270	188 828	7 421	196 249	186 405
Personnel	130 532	3 362	133 894	906	134 800	132 942
Academic Professional	69 468		69 468		69 468	71 709
Other Personnel	61 064	3 362	64 426	906	65 332	61 233
Other current operating expenses	38 150	5 908	44 058	6 167	50 225	41 350
Depreciation	7 739		7 739	348	8 087	8 590
SUB-TOTAL	176 421	9 270	185 691	7 421	193 112	182 881
Finance costs	3 137		3 137		3 137	3 523
NON-RECURRENT ITEMS	773		773		773	1 682
Capital expenditure expenses	773		773		773	1 682

Consolidated Income Statement for the nine months ended 31 December 2002 (DIT) Appendix 3

	Council Controlled Unrestricted/ Undesignated R'000	Specifically Funded Activities Restricted R'000	Sub – Total R'000	Student and Staff Accommodation Restricted R'000	Total 2002 R'000
TOTAL INCOME	358 842	25 846	384 688	5 953	390 641
RECURRENT ITEMS	317 268	25 293	342 561	5 940	348 501
State Appropriations – Subsidies and Grants	200 006	-	200 006	146	200 152
Tuition and other fee income	101 218	-	101 218	5 498	106 717
Income from contracts	-	25 293	25 293	-	25 293
For Research	-	9 498	9 498	-	9 498
For Other activities	-	15 795	15 795	-	15 795
Sales of goods and services	4 887	-	4 887	294	5 180
Private gifts and grants	92	-	92	-	92
SUB-TOTAL	306 203	25 293	331 496	5 938	337 434
Investment income	11 065	-	11 065	2	11 067
NON-CURRENT ITEMS	41 574	553	42 127	13	42 140
State appropriations – Grants for merger costs	50 165	-	50 165	-	50 165
Profit on disposal of property, plant and equipment	157	-	157	-	157
Profit on investments (Net)	(10 653)	-	(10 653)	-	(10 653)
Other non-recurrent income	1 905	553	2 458	13	2 471
TOTAL EXPENDITURE	526 436	25 846	552 282	8 535	560 817
RECURRENT ITEMS	341 934	25 846	367 780	8 535	376 315
Personnel	259 650	14 935	274 585	2 456	277 041
Academic Professional	149 083	8 071	157 154	-	157 154
Other Personnel	110 567	6 864	117 431	2 456	119 887
Other current operating expenses	60 730	10 911	71 641	5 975	77 616
Depreciation	16 455	-	16 455	104	16 559
SUB-TOTAL	336 835	25 846	362 681	8 535	371 216
Finance costs	5 099	-	5 099	-	5 099
NON-RECURRENT ITEMS	184 502	-	184 502	-	184 502
Merger related expenses	181 465	-	181 465	-	181 465
Capital expenditure expensed	3 037	-	3 037	-	3 037
NET DEFICIT FOR THE PERIOD	(167 594)	-	(167 594)	(2 582)	(170 176)

ANNEXURE 4

FACILITATOR: MERGER OF ML SULTAN AND TECHNIKON NATAL

The respective Councils of the M. L. Sultan Technikon and Technikon Natal have committed themselves to a merger of the two institutions. It has been agreed that the model to be adopted in respect of the merger would be that of a single institution governed by a single Council.

In a pursuance of the above objective, we invite individuals/firms who would have the appropriate, knowledge and experience to facilitate the merger process.

Included in a variety of tasks to be performed by the facilitator would be that of coordinating and managing the work of a number of task team covers inter alia, the following:

- | | |
|-----------------------------|--------------------------|
| • operational plans | - governance |
| • staff | - students |
| • physical facilities | - community stakeholders |
| • finance | - alumni |
| • academic management | - legal personality |
| • administrative management | - outreach programmes |
| • executive management | - satellite campuses |

The priorities that have been identified for the facilitator are as follows-

- To undertake research where it relates to the entire process
- To manage the entire merger process
- To help the Merger Steering Committee and its task team to do their work
- To liaise and consult with relevant Stakeholders, government and other tertiary institutions regarding this proposed merger.

Interested parties are requested to submit proposals including estimated costs and time frames for the above exercise, by no later than 9 September 1998 are free to discuss the matter with

The respective Chairpersons of Council viz:

Bishop R Phillip (Technikon Natal)	Tel. No 031 3092066
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And

Mr. P Naicker (M. L. Sultan Technikon	Tel. No 031 4684827
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The respective Vice-Chancellors, viz:

Prof. B.C. Goba (M. L. Sultan Technikon)	Tel No. 031 3085104
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Prof. B Khoapa (Technikon Natal)	Tel No. 031 2042578
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ANNEXURE 5

The initial Project Plan produced by Price Waterhouse Coopers to complete the merger investigation phase was as follows:

(1) **Academic Department, Programmes and Planning**

Start Date : 17 January 2000

Anticipated Completion : 17 May 2000

(2) **Human Resources**

Start Date : 24 January 2000

Anticipated Completion : 15 June 2000

(3) **Information Systems**

Start Date : 17 January 2000

Anticipated Completion : 18 April 2000

(4) **Financial Management**

Start Date : 14 February 2000

Anticipated Completion : 3 March 2000

(5) **Physical Facilities**

Start Date : 20 January 2000

Anticipated : 10 June 2000

In addition to the above plan, the following task team also commenced during the period January to June 2000:

- **Student Services**

Start Date : 6 March 2000

Anticipated Completion : 7 April 2000

- **Library**

Start Date : 15 March 2000

Anticipated Completion : 19 April 2000

- **Support Functions**

Start Date : 15 March 2000

Anticipated Completion : 19 May 2000

MERGER QUESTIONNAIRE1

INFORMATION COLLECTED FOR ACADEMIC RESEARCH PURPOSES

CONTEXT: A number of employees of the Durban Institute of Technology have applied for V.E.P. - Voluntary Exit Package or Merger Severance Packages, including yourself. This questionnaire attempts to obtain information from you concerning the merger and your decision to take the Voluntary Exit Package.

In order to obtain good primary information about the merger process to date, a series of questionnaire will be sent out to staff, students and other stakeholders. This information will be invaluable for academic research purposes.

I hope that you will take a few minutes to complete and return this form to me and I thank you in advanced for your contribution.

Gops Chetty November 2002

.....

Instructions for completing the Questionnaire:

-Some items simply require ticking a box, while others allow you space to make your own comments.

PLEASE READ CAREFULLY PRIOR TO THE COMPLETION OF THIS QUESTIONNAIRE

- (1) This information will be treated in the strictest of confidence.
- (2) You do not have to put your name to the questionnaire.
- (3) The information will be only used for Research Academic purposes.
- (4) The information gathered will be of benefit when the full story of the merger is completed and therefore your help in contributing to this information will be invaluable.
- (5) Please send the completed questionnaire to:

Gops Chetty
C/O Merger Office Milena Court, Steve Biko Campus.

1. BIOGRAPHICAL INFORMATION

1 (a)	Where you an employee of	Technikon Natal	M L Sultan
1 (b)	Age group	20 - 30	
		30 - 40	
		40 - 50	
		50 - 55	
		55 - 60	
		60 - upwards	
1 (c)	Department Name....		
1 (d)	You job title.....		

2.

2 (a)	Do you feel that you were kept well informed of the merger activities and issues before 01 April 2002?	YES	NO
2 (b)	If no, can you describe what could have been done differently?		
2(c)	Do you feel that you were kept well informed of merger activities from 01 April 2002 to the time you took the decision to accept V.E.P?	YES	NO
2(d)	If No, can you describe what could have been done differently.		

3.

<p>THE FOLLOWING FACTORS LISTED BELOW COULD HAVE INFLUENCED YOUR DECISION TO ACCEPT THE V.E.P</p> <p>PLEASE TICK THE BOX THAT APPLIES TO YOU.</p> <p><i>The rating scales used is as follows</i></p> <p>1. This factor greatly influenced me</p> <p>2. This factor had some influence on my decision</p> <p>3. This factor had no influence on my decision</p>				
<p>3(a) WHAT PROMPTED YOU TO APPLY FOR THE V.S.P?</p>				
		1	2	3
1	I have another job or am going to pursue a new activity.			
2	The package was attractive enough for me to leave.			
3	I do not want to be part of the new institution.			
4	The merger caused great uncertainty about my future			
5	I believe that further separations would occur in the DIT and I wanted to depart before this happened.			
6	I do not think that future severance packages will be as attractive as the one offered now and therefore opted for it.			
7	The institution seems to lack focus.			
8	I cannot get on with my counterpart next door.			
9	I felt a loss of my institution and therefore wanted to leave.			
10	I fear being pushed out of the institution by other means, e.g. retrenchments, redundancies.			
11	I believe that I do not have a future at DIT			
12	I have been unhappy in my job since the merger was effected.			
13	I am confused about my role in the institution since the merger.			
14	I am not sure what my actual position is since the merger.			
15	I have not been made to feel welcomed by my new boss.			
16	I have not been made to feel welcomed by my new colleagues.			
17	The conditions under which I am expected to work since the merger has been unsatisfactory.			
18	The changes I had to undergo have not been satisfactorily discussed with me.			
19	I have not been consulted regarding the changes affecting me.			
20	Communication with me by my boss is very poor when compared to my other colleagues.			
21	My views/opinions are not asked for concerning work on hand.			
22	My view/opinions are not listened to, when offered to my boss.			
23	I am working with a difficult team.			
24	I do not have much respect for my boss.			
25	My boss gives me orders/instructions - re one way communication.			

4.

**IF YOUR REASON FOR ACCEPTED THE V.E.P. IS NOT
AMONGST THE FACTORS GIVEN ABOVE, PLEASE STATE
YOUR REASON.**

5.

**LIST ORDER OF IMPORTANCE, THREE FACTORS THAT
ACTUALLY INFLUENCED YOUR DECISION TO ACCEPT
THE V.E.P.**

1.

2.

3

INFORMATION SHEET : FOR RESPONDENTS TO QUESTIONNAIRE

1. Thank you in advance for agreeing to fill in the questionnaire. It would not take more than a few minutes.

2. Background & Objective of Study

- The purpose of this survey is to gather information from staff at merged institutions with the view of assessing and evaluating the impact of these mergers in the transformation of the higher education sector. Mergers were deemed to accomplish a number of objectives some espoused in government policy documents (e.g. White Paper 3) and others implicit in nature.
- The intention is to arrive at a conclusion about South African higher education mergers in general and in particular, to establish whether these mergers have been successful or otherwise. It is a holistic study.
- The study enhances the understanding and contribution to knowledge of mergers within the higher education context.
- All merged higher education institutions are being surveyed, i.e. 10 in total.

3. Who should fill in the Questionnaire

- The research is aimed at obtaining responses from all levels of staff within the institution.
- In addition to the above general approach, respondents who are in Executive Management, Academic Heads, Administrative Heads, Trade Union leadership as well as staff who dealt extensively with the merger are specially encouraged to fill in the questionnaire. My target is to obtain at least 50 responses from the institution.

4. Confidentiality

- This is to reassure all respondents that your information supplied is treated with complete confidence and with the highest ethical conduct deemed of researchers.
- The information is used solely for research purposes. No names or departments are required.
- Further, it must be categorically stressed “the data obtained is not in any way used for staff performance evaluation and/or promotion purposes.”
- This information gathered is to assist with the overall assessment of the higher education sector and not about any individual institution surveyed.
- While this in electronic form, to assist with a quick response, the same levels of confidentiality exists. Once I receive your information I will acknowledge receipt and then print and delete from my email. You can do the same when you receive my acknowledgement.
- If you use the electronic system please forward to the researcher, gopsc@dut.ac.za.
- You may also choose to print and fill in by ink and can fax to G.Chetty on 031 2011552.

5. If you have any queries or wish to share ideas on my research, please email or call me on 0836416444.

Please see questionnaire on next page

Durban University of Technology

D. Tech. Research Project: **The Transformation of the South African Higher Education Sector through Mergers – The Case of the Durban University of Technology.**

Researcher: Gops Chetty (031-3732662) Supervisor: Professor Malcolm Wallis (031-3735154)

The purpose of this survey is to gather information from staff at merged institutions with the view to assessing and evaluating the impact of these mergers in the transformation of the higher education sector. This questionnaire can be completed electronically (see instructions below) and forwarded to the email address given or alternatively a copy can be printed and filled in by pen. The latter could be scanned and emailed or alternatively **faxed on 031 2011552**. Email : gopsc@dut.ac.za.

This questionnaire is completely confidential. Please CLICK ON the box that you feel is true for you. There are no “right or wrong” answers. If you wish to clarify any issues or comment, please write on the questionnaire itself or in the space provided at the end. Please answer all questions.

INSTRUCTIONS FOR ELECTRONIC VERSION : (1) **Open Questionnaire first** (2) **Click on “Options” (situated between toolbar and top of page)** (3) **Select “enable this content” box** (4) **Save document, email , print or fax** (5) **If you are unable to do the above, please print a hard copy, complete by ink and email or fax**

A big thank you for your kind assistance and participation.

Section A : General Information

1. Were you in the employ of one of the merging partners at the time of your institution's legal merger date?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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2. University Sector:

Academic	<input type="checkbox"/>	Administration / Service Staff	<input type="checkbox"/>
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6. Job Position Held:

Executive / Senior Management	<input type="checkbox"/>	Non-Managerial Staff	<input type="checkbox"/>	Lecturer	<input type="checkbox"/>
Middle Management (Academic)	<input type="checkbox"/>	Junior Management	<input type="checkbox"/>	Senior Lecturer	<input type="checkbox"/>
Middle Management (Admin)	<input type="checkbox"/>	Junior Lecturer	<input type="checkbox"/>	Associate / Full Professor	<input type="checkbox"/>

7. Tick your institution:

The University of KwaZulu- Natal	<input type="checkbox"/>	North West University	<input type="checkbox"/>	University of South Africa (Unisa)	<input type="checkbox"/>
The University of Limpopo	<input type="checkbox"/>	University of Johannesburg	<input type="checkbox"/>	Durban University of Technology	<input type="checkbox"/>
Cape Peninsula University of Technology	<input type="checkbox"/>	Nelson Mandela Metropolitan University	<input type="checkbox"/>	Tshwane University of Technology	<input type="checkbox"/>
Walter Sisulu University	<input type="checkbox"/>				

8. Length of Service:

1-5 years	<input type="checkbox"/>	11-15 years	<input type="checkbox"/>	20 years and above	<input type="checkbox"/>
6-10 years	<input type="checkbox"/>	16-20 years	<input type="checkbox"/>		

9. Gender:

Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
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10. Stakeholder Group:

Senior Management Group	<input type="checkbox"/>	Unions Leadership	<input type="checkbox"/>	Council Member	<input type="checkbox"/>	Other	<input type="checkbox"/>
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SECTION B :

There are a number of statements which deals with the merger of your university.

For each statement CLICK ON the option box that you feel is MOST APPROPRIATE: PLEASE ANSWER ALL QUESTIONS.

Statements	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Dis- Agree	Strongly Disagree
1. The University has been far more effective in contributing to socio - economic development at a national level as a result of the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The University has been far more effective in contributing to socio - economic development of the region as a result of the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Higher levels of academic productivity have been achieved, as a result of the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Higher levels of administrative and support services productivity have been achieved as a result of the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The institution has a better student equity profile resulting from the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The institution has a better staff equity profile that mirrors the demographics of the nation, resulting from the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. A result of the merger has been a positive financial position.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. As a result of the merger a more sustainable institution has been the outcome.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Merger resulted in students gaining immediate access to academic benefits (e.g. smaller class sizes, extra teachers/tutors, more programmes), which may have not existed at their previous institutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Statements	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Dis-Agree	Strongly Disagree
10. Staff benefited from the merger through improved salaries and benefits. .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Staff benefited from the merger through improved working conditions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Merger resulted in better teaching and learning facilities for students.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Merger resulted in better working facilities for staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. The support for academically disadvantaged students has been more effective than was provided for by the individual merging partners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. The merger had the effect of raising the job satisfaction levels of staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Focus on quality issue matters weakened at the institution, as a result of merger integration activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Generally the institution's focus on excellence in teaching, research and community service suffered immediate setbacks as a result of merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. A merger outcome has been the establishment of a high quality Management at the institution.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Weakened governance systems and structures were the results of the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. The establishment of a high quality Council was the result of the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. There has been greater 'student access' at the institution resulting from the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Merger and restructuring has resulted in the elimination of duplicate and overlapping programmes/courses, which has had the effect of improved efficiencies at the institution.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. The development of a new institutional identity to overcome the legacies of apartheid was a goal achieved at the institution.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Merger has brought about greater efficiency as the result of economies of scale.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Statements	Strongly Agree	Agree	Neither Agree nor Disagree (Neutral)	Dis-Agree	Strongly Disagree
25. The merger gave rise to greater conflict within the institution.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Most of the benchmarks/indicators (e.g. qualified staff with min. masters, graduation rates, research outputs, pass rates etc) set by the Department of Higher Education and Training improved because of the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. Merger had no effect on institution autonomy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. Merger had no effect on institutional academic freedom.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. The merging partners would have been better off had there been no merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. The merger has resulted in lower levels of staff morale.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Staff was kept fully informed of all merger activities at our institution.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. Our merger had the effect of reducing job security.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Our merger can be considered unsuccessful.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. Generally merger related problems at our institution could be attributed to staff insecurities/anxieties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. Quality of student life has been enhanced as a result of the merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. Cooperation/collaboration with other institutions in the region has not been negatively affected by our merger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

37. Our merger could be concluded as a successful or unsuccessful merger after:

A period of 1 year	<input type="checkbox"/>	A period of 2 years	<input type="checkbox"/>	A period of 3 years	<input type="checkbox"/>	A period of 5 years	<input type="checkbox"/>
Still to pronounce on merger success as merger integration is not complete				<input type="checkbox"/>			

38. Any additional comments on your merger: (please add your comments in the [text box below](#))

