



REPORT 1

Managerialism Within a Framework of Co-operative Governance?

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| The Contours of the Governance Debate

In examining the evolution of the governance debate in higher education in South Africa, it is important to recognise that the struggles for the transformation of higher education governance predate the promulgation of the new higher education legislative framework by a number of years (Department of Education White Paper, 1997). The debate on leadership and management in higher education institutions was subsumed under the broader struggles for governance transformation, with very little, if any, engagement with questions and issues relating to the management of, and the role of leadership in, institutional change.

The genesis of the debate on governance transformation in South African higher education can be traced to the education struggles of the 1980s that were led by the organisations affiliated to the National Education Co-ordinating Committee (NECC), and in particular the student formations belonging to the Mass Democratic Movement (MDM). Much of the emphasis of these struggles was centred on the demand for the democratisation of institutional governance structures, in particular the councils, and the establishment of alternative structures of institutional governance, namely broad transformation forums.

The launch of the NECC in March 1986 signalled a strategic shift from the earlier phase of the education struggles, when the focus was on making the apartheid state structures ungovernable, to one whose objective was to develop “People’s Education for People’s Power”, the slogan around which the NECC waged its struggle for democratic participation. The political strategy of People’s Education, which began as an attempt to shift the balance of educational power such that a “people’s [educational] authority is established alongside the existing [apartheid] state authority”¹, went through several stages of development (Levin, 1991).

Although these stages arose in the context of the struggle for the control of township schools, they were also reflected in the demands of student organisations at higher education institutions, especially in the “black” universities. The first stage, whose objective was to shift the balance of educational power in schools from the state to the community, centred around the need to develop alternative structures and programmes within schools. The shift in strategy in

the second stage focused on the need to gain control of governance structures in schools and higher education institutions, as a key element in the “dual power” strategy to gaining state power.

Mohamed and Cloete (1996) unlike Levin (1991), have not attempted to periodise the education struggles relating to the transformation of higher education governance into three phases. The first phase focused on the demand for the establishment of alternative democratic governance structures – namely broad transformation forums – that would challenge the authority of what were considered to be illegitimate and unrepresentative governance structures, in particular the councils and senates. Change was to be achieved through changing the composition of council and senate to ensure that marginalised groups and constituencies were represented in institutional decision-making.

The second phase had as its focus the legitimisation of institutional management structures. This was to be achieved through the replacement of the discredited appointees of the apartheid state in university administrations with democratically appointed progressive institutional leaders.

The third phase centred on the demand for the processes of governance and decision-making to be more participatory and accountable. At some institutions, mainly historically disadvantaged universities and some English-medium institutions, this process started well before 1994; in others the process continued long after the principles and framework for democratic institutional governance had been embodied in the legislation.

The focus of the governance debate was on issues relating to structural reform and, to a lesser extent, on the substantive challenge of participatory decision-making. There was hardly any discussion on how higher education institutions – once transformed at the level of representation in governance structures – ought to be organised and managed, and what role institutional managers could play in the unfolding transformation processes.

In terms of the relationship between institutions and the government, South Africa has a peculiarly mixed history. While the apartheid period is commonly perceived to have been repressive, with little or no autonomy, the apartheid state – in regulating higher education – produced contradictory effects. In certain areas some universities acquired a remarkable degree of autonomy and freedom while in

other areas racist legislation and the use of state security apparatus turned some of the universities into ideological and physical battlefields (Moja, Muller and Cloete, 1996).

Initially the governance model for black institutions was clearly a state-control model, i.e. control by legislation backed up by central government's administrative and executive powers with respect to composition of management, administrative and academic structures, access, student affairs, funding and the appointment of all senior members of staff.

In contrast, the Van Wyk de Vries Commission (1973) recommended strong institutional autonomy for the historically white institutions, which during the 1980s achieved an unprecedented degree of autonomy. The South African Post Secondary Education funding model contained elements of a weak state-supervision model. Weak supervision was gradually supplemented with irregular state interference, particularly targeting black institutions and individual students and staff.

| A New Governance Model

Influenced by the history of the problematic relationship between the government and higher education institutions, and taking into account international debates of the early 1990s, the National Commission on Higher Education (NCHE, 1996), appointed by President Nelson Mandela in 1994, proposed a model of co-operative governance. Co-operative governance as conceptualised in the NCHE is framed within the notion of the new state. The co-operative governance approach made a clear choice between three models of government–higher education interaction.

The first model, state control, is premised on effective and systematic state administration of higher education, executed by a professional and competent civil service – the “continental” model characteristic of Western Europe in the twentieth century. State supervision, which constitutes the second model, is founded on less centralist forms of control. The locus of power shifts from “centralised control” to “steering”, in which governments provide the broad regulatory framework and, through the use of instruments such as planning and funding, institutions are “steered” to produce the

outputs governments desire. Steering is seen as an interactive process between government and institutions and is the current preferred model in many countries, albeit with widely divergent mechanisms and levels of steering. The third model, state interference, is based on control in higher education that is neither systematic (model one) nor “regulation through steering” (model two) but which is based on arbitrary forms of intervention. This model operates in many developing countries, Africa in particular (Kraak, 2001).

Co-operative governance was located within a state supervision model, with academic freedom guaranteed by the Constitution. Autonomy was to be exercised within a framework of government leadership through funding and planning. The government accepted the framework of the NCHE and the 1997 White Paper (Section 3.6) states:

Recognising the need to transcend the adversarial relations between state and civil society arising from the apartheid era, the Ministry of Education adopts a model of co-operative governance for higher education in South Africa based on the principle of autonomous institutions working co-operatively with a proactive government and in a range of partnerships.

The White Paper (Section 3.6) further states:

The transformation of the structures, values and culture of governance is a necessity, not an option, for South African higher education. Higher education institutions are vital participants in the massive changes which our society is undergoing, and in the intellectual, economic and cultural challenges of the new world order. For the first time in their history, our higher education institutions have the opportunity to achieve their full potential, but they will not do so until their system of governance reflects and strengthens the values and practices of our new democracy.

The transformation of governance was to be achieved through a system of co-operative governance that is based on a number of assumptions, namely that:

- no single actor can effect change;
- complementary and competing interests must be recognised;
- new structures should be established to promote co-operative behaviour among institutional stakeholders; and
- the responsibilities of different partners need to be clarified.

The new legislation stipulates the main governance structures to be the council, the senate and the institutional forum. The council is the supreme governing body in public higher education institutions, and is responsible for ensuring good governance within an institution. As the White Paper (Section 3.6) puts it: “Councils are the highest decision-making bodies of public institutions. They are responsible for the good order and governance of institutions and for their mission, financial policy, performance, quality and reputation.” The senate is the highest decision-making body with regard to the “academic and research functions of the public higher education institution and must perform such other functions as may be delegated or assigned to it by the council”.²

Institutional forums are new structures that have been set up to broaden participation in institutional governance. Forums are meant to act as “shock absorbers” to the transformation process by providing an arena in which issues that pertain to the broad transformation agenda of the institution can be debated and discussed openly. They have also been established to advise councils on a number of issues, including the mediation of conflicts among campus stakeholders, and the process of appointing senior executive management of the institution.

During the DoE’s consultative phase prior to the promulgation of the legislation, there was general agreement with the concept and principles of co-operative governance. However, as the implementation process began to unfold it became clear that “agreement in principle” does not translate into “unity in practice”. Firstly, it seems there are two competing – although not uncomplementary – notions about democracy in South African higher education. The first position posits that the key transformation issue is about the participation of previously excluded groups in the restructured governance structures – thus the main democratisation task is to get more black people and women into existing decision-making structures. The second position argues for the

transformation of the governance processes themselves – in other words, putting more black people and women into the institutional council is not enough; the role and functions of the council itself must change. The key changes have to do with democratic participation, transparency and accountability.

Democratising governance was not the only transformation task. The White Paper proposed the introduction of a single co-ordinated system with major demands for improvements with regard to equity and efficiency. At the same time that the education White Paper was being written and consulted about, the new government introduced a new macroeconomic policy framework called Growth, Employment and Redistribution (Department of Finance, 1996). This policy closely followed the so-called Washington consensus, which expected countries that wanted to join the global economy to apply macro-economic discipline, reduce the balance of payments and curb government spending – a strong overall focus on efficiency, accountability and good governance as a means to attract foreign investment and stimulate growth.

The new legislative framework, together with market competition and the emergence of new public management, put enormous pressure on institutions to devise new ways of managing what were becoming more diverse and very complex institutions. Within the space of five years, higher education institutions were confronted with many challenges, including the need to:

- dramatically improve access and success for the previously excluded;
- diversify their income streams while performing more, and different, functions with increasingly less reliance on the fiscus (most institutions receive less than 50 per cent of their income from direct state subsidy);
- reconfigure institutional missions and the ways in which they traditionally produced, packaged and disseminated their primary product – knowledge – in order to meet the challenges of a diversifying student population, and an increasingly technologically oriented, and globalising, economy;
- forge new kinds of relationships with other knowledge-producers within and outside higher education, especially in industry and the private sector; and

- bring about transformation in a democratic, consultative manner (Kulati, 2000).

The emphasis on institutional effectiveness, efficiency and responsiveness within the new economic and legislative framework positioned the role of leadership, the vice-chancellor and the administration centre stage in institutional change. How this would square with more participative, consultative decision-making is the main part of the story that follows.

| Changes in Institutional Governance and Leadership

A recent major study on South African higher education governance (Hall et al., 2002), which was commissioned by the Council on Higher Education, has developed a typology of institutional governance based on a combination of three criteria the study claims are required for good governance practice. These criteria are: the degree of representivity in governance structures, the extent of delegation of authority and responsibilities, and the ability of institutions to implement governance and management decisions.

From a survey of 12 higher education institutions, the study identified four categories of governance, as manifested in institutional practice (Hall et al., 2002: 23). These are:

- **Contested institutions:** institutions in which there is limited representivity in governance and poorly developed systems of delegation. These tend to be institutions in crisis, or institutions that are vulnerable to crisis if their present leadership loses legitimacy. They are a particular consequence of South Africa's history, in that issues inherited from the apartheid years are still dominant. (25 per cent of the sample fell into this category.)
- **Management-focused institutions:** universities and technikons in this group share a focus on management issues, either because they have made the explicit decision to adopt models from the corporate sector, or because systems of internal organisation that were better suited to previous years now present substantial obstacles to institutional adaptation. These institutions have inwardly focused systems of governance with

well-developed capacity for administration and the delegation of authority. They are at risk from factional interests pursuing sectoral issues that are not in the interests of the institution as a whole. (33 per cent of the sample fell into this category.)

- Democratic institutions: these combine broad representivity with shallow systems of delegation. These institutions are the classic defenders of academic participation in governance. However, their poorly developed formal systems of delegation make them vulnerable to institutional gridlock if consensus cannot be reached on key issues. (33 per cent of the sample fell into this category.)
- Democratic, well-managed institutions: institutions in this category have achieved an impressive record in governance through combining the strengths of participatory governance with the advantages of well-developed, formal systems of delegation of authority and responsibility. (9 per cent of institutions fell into this category.)

The governance framework developed in this study suffers from a number of weaknesses, however. The first is that the matrix of governance arrangements does not incorporate the criterion of implementation capacity as one of its variables, although this is highlighted as one of the key constituent criteria of effective governance. Another weakness is that there is a conflation of causal relationships between the criteria that have been outlined and their effects on governance behaviour. For example, it is assumed that the more limited the representivity in governance structures, the more prone to crisis an institution will be. Of course, the converse is also true, in that with more stakeholders represented on governance structures, there is also the likelihood – especially in the context of a relatively young democracy – that tensions between stakeholders might have a deleterious effect on governance effectiveness.

The main strength of the report is that it adds further insight to the “styles of leadership” developed by Kulati and Moja (in Cloete et al., 2002) and elaborates upon the governance indicators developed by Cloete, Bunting and Bunting (2002). Another important contribution is a different approach in understanding the two dimensions of representivity (and the extent to which governance becomes self-referential) and delegation as two axes of a matrix that plots an interaction between functional/effective and dysfunctional/unstable governance.

The study by Kulati and Moja (in Cloete and Maassen, 2002) referred to earlier, identifies three leadership approaches to institutional governance that emerged during the post-1994 period. Two of the approaches discussed in the chapter, namely managerial and transformative leadership, will be discussed below, while the third, crisis management, is more of an institutional condition than an emerging leadership style.

| Managerial Leadership

The strategic objective of this approach is to reconfigure the institution to become more competitive and market-oriented through the vigorous adaptation of corporate management principles and techniques to the higher education setting.

Thus the change agenda within institutions taking this approach is driven by a strong, decisive centre (usually located in the office of the vice-chancellor), buttressed by sophisticated management-support systems and structures, and staffed by a highly competent middle-management layer. The leadership style is characterised by a rapid-response management ethos. Where others talk in terms of threats and survival in the face of globalisation and fierce competition from the emerging private higher education sector, the buzz here is about exploiting niches and developing partnerships.

Stumpf (2001) describes the way in which many of these institutions have become less reliant on government-subsidy funding by devising various strategies to generate private income. These institutions have become increasingly entrepreneurial in their orientation, as reflected in the way in which many of them (especially the historically white research institutions) have established specific structures to package and patent their intellectual property. Another approach to increasing income has been to move into flexible modes of educational delivery. Apart from introducing modularised postgraduate programmes on a large scale, these institutions have also entered the field of distance education for undergraduate programmes. This they did in partnership with private providers and thus saved themselves massive set-up and logistical costs.

Some of these institutions have also established spin-off companies in which staff members who had a direct interest in the development

of a particular piece of intellectual property would have a shareholding along with the institution and private-sector shareholders. Others have established structures to advance institutional/private-sector co-operation in a variety of ways and adjusted their internal allocation mechanisms to reward performance in the field of partnerships with the private sector and in the generation of own income.

In response to the increasing importance of strategic management, many institutions have invested in management training for their senior administrators and established offices of institutional research. Apart from taking care of the formal information requirements of government, these units have usually been responsible for other forms of quantitative (and sometimes even qualitative) planning support for management. In many cases sophisticated systems of performance management have been established, based on institutional management information systems. Institutions in which these offices function well are, in general, well poised to respond quickly to new challenges and new opportunities, thereby creating for themselves a competitive edge in the face of increasing competition for students from overseas institutions entering the South African market and the diminishing pool of available students (Stumpf, 2001).

Two sub-categories can be delineated within the broader classification of managerial approaches to institutional change, namely “strategic managerialism” and “unwavering entrepreneurialism”. These sub-categories are derived from the distinction that has been made between the “soft” and “hard” approaches to managerialism. “Soft managerialists”, although applying management techniques in order to run their institutions more efficiently and effectively, still see higher education institutions as distinct from businesses, governed by their own norms and traditions. This is in contrast to the “hard” approach to managerialism, where institutional management has “resolved to reshape and redirect the activities [of their institutions] through funding formulas and other mechanisms of accountability imposed from outside the academic community – management mechanisms created, and largely shaped, for application to large commercial enterprises” (Trow, 1994:12).

The leadership challenge for strategic managerialists is to get the institution to think and act more strategically, and to convince the academics that “being managed”, and working in an institution that

is run on sound management principles, does not constitute a threat to the traditional values of the academy, such as academic freedom.

According to strategic managerialists, being a first-rate academic with a good understanding of business principles ought not to be a contradiction in terms. As one South African vice-chancellor put it: “The vice-chancellor has to be an academic with a business sense. It also depends on what type of institution yours is aspiring to be: for a research/comprehensive university, you must have a strong research background; if you don’t have it you can’t run senate. And if you can’t run senate, you’re dead.”³

For strategic managerialists, globalisation and the market are not viewed as threats, but as opportunities to be exploited in order to make the institution more competitive internationally. Consequently, managerialists have been more successful in exploiting the fairly loose legislative framework to the advantage of their institutions, having established strong relationships with international funders, developed partnerships with the private sector and parastatal research agencies, recruited top academics from abroad, and built strong links with other universities in Africa.

Further along the continuum of the corporatisation of higher education institutions are “unwavering entrepreneurs”. For this group the higher education institution is seen as being a business, as opposed to being run like a business. Institutions are thus in the business of providing their clients – the students – with goods and services sold at a competitive price. The institutions have, or try to develop, strong links with industry, and generally lack a collegial tradition. Institutions falling under this category are mostly from the polytechnic sector (technikons), although a few universities can also be found within this category.

For them, the transformation project is about developing useful products for the market, in other words producing employable graduates. The challenge is to gear up the institution so that it is responsive to rapidly changing customer needs and expectations. The approach is characterised by an unquestioning application of private-sector management procedures and techniques. The executive management, whose central concern is to ensure that the institution is run efficiently, believes in leading from the front, being in the driving seat of institutional change (Kulati interviews).

“Unwavering entrepreneurs” regard the government’s regulatory

framework as an inconvenience; it is seen as failing to appreciate the demands and challenges facing modern higher education institutions. The government is viewed as not being generally supportive of institutional leadership, and although policies such as co-operative governance are regarded as necessary, they are seen as a nuisance.

| Transformative Leadership

Transformative leadership is not a homogeneous category; nor does it imply one single notion of transformation. Rather, it is regarded as transformative in the South African context because it combines elements of leadership which are broadly recognised as being successful, with features of co-operative governance. An in-depth case study (Cloete, Bunting and Bunting, 2002) of two institutions (the University of Port Elizabeth and Peninsula Technikon) revealed the following as some of the key elements of co-operative transformative processes followed by the leadership in those institutions:

- Critical self-reflection: a process often initiated by the vice-chancellor, where a wide range of members of staff engaged in critical self-reflection on the transformation process. This included more than one attempt to rethink the mission of the institution. In some cases members of the executive leadership wrote regularly about the successes and weaknesses of the processes.
- Negotiated transformation: a process where agreement – on issues such as the new mission of the institution – was reached through a protracted negotiations process involving various internal and external stakeholders.
- Active forums: a feature of some institutions where the institutional forum had an active agency role, meaning that it met regularly, discussed issues such as gender discrimination or affirmative action and made recommendations to the institutional leadership or the council.
- Role differentiation: the development of an understanding and acceptance of distinctions between governance functions and roles. Considering the lack of clarity in the policy about the role

of leadership, a key task was to reach agreement about who had authority over what. This included the acceptance that neither the council nor the institutional forum should try to manage the institution, and that leadership must implement decisions which had been agreed upon in these structures.

- Expanded leadership core: the establishment of an expanded management group which in some cases included the president of the student representative council, and the development of a common vision for the institution and a shared discourse of the change process.
- Trust: an essential component of the change process which enabled the different constituencies to allow management to implement decisions and to lead.
- Directive leadership with consultation: an approach that helped manage the tension between leading and consulting. The manner and sequence of consultation varied according to leadership style and institutional culture.
- Constructive/critical relationship between the chairperson of council and the vice-chancellor: central to holding the transformation process together was a supportive and critical working relationship between the chair of council and the vice-chancellor, based on a clearly understood complementarity of functions and skills.

It must be stressed that putting these processes in place in the two institutions did not depend on a specific leadership style. At the one institution the leader can be described as a philosopher who steered from behind rather than leading from the front: “Nothing gets done without consultation” (Kirsten, University of Port Elizabeth). At the other institution a charismatic engineer led from the front, but still within the framework of the elements described above: “I had to shake the institution out of its complacency at being ‘the best technikon’ and therefore not needing to change much; in other words, to get staff to realise it is not ‘business as usual’... to get [the] institution to realise that the value framework that it (once) cherished cannot be sustained” (Figaji, Peninsula Technikon). In both institutions, the central characteristic of transformative leadership was the management of the tension between leading and consulting (Cloete, Bunting and Bunting, 2002).

The features and processes mentioned above are illustrative of managerial and political responses to transformation pressures. It is within this context that two related, but distinct, approaches to transformative leadership can be described.

The first approach, referred to as “reformed collegialism”, starts from the premise that at the centre of the transformation project of the institution lies the intellectual agenda of higher education, which is non-negotiable. Thus, part of the transformation agenda is to reclaim and reassert the centrality of the intellectual traditions of higher education institutions. The starting point of the institutional change strategy is to be sensitive to, and to work within, the confines and limits of the prevailing institutional culture, rather than going to war against it (Birnbaum, 1992). This can be achieved through remoulding the institution so that it is better able to respond and adapt to the new demands it faces, while holding on to the central tenets of the academic tradition of the university, namely the pursuit of truth, disinterested enquiry, and so on. In other words, the leadership challenge is about facilitating academic excellence by supporting, managing, nurturing and inspiring one’s academic colleagues. Collegialists would concur with Ramsden (1998: 13) that “deep at the heart of effective leadership is an understanding of how academics work”.

“Reformed” refers to the fact that even the most devoted collegialists are not oblivious to the pressures of democracy and global trends on academia. By responding to these pressures, however, tensions develop between collegiality and management strategies for change.

While acknowledging the importance of the new, participatory governance principles, the second approach, referred to as “transformative managerialism”, is characteristic of leaders who put more emphasis on “driving” transformation from the centre. The challenge for transformative managerialists is to transform the culture of the institution from an authoritarian to a more democratic one, while ensuring that the institution is managed more efficiently, in line with policy principles or market pressures.

In order to push the transformation agenda through the institution, decision-making is centralised, decentralised and recentralised. This is done by expanding the “top” leadership group to include executive deans and certain professionals, such as finance or human-resource directors. Key strategic decisions are taken by this

group, and the deans become the implementers at faculty level. Traditionally, deans are supposed to represent and defend faculty interests. While the executive dean and his/her faculty may have an autonomous budget and control over the appointment of new colleagues, the budget parameters and employment equity targets are set centrally. When taking faculty decisions back to top management, where decisions could be overturned, the dean is placed in a very complex relationship within management, of which he/she is part, and faculty, which he/she is supposed to represent. This is further complicated by the fact that in many cases the self-image of the dean is that of a faculty member, and not that of a manager.

This role confusion can be described as a position of “in-between”, meaning that the dean is always located, and often trapped, between the faculty and management, between the faculty and students, and between the institution and the external communities. In a number of institutions, particularly those with strong academic cultures, a few deans have fallen foul of this role schizophrenia which Du Toit argues is currently a greater threat to academic freedom than the state. For example, he states that “it is not clear how an executive deanship could be compatible with a ‘collegial’ approach to the conduct of faculty governance in any serious sense” (2001:5).

In summary, while transformative leadership grapples with the new demands for participation and responses to the market, major tensions are emerging, accentuated by the academic culture of the institution and the urgency for change. In some instances institutions may lean more towards collegial styles of management; in others towards a centralised approach to management.

The above shows that while there are certain commonalities regarding governance and leadership at the institutional level, there are also major differences in the ways in which institutions respond to these.

| Pressures Towards Managerialism

In a wide-ranging overview of institutional adaptation to demands for managerial reform, Gumpert and Sporn (1999) attribute the expanding role of administration to three interdependent dynamics:

resource dependency that is primarily motivated by organisational survival, institutional isomorphism that is motivated by legitimacy concerns, and professional authority that is motivated by a struggle for professional identity. Two more recent, and very informative, reviews of changes that contribute to a managerial approach are by Amaral and Magalhaes (2002) and Maassen (2002).

Primarily, management is responsible for maintaining an organisation's exchange relationships; whether it be a bridge or a buffer, it must traverse an increasingly complex environment that consists of not only government and business, but also an escalating range of "stakeholders" (Neave, 2002). It must meet compliance with environmental demands and cultivate alternative resources to reduce existing dependencies. Management becomes more important because it is mainly responsible for the development of strategies that increase existing sources of income, tap into new income sources and help to reduce existing dependency relationships.

A key resource is legitimacy, and it is increasingly important that institutions be seen to be responding, in a business-like manner, to demands for reform. Symbolic activity is as important as real activity in order to sustain existing resources and gain access to new sources. Presenting a more unified, business-like front, an expanded management core is much better positioned to represent institutions than the often fractious collegiality.

The literature on the sociology of the professions explains how a dynamic is put into place that will promote a tendency among professional or pre-professional groups to gain greater authority and improved benefits, both financially and in terms of control over their domain of work. Gumpert and Sporn (1999) describe the effects of this as a shift in the authority structure within higher education organisations that entails an expanding domain for administrators and leadership, and a narrowing authority domain for the academic faculty.

The abovementioned factors come into play very forcibly when, as has been the case in South Africa in the post-1994 period, institutions are faced with a sudden increase in demands for reform from the government and society, and an unleashing of market forces, by both the government and a burgeoning local and global private higher education sector (Cloete and Maassen, 2002).

As is indicated by Gumport and Sporn, there are many factors that put pressures on higher education to become more business-like and, by implication, more managerial, but we want to explore two specific factors in the South African context. The first is that despite a formal policy of co-operative, participative governance, some of the reforms of the national government have intentionally (and unintentionally) promoted managerialism, rather than greater democratisation. Secondly, through a process of mimetic and normative isomorphism, institutional management's notions of "successful" institutions have been exchanged, mimicked and adopted through professional networks which are responding, on the one hand, to resource and legitimacy demands and, on the other, to promoting their position.

| Effects of Government Reforms

Shifts towards a more centralised reform process

The new Minister of Education, appointed after the second democratic election in 1999, declared that implementation, and not more policy, was a priority. Implementation requires very specific policy, which was not available, since most of the post-1994 policies were symbolic, attempting to bring about new frameworks and greater unity (Cloete and Maassen, 2002). Making policy trade-offs between different interests could not be carried out in the same consultative manner as developing symbolic policy, and the Ministry did not have much experience in negotiating trade-offs. The new phase of more centralised decision-making and less "broad consultation" was not peculiar to education – it had started with the Minister of Finance declaring in 1997 that the new macroeconomic policy was not up for consultation or negotiation.

A series of institutional crises and a lack of confidence in higher education leadership – a critical component of governance – led to numerous amendments to the 1997 Higher Education Act. Examples of this gradual transition from a steering to an increasingly centralised approach to the management of the higher education reform process are to be found in the following amendments:

- Higher Education Amendment Act 55 of 1999: allows the Minister to appoint administrators to a higher education institution where there is financial or other maladministration of a serious nature.
- Higher Education Amendment Act 54 of 2000: allows the Minister to determine the scope and range of operations of an institution, and determines that an institution may not, without the approval of council and, under certain circumstances, without the concurrence of the Minister, enter into a loan or overdraft agreement, or develop infrastructure.
- Higher Education Amendment Act 23 of 2001: includes a provision for the indefinite appointment of the administrator and the repeal of Private Acts (Olivier, 2001).

Concurrent to the legislative changes, the method of “steering” also altered. Initially, planning and funding were regarded as an interactive approach to determining goals and targets (Department of Education, 1998). However, the Ministry shifted to a perception that, in order to implement the transformation programme, an increasing use of the executive powers vested in the Minister by the Higher Education Act would be required. A key example is the proposed new funding model which, in the words of one of the authors, “will be a top-down one. It will come into operation only when the government has determined what total of public funds should be spent in a given year on universities and technikons and what the key policy goals should be for that year” (Bunting, 2001: 4). This model is not an interactive steering approach, but is much closer to the centralised state-control approach rejected in the White Paper as a model for governance.

The latest reform policy is a decision that the number of higher education institutions will be reduced from 36 to 23 institutions through a process of mergers – some of these mergers will be “voluntary” since the affected institutions have agreed to merge; others will be “involuntary”. In a memo to the President about mergers (Department of Education, 2002), the Ministry lists equity, efficiency and development as the key principles driving the need for change. Democracy, a key principle in all previous government policy documents, is not stressed. Also, the process of bringing about the mergers is perceived to be a leadership and management-driven one, since the interim councils, which will be appointed by

the Minister, will have no representation from students or staff.

It is not only the Minister who has acquired new powers and has shifted to a more “top-down” model. The Council on Higher Education (CHE) has also adopted a more centralised approach. Writing about the proposals formulated by the CHE Task Team on “Size and Shape”, Kraak (2001) argues that the proposals represent a shift in the conception of the role of the state from that founded on a model of “state supervision” to that of “state interference”. The solutions to the dysfunction and endemic crisis in the higher education system sought by the CHE are found in the articulation of a “state interference” model – a bureaucratic, weak and arbitrary form of intervention based on prescriptive fiat and rigid rules and procedures. The affinities between this form of state intervention and the proposals of the CHE are self-evident. They represent a view of the state as being unable to attain the sophistication required for “steering”, and as a consequence, showing the necessity for a reversion back to a conception of the state as bureaucratic and prescriptive (Kraak, 2001: 30).

Trying to justify this shift, Hall et al. (2002), in a commissioned study for the CHE, argue that “the concept of co-operative governance, as defined in the earlier 1990s, is now in danger of becoming a hindrance that confuses policy and inhibits the development of good practice” and should be replaced by a notion of “conditional autonomy” (p. 108). The report argues that the National Plan for Higher Education (Department of Education, 2001) marks the path of change to a “system of conditional autonomy in which substantive autonomy (academic freedom) continues to be guaranteed while the state exercises increasing control over procedures of funding and academic accreditation” (Hall et al., 2002: 19).

The argument is flawed because the decision that 10 mergers and four incorporations must happen, whether the institutions agree or not, violates the first condition of conditional autonomy set out in the report, namely “the right of individual institutions to determine its primary goals”. The apartheid regime also had a model of conditional autonomy, the difference being that under apartheid the conditions were very clear, while under the new Minister the conditions are unspecified and keep shifting, which makes the propagation of such a model potentially very dangerous (Moja, Cloete and Olivier, 2003).

The effects of increasing centralised reform and less consultation at the national level creates a climate that promotes top-down decision-making, both from the national government and from institutional leadership. Responding to the extraordinary amount of new legislation and policies requires an enormous managerial/administrative capacity⁴, which on the one hand distracts academics from teaching and research, and on the other hand demands a more sophisticated and expanded administrative capacity.

The merger process in particular, aiming to achieve efficiency gains that will necessitate the reduction of staff and programmes, will require strong management. It could thus be concluded that a combination of a strong equity and efficiency agenda will, intentionally and unintentionally, provide a drive for more leadership and management authority.

| The Changing Role of Senate

An alarming development in the past five years has been the growing marginalisation of senate in institutional governance. Hall et al., in their study on governance in South African higher education, argue that senates are not carrying out their function of being the premier governance structure in relation to academic governance, noting that many senates are “reactive (and sidelined) bodies” (2002: 25). The study, however, does not provide an explanation for this declining role of senate in institutional governance, merely suggesting poor attendance as one possible factor. We would like to submit that there are possibly three factors that have given rise to the marginalisation of senates.

The evidence to support these claims is anecdotal, as it arises from informal interactions the authors had with senior academics from a few institutions. The first is that in the face of more assertive councils – a function of the incorporation of hitherto excluded stakeholders, and increasing vigilance of council in relation to its fiduciary responsibilities – and executive management, a process that has been accentuated by the emergence of executive deanship as a critical layer in institutional management, senates have not taken an active role in the strategic decisions of the institution.

A second reason is that many senior professors and academics at the research universities have been under pressure – in light of the declining government subsidy – to raise more private income through

contract research (see Table 1 below). Consequently, many professors have come to regard their involvement in institutional (governance) issues as of secondary importance, with the result that attendance of senate meetings has declined markedly. The declining interest in getting involved in institutional matters can also be attributed to the emergence of moonlighting in academia. Increasingly, many senior academics are working as consultants to government and the private sector to supplement their declining salaries.

Table 1: Trends in contract income at four institutions: 1995–2000 (rands millions)

Institution	1995/6	1998	2000	Percentage increase from 1995 to 2000
Pretoria	27	61	92	480%
Stellenbosch	46	78	119	258%
Natal	46	83	138	300%
Cape Town	102	139	190	186%

Source: Bawa and Mouton, 2002. In Cloete et al., 2002.

Two recent incidents highlight a third possible reason for the marginalisation of senate. As was indicated in the previous section regarding a new governance model, the 1997 Higher Education Act draws a clear distinction between the roles of councils and senates. Councils, as the highest decision-making bodies of public institutions, are given responsibility for mission, financial policy and performance. Senate, on the other hand, is the highest decision-making body with regard to academic and research functions. This attempts to draw too “hard” a distinction between functions that are not so clearly demarcatable in governance terms. Reed et al. (2002) describes this as the differentiation of functions (separating academic and financial decision-making arenas) and, conversely, another trend, the blurring or de-differentiation of separate and autonomous institutional spheres.

At both the Universities of Natal and the Witwatersrand, conflicts have developed around the relationship between the council, the vice-chancellor and the senate. During 2002 the University of Natal’s senate passed an unprecedented resolution accusing the council of “acting arbitrarily and illegitimately in proceeding with the appointment of a vice-chancellor by ignoring the required support from senate” (University of Natal Senate Resolution, 5/6/2002).

In announcing her resignation, the vice-chancellor of the University of the Witwatersrand stated: “There will be searching questions asked about the powers assumed by the Wits Council and its chairperson and the sidelining of the people who appointed me; the senate, students and staff associations and the 100 000-strong convocation” (Norma Reid in *Business Day*, November 2002).

In both the above cases, discussions with academics reveal a concern, in some cases outrage, that the council is expanding its jurisdiction over financial matters to the appointment, or dismissal, of the vice-chancellor without adequately involving senate, not to mention other stakeholders.

The effect of the increasingly marginal role senate is playing at certain institutions is that there is an absence of a countervailing voice to the centralisation of decision-making powers. Many of the important decisions concerning the strategic direction of the institution are bypassing what is meant to be a key governance structure in higher education institutions, with many senates now being preoccupied with narrow academic matters – becoming in the words of a senior professor, the “cheerleaders of the curriculum”.

Institutional isomorphism

Despite the much-vaunted independence of thought of higher education staff, there is much evidence towards isomorphism. Mimetic isomorphism is the result of institutions mimicking the behaviour of each other in order to minimise risk in highly competitive environments. When institutions are highly dependent upon a narrow range of resource providers, such as an education ministry or a very homogeneous population, they will tend to have similar programmes, structures and operating norms. Coercive isomorphism is the result of pressures from the environment, principally government policies, that force institutions to become more similar, thus reducing diversity in a higher education system. Governments might act in this way in order to promote efficiency, on the assumption that too much diversity is inefficient (Meek, 1996).

An example of mimetic isomorphism is the issue of the outsourcing of support-service functions. A study by Van der Walt et al. (2002) shows that “outsourcing has been strongly favoured by public-sector university managements: every single public sector in South Africa has introduced outsourcing over the last decade”

(p. 20). Outsourcing cuts across categories such as historically advantaged or disadvantaged and a managerial or transformative leadership style – although one institution (Peninsula Technikon) followed a very different approach (Cloete, Bunting and Bunting, 2002).

The survey showed that for the 16 (out of 21) institutions that responded to the survey, 80 per cent chose to adopt outsourcing in order to reduce costs. Slightly fewer than half (40 per cent) of these institutions hoped outsourcing would also improve the efficiency of support services. A substantial number of universities also considered their decision to adopt outsourcing to be part of a broader vision of improving the competitiveness of the institution: for eight institutions (53 per cent), the support services were outsourced on the grounds that they were “non-core” functions within the university. Three of the institutions regarded the decision to outsource as in line with government policy.

The reduction of costs may be attributed to the general financial squeeze on the public-sector universities arising from declining government subsidies and falling revenue from student enrolments. In open-ended questions, respondents spoke of the need to make their institutions “leaner”, to “do more with less”, to “reduce overheads”, and to restructure because of “financial considerations”, and a lack of “sufficient resources”.

Van der Walt reports that the paradigm of university marketisation has had an impact on university strategy, respondents citing the need to focus upon “core” activities as a rationale for support-service outsourcing. While the historically advantaged institutions more often cited increased competitiveness as a reason, the historically under-resourced disadvantaged institutions responded more to the new context in order to survive financially – more a case of survivalism than marketisation.

As Van der Walt’s survey suggests, there were different reasons for responding to financial austerity and institutions had different goals. That so many picked on workers as a source of savings clearly has to do with power; another group pushed to the limit during this period was students whose fees were substantially increased over the period (Bunting, in Cloete et al., 2002).

Outsourcing is a feature of both the new public management and of the globalisation of labour practices associated with global trends

described by Carnoy (2001). According to Carnoy businesses are trying to transform themselves by looking to increase productivity and reduce labour costs. A key to this is flexibility, meaning that work, and workers, can constantly be adapted and changed to produce new products for new markets. Flexibility means conditions of employment, more short-term staff and self-programmable skills, meaning the ability not only to learn on the job but also to redefine the job. Another major aspect is networking, by which Carnoy means “a new logic of the firm, where changing hierarchies and organisational forms are based on interactive connections between different layers and positions within the firm, between firms, and within the market. New information technologies allow for greater flexibility and networking; and globalisation emphasises interdependence, interaction, and constant adaptation to an ever-changing environment. This environment affects workers in firms, creating a culture of individual networking across companies. Individual networking is a way both to learn about working conditions, projects, and innovations in other firms and to make strategic job moves in a flexible labour market.”

What is rather remarkable is that a common solution was imported by higher education leadership. This is arguably the only time that all institutions tried to implement a similar reform; it was not a government policy, but an international “best practice” they mimicked. This raises the important point that global practices are often enthusiastically imported as best or “universal” practice solutions for problems by people within the nation state, and not surreptitiously imposed by Washington as many conspiracy theorists often proclaim.

Some institutions, albeit a minority, have, through a policy of absorbing outsourced workers and defending the packages of those who join outsourcing enterprises, maintained a sense of institutional ownership. The negotiated employment policy seems to have resulted in an institution such as Peninsula Technikon being one of the few in South Africa that managed to retain a sense of campus community (Cloete, Bunting and Bunting, 2002).

Not only have the conditions of work of lower-skilled employees changed dramatically, the differential between a service worker and a vice-chancellor increased from 20:1 in 1986 to 25:1 in 2000 (Gibbon and Kabaki, 2002). Service workers whose jobs were outsourced, and whom contracting companies subsequently hired,

had their packages halved (on average). This means that in the post-apartheid era the differential between the vice-chancellor and certain service workers could be as high as 50:1, in contrast with 20:1 under the apartheid government. While the “managerial class” did disproportionately well in the new South Africa, the fate of service workers was less fortunate.

There is increasing evidence that there has been a widening gap not only between workers and management, but also between management and academics (see Table 2). The gap between senior managers, with “market-related” packages, and senior teaching and research staff seems to have widened significantly over the past few years (from a ratio of about 2:1 during the late 1980s to a ratio of 4.5:1 in the late 1990s (Gibbon and Kabaki, 2002).

Table 2: Salary ratios (regulation and deregulation)

Level	Late-1980s: Government regulation	2000: Deregulation at a leading university
Vice-chancellor	2	4.5
Deputy vice-chancellor	1.6	3.5
Professor	1.3	1.3
Senior lecturer*	1	1

Source: SAPSE Return for 2000, University of Cape Town.

* The SAPSE funding formula uses a senior lecturer as the basis for salary comparisons.

At one of South Africa’s leading institutions, which is not unrepresentative of the South African system, there are now seven salary bands, with more than 30 directors, deans, managers and deputy vice-chancellors above the professorial level. Unlike in the US and other countries, there are no academic super-professors who earn packages equivalent to those of executive deans or deputy vice-chancellors. Some institutions have introduced the category of senior professors who are offered substantially larger packages than those of their colleagues, but they are still not comparable with the salary packages of top managers (Gibbon and Kabaki, 2002).

The management bodies at higher education institutions claim that market-related packages are necessary in order to attract and keep senior executives. These packages, in other words, are a consequence of the intense competition for highly qualified executives, particularly those who are black and/or female. But

unlike executives in the private-sector environment, senior executives in higher education are rarely tied to performance clauses in their contracts. There are two points worth making here. One is that these packages relate to competition at the high end of the labour market but have little to do with the other ways in which institutions have to make themselves market-competitive. Generally speaking, it is the academic staff, particularly the senior academic staff, who attract students, research grants and consultancy contracts. This is the group that is operating in the market, but which is not rewarded in a market-related manner even though it would not be difficult to build a market reward into the packages of entrepreneurial academics (Gibbon and Kabaki, 2002).

The second point is that the remuneration packages of senior executives are not necessarily an effect of, or directly connected to, more managerial approaches to higher education administration. In fact, some of the highest paid vice-chancellors in the country do not appear to be pursuing enterprising or managerial-style leadership approaches at all.

| Managerialism Everywhere?

It could be argued that the pressure for an expanding role for management and administration in the post-1994 period is not that dissimilar to what Gumpert and Sporn (1999) described: institutional adaptation influenced by resource dependency primarily motivated by organisational survival; institutional isomorphism motivated by legitimacy concerns; and professional authority motivated by a struggle for professional identity. The effects of all three of these factors are evident in the South African context. At one level, the South African higher education governance landscape is thus reassuringly “global”, but the above picture of governance at council, leadership, senate and worker levels reveals a very complex set of inter-relationships, a landscape that can be understood in different ways.

The one approach could be to start from an assumption that managerialism, like chicken man⁵, is everywhere, and then to look for evidence of the ascendancy of globalising managerialism. Another approach – the one followed here – is first to describe new developments within a particular higher education context and then to look for trends and issues.

As we showed, the push towards managerialism comes from intentional, and unintentional, effects of government reform policies, from what is regarded as global best practices, from a management cadre promoting its own interests and from academics relinquishing power in pursuit of other interests.

Within a policy framework of co-operative governance, accepted by government and institutions, both government and higher education institutions are behaving in ways that undermine the policy. Certain government policies, intended and unintended, promote aspects of managerialism. According to the Hall et al. (2002) study, at least 33 per cent of the institutions are “management focused”. However, quite remarkable in higher education is that more than 40 per cent can be classified as “democratic” or “democratic well-managed”.

What seems quite self-evident from the range of responses is that within one country, with a national policy framework, a large range of governance arrangements have developed. To label this “a historic march to managerialism” is too obscure, and misses some very interesting responses emerging among different groups of institutions. The different governance and leadership styles may contain many elements of what is being described as managerialism; however, institutions with a more collegial history seem to be developing a range of “democratic” managerial practices. What a label of managerialism will obscure is the interesting new forms of consultation and participation emerging amid demands for greater efficiency and accountability.

In many of the debates about managerialism, the traditional collegial model is implicitly or explicitly held as an alternative. In South Africa this model was thoroughly discredited during the initial phases of the demands for greater democratisation. Firstly, it was assumed to be too exclusive and regarded as inimical to the transformation agenda of higher education. Secondly, the majority of the “colleagues” were white men aligned, directly or indirectly, to the apartheid regime. It is also very difficult to make a case for an unreformed collegial model when the external and internal environments are changing so drastically. However, as was demonstrated with the issue of outsourcing, a simplistic mimetic isomorphism is hardly a palatable alternative.

In conclusion, the task ahead seems not to be to counter managerialism with a knee-jerk return to collegiality, but to start

identifying lessons from some of the innovative strategies and structures developing in different countries and among different institutional cultures in response to the new changing world that is, in the words of Castells (2001), not calm waters with an occasional wave, but more like the “bubbly world of sparkling water”.

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NOTES

- 1 From an interview with Ihron Rensburg in Obery, I (1986). 'People's Education: Creating a Democratic Future', *Work In Progress*, 42, cited in Levin (1991).
- 2 Higher Education Act, 1997, Section 28 (1).
- 3 Tembile Kulati conducted a number of interviews with vice-chancellors during the course of 2000 as part of a broader project on governance.
- 4 A report by the South African University Vice-Chancellors' Association lists over 30 change initiatives from various government departments that currently demand higher education management time and financial resources (SAUVCA; A New Vision, 2002).
- 5 During the 1960s the BBC world radio service had a famous comic figure called chicken man. Some days chicken man was "everywhere, everywhere" and some days chicken man was "nowhere, nowhere".



REPORT 2

Is Moving from Co-operative Governance to Conditional Autonomy a Contribution to Effective Governance?

A response to the Hall, Symes and Luescher (2002) study on institutional governance.

Requested by the Council on Higher Education for a special issue of *Kagisano*.

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| Background

Governance and decision-making structures were highly contested during the policy debate phase because of the struggle to have power and control over decisions at institutional and national levels. This continues to be an issue in the transformation of higher education. The Higher Education Act of 1997 was criticised by some opponents for leaving too much power in the hands of the Minister of Education. Within two years and every year thereafter the Act was amended to increase the power of the Minister. It is in this context that the Minister, concerned about the power struggles in the system, “requested the CHE to advise him on governance of higher education institutions by June 2002” (CHE, 2002). The Council on Higher Education (CHE) commissioned a report called “Governance in South African Higher Education” (Hall, Symes and Luescher, 2002), which posits its primary objectives to be: “the description and analysis of the present state of governance in South African higher education; an analysis and re-examination of the concept of co-operative governance; and the development of proposals for the improvement of efficiency, effectiveness and accountability in higher education governance” (p. 8).

This commentary will focus on the main strengths of the report, identify important issues not addressed and assess whether the proposed new model of governance could contribute to more effective governance.

| Contribution of the Study

The main strength of the report is the study of 12 institutions. It adds further insight to the “styles of leadership” developed by Kulati and Moja (in Cloete et al., 2002) and elaborates the governance indicators developed by Cloete, Bunting and Bunting (2002). Another important contribution is a different approach in understanding the two dimensions of effectiveness and delegation as two axes, allowing for a way to draw a graph that plots an interaction between functional and unstable governance.

The ambitious objectives, like so much other South African education policy work (Cloete et al., 2002; Jansen, 2001) promise

more than what is delivered. The study does not deal with the all-important systemic governance relationships which affect not only interactions between government and institutions, but also relations within institutions. Following a study of a limited set of governance (and leadership or management) activities within 12 higher education institutions and a brief review of governance policy and legislation, the policy report made 21 recommendations on institutional governance and two general recommendations on the promotion of good governance and the need for a code of governance in institutions. The shift in focus of the report from institutions to a proposal on a new “model” of governance called “conditional autonomy” to regulate the relationship between government and higher education institutions as a group (with implications for the entire system) seems not to be informed by the study itself.

The report describes, in considerable detail, four “types of governance” emerging within institutions. Whether these are internal governance types or leadership styles as described by Kulati and Moja (2002) is not always clear since governance practices and leadership style are so intertwined. The four types described in the document are “contested” (25 per cent of institutions), “management-focused” (33 per cent), “democratic” (33 per cent) and “democratic, well-managed” (nine per cent) institutions. This categorisation is rather similar to the “three emerging approaches to leadership” described by Kulati and Moja (2002): crisis, managerial and transformative leadership. The Kulati and Moja transformative leadership category includes a sub-category called “transformative managerialism” which is even more uncannily similar to the “democratic, well-managed” category of the report. Since the two studies do not refer to each other, it seems that two independent investigations with different methodologies came to remarkably similar conclusions about the state of institutional governance in South Africa.

The study could be read to mean that 75 per cent of the sample studied (management and democratic) are relatively well-governed and that 42 per cent (democratic) are operating broadly within the White Paper’s (1997) policy of co-operative governance. In international terms the high percentage of higher education institutions operating within a framework of representative and participative democracy is quite remarkable. Rather than celebrating this

achievement, and making recommendations as to how some of the good practices of the democratic institutions can be transferred to the less well-functioning ones, one of the main conclusions of the study is that: “the concept of co-operative governance, as defined in the earlier 1990s, is now in danger of becoming a hindrance that confuses policy and inhibits the development of good practice” (p. 108).

What is problematic about the study is that it examined internal institutional governance and management styles but concluded that the present model of co-operative governance for the higher education system as a whole is a failure. It then proceeded to make recommendations relating to the introduction of the model of conditional autonomy as the foundation of the relationship between higher education institutions as a group and government, with much wider implications for the governance of the higher education sector. No mention is made in the proposed model of conditional autonomy of the role and place of the CHE and the relationship between the CHE and the government.

Another puzzling conclusion is that: “despite a generally negative view of the prospects for institutional forums, a broader interpretation of governance in practice, particularly when coupled with the critical assessment of the current functioning of councils, does suggest an important and continuing role for the institutional forum” (p. 86). While questioning the usefulness of co-operative governance, and referring to their own empirical research which shows that a central aspect of institutional co-operative governance – the institutional forum – is not working, the authors nevertheless recommend that the forums be continued. It is difficult not to conclude once more that the recommendations of the authors are not informed by the empirical evidence of their own study, nor by their new “model” of governance.

| Slippage Between State Steering and State Control

A study of governance in the higher education sector needs to include other central components of co-operative governance at the systemic level, meaning at the level of interactions between the government and the statutory advisory body (CHE); the relationship between national-interest organisations and the government; and the relationship between the government and institutions.

A major shortcoming of the Hall et al. (2002) report is the omission of the dynamics of relationships at national level. The statutory body, the CHE, and national-interest bodies such as the South African University Vice-Chancellors' Association (SAUVCA) and the Committee of Technikon Principals (CTP), are left out of an investigation that has important policy implications for governance of the sector. This limitation, despite the encompassing title, is partially conceded within the report: "The investigation excluded any evaluation of a range of issues forming part of the wider context of higher education governance" (p. 11).

Co-operative governance as conceptualised in the National Commission on Higher Education, is framed within the notion of the new state. The co-operative governance approach made a clear choice between three models regarding the relationship between the government and higher education institutions. Model one, state control, is premised on effective and systematic state administration of higher education, executed by a professional and competent civil service – the "continental" model characteristic of Western Europe in the 20th century. Model two, state supervision, is founded on less centrist forms of control. The locus of power shifts from "centralised control" to "steering", in which governments provide the broad regulatory framework and, through the use of instruments such as planning and funding, institutions are "steered" to produce the outputs governments desire. Steering is seen as an interactive process between government and institutions and is the current preferred model in many countries, albeit with widely divergent mechanisms and levels of steering. Model three, state interference, is based on control in higher education that is neither systematic (model one) nor "regulation through steering" (model two), but is based on arbitrary forms of intervention. This model operates in many developing countries, Africa in particular (Kraak, 2001).

It was within the framework of state supervision/steering that the 1996 National Commission on Higher Education report, the White Paper 3 on Higher Education (1997) and the Higher Education Act of 1997 located the co-operative governance approach and asserted the need for institutional autonomy linked to public accountability (Preamble, Higher Education Act, 1997). A series of institutional crises and a lack of confidence in higher education leadership – a critical component of governance – led to a series of amendments to the 1997 Higher Education Act. The Hall report acknowledges the

amendments that are aimed at increasing the Minister's power of direct intervention at institutional level (Hall et al., 2002: 7–8). Examples of this gradual transition from a steering to an increasingly controlled approach are to be found in the following amendments:

- Higher Education Amendment Act 55 of 1999: allows the Minister to appoint administrators to a higher education institution where there is financial or other maladministration of a serious nature.
- Higher Education Amendment Act 54 of 2000: allows the Minister to determine the scope and range of operations of an institution, and determines that an institution may not, without the approval of council and, under certain circumstances, without the concurrence of the Minister, enter into a loan or overdraft agreement, or develop infrastructure.
- Higher Education Amendment Act 3 of 2001: includes a provision for the indefinite appointment of the administrator and the repeal of private Acts.

Concurrent to the legislative changes, the method of steering also altered. Initially, planning and funding were regarded as an interactive approach to determining goals and targets (Department of Education, 1998). However, the Ministry shifted to a perception that, in order to implement the transformation programme, an increasing use of the executive powers vested in the Minister by the Higher Education Act would be required. A key example is the proposed new funding model which, in the words of one of the authors, “will be a top-down one. It will come into operation only when the government has determined what total of public funds should be spent in a given year on universities and technikons and what the key policy goals should be for that year” (Bunting 2001: 4). The model Bunting describes is not an interactive steering approach, but is much closer to the centralised state-control model outlined above.

It is not only the Minister who has acquired new powers and has shifted to a more “top-down” model. The CHE has also adopted a more centralised approach, according to Kraak (2001). Writing about the proposals formulated by the CHE Task Team on “Size and Shape”, he argues that the proposals represent a shift in the conception of the role of the state from that founded on a model of “state supervision” to that of “state interference”. The solutions to

the dysfunction and endemic crisis in the higher education system sought by the CHE are found in the articulation of a “state interference” model – a bureaucratic, weak and arbitrary form of intervention based on prescriptive fiat and rigid rules and procedures. The affinities between this form of state interference, stratification thinking, and the proposals of the CHE are self-evident. They represent a view of the state as weak and unable to attain the sophistication required for “steering” and, as a consequence, show the necessity for a reversion back to a conception of the state as bureaucratic and prescriptive. This is the only perceived route in which the (weak) state can gain some control over what is perceived to be a crisis-ridden and highly dysfunctional sector (Kraak, 2001: 30).

Considering the context of a shift to more centralised governance, the arguments presented by Hall et al. (2002) for a new approach to governance are problematic. First, the report argues that the National Plan for Higher Education marks the path of change to a “system of conditional autonomy in which substantive autonomy (academic freedom) continues to be guaranteed while the state exercises increasing control over procedures of funding and academic accreditation” (Hall et al., 2002: 19). The argument is flawed as it is clear that a shift in approach, culminating in the proposal for “coerced” mergers (DoE, 2002) violates the first condition of conditional autonomy set out in the report, namely “the right of individual institutions to determine their primary goals”.

Second, government interventions have mainly been driven by the need to improve efficiency. It could be argued that while the apartheid government used political alignment as a determinant key for intervention, it did not care much about inefficiency or corruption. The new government, in contrast, with its post-1997 emphasis on a more efficient state, used inefficiency as grounds for intervention – and with a surprising degree of support from the higher education sector.

During the development of the merger proposals, it started becoming clear that since some inefficient institutions were not earmarked for merging, and some very efficient institutions were identified for mergers, a strong measure of other political criteria, based either on equity considerations, or on a judgement of the political strength of certain institutions, entered the equation. While Hall et al. (2002) make a case for “state steering”, it is becoming

evident that the current conditionality is based on an undefined type of “political efficiency”. The Hall proposal would allow for the transition from a state-steering model to a state-control model, on account of the fact that the content of the conditions imposed from time to time on the higher education institutions as a group or on individual higher education institutions would be the sole discretion of government.

The Hall et al. (2002) report makes no attempt to specify what qualifies as “steering” and what should be regarded as “intervention” or “control”, but a strong argument could be made that the Minister’s power to determine the mission of institutions (e.g. by prescribing their programme offering), and the condition that financially strong institutions cannot take out a loan without his approval, is somewhere between state control and state interference.

The Minister, operating under an official policy of co-operative governance, has not specified the Department’s approach to changing conditionalities. It is submitted that the fact that the proponents of conditional autonomy have not clarified which conditions might be acceptable and which might be totally unacceptable could have a devastating effect on the autonomy of higher education institutions – because it vests an unfettered discretion in the hands of government. In addition, it could be argued that since the proposed approach for conditional autonomy is not located within a broader framework of the state, it is actually impossible to specify a coherent set of conditionalities.

Third, co-operative governance was proposed as a model for higher education that fitted into a framework for the new state. The notion of co-operative governance gives content to the constitutionally enshrined notion of co-operative government (Chapter 3 of the 1996 Constitution), which determines that all organs of state (including government departments and any institution exercising a public power or performing a public function in terms of any legislation) must co-operate with one another in mutual trust and good faith (Section 41). In addition, the Constitution is based on a number of founding principles, among them, a system of democratic government to ensure accountability, responsiveness and openness (Section 1), and the need to establish a society based on democratic values (Preamble). The Constitution also lays the foundations for a democratic and open society (Preamble).

Conditional autonomy is not located within the Constitution, nor within the theory of the state implicit in the Constitution. It does not distinguish between an authoritarian governance approach and a democratic participative approach.

Fourth, if conditional autonomy fits as easily into in the framework of the new democratic government as it did into the framework of the apartheid authoritarian model, then there is not only a conceptual problem but, much more seriously, a political danger that within the national approach of participative co-operative governance there could be practices uncomfortably reminiscent of the previous regime.

| If Reform is Problematic, Change the Policy

Apart from the conceptual and political problems associated with conditional autonomy, it also raises problems with regard to policy and transformation. The suggestion for a review of a governance model is, to a considerable extent, like the merger proposals, influenced by the failure (crisis) of the 25 per cent of “contested” institutions. The failure of these institutions cannot be ascribed only to a failure of internal governance, but could rather be attributed to a whole set of structural, geographic, capacity and socio-historic factors (Habib, 2001). Instead of putting forward a plan to assist these institutions with their internal governance problems, and a strategy to make the 33 per cent management-focused institutions more democratic, the model of co-operative governance is seriously questioned and a proposal made to change it.

There are two major flaws in this type of reasoning. Firstly, Castro and Levy (2002) argue that it is important to understand that “neither conceptually nor in terms of policy does one size fit all” (p. 27). A different approach could be to reward the 42 per cent of higher education institutions that have democratic governance, “steer” the 33 per cent management-focused ones to greater democracy while maintaining the strengths of their existing management structures, and develop a support (rescue) interventionist plan for the 25 per cent in crisis.

A second problem, well described by Vlasceanu and Sadlak (in Cloete et al., 2002) in Eastern Europe, is that, instead of dealing with

the more difficult task of tackling problems, new policies are proposed. Vlasceanu and Sadlak conclude that in Eastern Europe: “the frequency of changes and changing policies has had two major effects. Firstly, the changes have left traces in the structure of the system that will have long-lasting effects. Secondly, many academics have become sceptical of the constant flow of change and have returned to the tradition of operating within the system. They thus continue to do ‘business as usual’ while trying to avoid the external demands for change as much as possible” (p. 2).

Finally, the report and its recommendations are problematic in the sense that they attempt to apply a new, one-size-fits-all governance approach to all institutions, when almost 50 per cent of the institutions are, according to the study, already democratic. Another problem is political in the sense that it would be difficult to justify, within a fluid new democracy, the transition from a steering model to an increasingly evident controlled approach (with strong discretionary powers of intervention) without clearly specifying the conditions, the circumstances and the methods that warrant the violation of autonomy.

The variety of methodological, conceptual and political problems identified in this report leads to the conclusion that a case has not been made as to why conditional autonomy will lead to more effective governance than the co-operative governance model. Within a democratic state there is really no choice between an imperfect model (co-operative governance) – democracy is by its very nature imperfect – and a model that fits as easily into an authoritarian state as it does into a democratic state... all depending on the vagaries of the minister of the day.

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