CHAPTER 2: THE HIGHER EDUCATION SECTOR WITH SPECIFIC REFERENCE TO SOUTH AFRICA

2.1 Introduction

The previous chapter pointed out that higher education systems and institutions around the world have not been exempt from the demands and impact of a globalising political economy. As in the case of other major social institutions, universities and technikons have been undergoing dramatic reorganisation along principles that converge largely around the economic costs and benefits of higher education. Such reorganisation is occurring within a context that principally takes the global economy rather than the nation's state or national histories as its point of departure or yardstick.

The paradigm of the market and principles from the world of business are seen as keys to the transformation of higher education in the direction of greater responsiveness. Literature on the restructuring of higher education systems in many developed economies in the late 20th century indicates a number of common trends, converging into a new orthodoxy about the value of higher education and how it should be managed.

It has been emphasised that one of the key and enduring characteristics of higher education institutions throughout the centuries of their existence has been the ability to adapt to changing demands and contexts. This capacity has enabled higher education institutions to retain much of their distinguishing central features as institutions of knowledge and learning.

Like many times in the past, higher education institutions now face a number of critical challenges and only if they are able to adapt to these challenges, will they be able to maintain a relevant place and role in society.

There is consensus that generally, worldwide, higher education institutions subscribe to the highest principles of academic excellence. They hold academic

standards and values in high esteem, including academic freedom, the pursuit of knowledge and scholarship. Their core activities are academic endeavours that are manifested in teaching and research initiatives. These are supported by a large number of other activities without which a higher education institution cannot operate or without which it will not be the top institution it strives to be. The activities include its community involvement and outreach programmes, and the focus on the quality of student life.

2.2 The changing role of higher education institutions

One of the alternative views on the changing role of higher education institutions is that of Gumport in Altbach *et al* (2001:87) who maintains that there is a growing tension between the following two dominant perspectives on higher education:

- The first interprets higher education as a social institution while the second sees higher education mainly as a part of the national economy, in other words as an industry. The 'social' position states that higher education must attain goals related to its core activities, retain institutional legacies and carry out important functions for the wider society such as the cultivation of citizenship, the reservation of cultural heritage, and the formation of skills and the characters of students.
- The 'higher education as a industry' approach emphasises that higher education institutions sell goods and services, that they train an important part of the workforce and that they foster economic development. It argues that the exposure of universities and technikons to market forces and competition will result in improved management, programme adaptation, maximum flexibility, improved efficiency and customer satisfaction.

Cloete *et al* (2000:18) point out that the perspective of public higher education as an industry has become the dominant one, at least in the United States. The mechanisms through which this development has taken place are:

- The rise of academic institutional managers and professional administrators.
- The idea of the sovereignty of the consumer, especially students.
- The re-stratification of academic subjects and academic staff on the basis of their value use.

According to Gibbons (1998:i) universities have been far more adept at producing knowledge than at drawing creatively (re-configuring) knowledge that is being produced in the distributed knowledge production system. It remains an open question whether they can make the necessary institutional adjustments to become as competent in the latter as they have been in the former. This requires the creation of a cadre of knowledge workers – people who are experts at configuring knowledge relevant to a wide range of contexts. This new corps of workers are described as problem identifiers, problem solvers, and problem brokers. The shift from knowledge production to knowledge configuration is a challenge that is particularly acute for the universities of the developing world.

"Increasingly, a more professionalised management is seen as a necessary condition for the institutions' attempts to deal more adequately with both external and internal pressures and demands. The rising administrative profession is, implicitly and explicitly, challenging the traditional dominance of academics in institutional affairs. This development might actually lead to the university becoming a bi-professional instead of mono-professional organisation" (Cloete *et al* 2002:28).

Drawing from several authors (cf Gibbons 1998; Kennedy 1997; Trow 1996) Van Vught noted at a seminar held in Johannesburg in July 2002 on *Entrepreneurial Higher Education Institutions* hosted by The South African Universities Vice-Chancellors Association (SAUVCA), the Centre for Higher Education Transformation (CHET) the Committee of Technikon Principals (CTP) and UNITECH (Universities and technikons communication practitioners), that higher education institutions were being confronted by the following challenges:

- Institutions are being challenged *by other knowledge producers*. Universities are no longer the only producers of knowledge as knowledge is now produced in a variety of organisations such as independent think tanks, business firms, and industrial and government laboratories.
- Institutions are being challenged by *students and employers.* Higher education systems in the western world have become mass systems – while

an enormous achievement, this implies that most graduates will not become academics who will pursue an academic career in a university.

- Institutions are being challenged *by other education providers.* New, usually commercial, education-providers have entered the higher education market, usually with a strong vocational dimension and are eager to compete with universities, the implication being that students can now choose from a variety of higher education institutions.
- Institutions are being challenged by *new technologies.* Information and communication technology (and especially telecommunication technology) may well have a dramatic impact on higher education systems.
- Professional associations are also in competition and provide life-long learning opportunities.

Dr Richard Fehnel, Higher Education Consultant, in his keynote address at the same July 2002 Johannesburg seminar pointed out the following global realities that are transforming higher education internationally:

- Increased diversity in types of institutions and types of programmes and services on offer.
- Increased reliance on partnerships and alliances, as opposed to mergers, for a broader range of activities and services.
- The spectrum of interaction between co-operation and competition.
- Increased reliance on private funding for public higher education.
- Increased innovation in teaching, learning, research, institutional management and supporting services.

2.2.1 Entrepreneurial universities

According to Cloete *et al* (2000:18) one of the most influential publications in recent debates on higher education reform is Burton Clark's book on entrepreneurial universities based on five case studies in four European countries: Finland, the Netherlands, Sweden, and the United Kingdom. Clark argues that all universities should adapt and become more entrepreneurial because societal

demands with respect to higher education are growing while government support (financially, legally and politically) is decreasing.

At the same seminar held in Johannesburg in July 2002 on *Entrepreneurial Higher Education Institutions,* reference was made to Cloete *et al* (2002) "who argue that it is debatable whether any South African institutions satisfy the criteria for entrepreneurial higher education institutions that were adopted by Clark".

Clarke defines "entrepreneurial" as a characteristic of social systems: that is, of entire universities and their internal departments, research centres, faculties and schools. The concept carries the overtones of 'enterprise'. An entrepreneurial university, on its own, actively seeks to innovate in how it goes about its business. It seeks to work out a substantial shift in organisational character so as to arrive at a more promising posture for the future. Entrepreneurial universities seek to become "stand-up" universities that are significant actors on their own terms. Institutional entrepreneurship can be seen as both process and outcome.

Clark investigated how universities, by means of entrepreneurial action, go about transforming themselves. He found that there are five transforming elements needed in an entrepreneurial university (1998:5-8):

- **A strengthened steering core**
  - The steering core embraces central management groups and academic departments. It operationally reconciles new managerial values with traditional academic ones. The core is quicker, more flexible, and especially more focused in reactions to expanding and changing demands.

- **The expanded developmental periphery**
  - Units are established to reach across university boundaries to link up with outside organisations and groups. In one form these units are professionalised outreach offices that work on knowledge transfer, industrial contact, intellectual property development, continuing education, fundraising and even alumni affairs. The units are

interdisciplinary project-oriented research centres that grow up alongside departments as a second major way to group academic work. They bring into the university the project orientation of outsiders who are attempting to solve serious practical problems critical in economic and social development. They have a certain flexibility in that they are relatively easy to initiate and to disband. Constructed to cross all boundaries, the centres mediate between departments and the outside world.

- **The diversified funding base**
  - To fashion a new change-oriented character, a university generally requires greater financial resources: it particularly needs discretionary funds. A widening and deepening portfolio of third-stream income is constructed that stretches from industrial firms, local governments and philanthropic foundations, to royalty income from intellectual property , earned income from campus services, student fees and alumni fundraising. Money from many sources enhances the opportunity to make significant moves without waiting for system-wide enactments that come slowly, with standardising rules attached.

- **The stimulated academic heartland**
  - For change to take hold, one department and faculty after another needs itself to become an entrepreneurial unit, reaching more strongly to the outside with new programmes and relationships and promoting third-stream income. Their members need to participate in central steering groups. They need to accept that individuals as well as collegial groups will have stronger authority in a managerial line that stretches from central officials to heads of departments and research centres. In the entrepreneurial university the heartland accepts a modified belief system.

- **The integrated entrepreneurial culture**
  - Enterprising universities, much as in the high tech industry, develop a work culture that embraces change. That new culture may start out as a

relatively simple institutional idea about change that later becomes elaborated into a set of beliefs which, if diffused in the heartland, becomes a university-wide culture. Strong cultures are rooted in strong practices. As ideas and practices interact, the cultural or symbolic side of the university becomes particularly important in cultivating institutional identity and distinctive reputation

2.2.2 Enterprise universities

Jan Currie from Murdoch University in Australia, in the *Society for Research into Higher Education*, No 46, November 2001:35, refers to a study of 17 Australian universities. The study focused on the changes to organisational systems and control, and found that all 17 Australian institutions had become enterprise universities to a greater or lesser extent. Five principal trends characterised these Australian universities:

- A new kind of executive power, including a will to manage and managing according to 'good practice'.
- Structural changes, including replacing or sidelining collegial forms of governance, with power shifting from formal to semi-formal types of power, especially vice-chancellors and senior executive groups ('cabinets').
- Flexibility of personnel and resources, including industrial deregulation, the use of soft money and commercial organisations outside of the main legislative rules of the university.
- Decline in the independent power of the academic disciplines, with the rise of executive deans ('super deans') controlling several disciplines, and new structures that often cut ties of obligation between leaders and collegial networks below.
- Devolution as part of centralised control, using targets, which hemmed in the devolved managers and increased line management authority

2.3 Higher education institutions need to adapt

The various challenges facing higher education institutions are forcing them to adapt, especially in South Africa where Asmal & James (2002:20) point out that

the National Plan for Higher Education has impacted on the overall quantity and quality of graduate and research outputs: 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 which threatens to further fragment the higher education system.

There is an imperative need for an entirely new attempt at self-examination, criticism, and self-evaluation in the world of higher education. The time has come to put away natural self-satisfaction and conservatism, and instead struggle with the challenges facing universities in the new millennium and to devise new ways of evaluating educational programmes and being more accountable according to Singh in the *Journal on Higher Education* Vol 14 No 2, 2000:6.

A significant adjustment that the universities will have to make in this new context is to develop structures which promote and reward group creativity. So far, the emphasis in universities – and this is a consequence of the disciplinary structure – has been on individual performance. Little, if any, attention is given to the challenge of teaching people to be “creative” in a team situation. To avoid wasteful duplication, an ethos based on teamwork and, more importantly, on sharing resources will need to be developed at the centre of the institution’s policies (Gibbons 1998:ii).

These challenges are facing higher education institutions to rethink their roles and positions: they are forced to become more innovative and entrepreneurial in at least three areas:

2.3.4 Corporate governance, risk management and continuous improvement

The Institute of Directors in Southern Africa established the King Committee on Corporate Governance in July 1993 (http://www.iodsa.co.za). The committee was to investigate all aspects pertaining to corporate governance and its implementation in South Africa. When the first King Report was published in 1994,

it was recognised internationally as the most comprehensive publication on the subject, embracing the inclusive approach to corporate governance.

The King Committee on Corporate Governance launched the King Report on Corporate Governance for South Africa – 2002 (King 11 Report) at an Institute of Directors Conference on 26 March 2002.

The Report is divided in 6 sections comprised as follows:

- 1 – Boards and Directors
- 2 – Risk management
- 3 – Internal audit
- 4 – Integrated sustainability reporting
- 5 – Accounting and auditing
- 6 – Compliance and enforcement

In South Africa, both King Reports have provided guidelines to organisations on how to conduct their business. Universities and technikons now have to comply with stringent accounting and corporate governance standards as set out in the second King report, in terms of new regulations published by the Education department. According to the Business Day of 2 September 2003; “An academic policy, which will set guidelines on how institutions should constitute a programme and its credits, is also in the pipeline.”

According to the International Capital Markets Group in a KPMG presentation, at the University of Pretoria on 7 August 2003, the broader definition of corporate governance is: “the process used to direct and manage the business and affairs of the organisation with the objective of balancing:

- The attainment of corporate objectives.
- The alignment of corporate behaviour with the expectations of society.
- The accountability to recognised stakeholders.”

As indicated in the King Report, the higher education sector is not exempt from corporate governance and the following requirements on risk management also pertain to higher education institutions:

- The Council is responsible for assessing effectiveness.
- The Council must set strategy and communicate.
- Senior management is accountable and responsible to design, implement, monitor and integrate in day-to-day activity.
- A formal risk assessment should be done annually.
- There should be a system of internal control to mitigate risks.
- An effective internal audit function should exist.

The type of risks in a higher education environment could be:

- Strategic
- Physical and operational
- Human resources
- Financial (including credit and market risk)
- Regulatory / Contractual (compliance)
- Technology and information (institutional continuity and disaster recovery)
- Reputation

According to the KPMG presentation, risk management is defined as “the identification and evaluation of actual as well as potential risk areas as they pertain to the specific entity in totality, followed by a process of either termination, transfer, acceptance (tolerance) or mitigation through a system of appropriate internal controls”.

The risk management framework comprises 5 phases:

- Risk strategy and awareness
- Regular risk assessment
- Structure and culture
- Risk management activities
- Continuous improvement

The last phase, continuous improvement, comprises a review to consider the appropriateness of risk strategy, an ongoing updating of risk register/database on new and changed risks, a regular, formal risk assessment, optimising the control over the environment and internally and a regular evaluation of the risk management process.

2.4 Unique characteristics of universities

It is well recognised that there are fundamental differences between higher education institutions and other organisations in society, even though universities and other higher education institutions possess characteristics common to most forms of organisations The following characteristics of higher education institutions distinguish them from other organisations:

- goal ambiguity or complexity of purpose
- client service
- problematic technology
- environmental vulnerability
- internal fragmentation
- professionalism

In South Africa the reliance on higher education for subsidisation on the one hand and financial independence on the other creates tremendous strain on the management of the institution. The proposed framework for mergers and incorporations by the Department of Education has further polarised the institutions and has complicated the day-to-day- running of the institutions.

Cloete *et al* (2002:235) also state that the distinguishing features of higher education institutions present a challenge to the exercise of effective leadership in higher education, for three reasons:

- Unlike private sector organisations, higher education institutions have goals and objectives that are not only diverse (teaching, research and service) and ambiguous, but are also highly contested and even contradictory.

- The fragmented nature of higher education organisations has given rise to a potentially anarchic organisation structure that has lead Clark (1983:24) to remark the "(these) semi-autonomous departments, schools, chairs and faculties act like small sovereign states as they pursue (their) distinctive self-interests and stand over, and against, the authority of the whole".
- The decentralised nature of decision-making, organised around the production, preservation and dissemination of an intangible commodity (knowledge), has given rise to a highly fragmented authority structure which is focused on autonomous disciplinary units, in which members' loyalty is split between the organisation – which provides their livelihood and the disciplinary networks and allegiances that transcend institutional boundaries and are the source of the unit's or individual's (academic) prestige.

It is the combination of these characteristics that has given higher education institutions their unique and paradoxical characteristic of being the engine of innovative ideas and practices on the one hand, whilst on the other also being extremely resistant to change.

It has long been recognised that higher education institutions, particularly universities, are among the most stable and change resistant social institutions to have existed during the past 500 years. Based on the model of the physical campus, residential students, face to face student-teacher interaction, a lecture format, and ready access to written texts, these institutions have effectively developed and transmitted the store of knowledge from one generation to another. They have fulfilled this responsibility in the midst of political and social upheaval, social development, and technological advancement while remaining essentially unchanged in structure and method (Gibbons 1998:1).

Given autonomy, the university has proven itself to be a highly conservative institution about its own affairs. The faculties are at the centre of the enterprise. And, left to their own devices, faculties make few changes. They rule largely to consensus, usually defer to their older members, and often subscribe to the view that colleagues should not raise controversial matters that may be divisive. All this conduces to the preservation of the status quo. By and large, students accept the

functional authority of the faculty and, in any event, come and go relatively quickly and administrators tend to be given little authority, and they also come and go. These two sources of potential change are usually quiescent (Kerr 1994:219).

2.5 Challenges facing higher education institutions

According to the HEFCE *Embracing Excellence in Education* (2003:4), pressure is growing on the higher education sector to adopt an approach which will nurture continuous improvement and organisational change in a holistic way. Although many institutions across the sector have embraced change, viewing it as necessary and relevant, there are still challenges to be faced if the higher education sector is to strive for global levels of excellence:

- The clash between collegiality and managerialism and the perceived threat to academic freedoms that any 'management' or 'business' methodologies may bring, have given rise to cultural challenges and an evaluation of just what higher education is all about.
- Changes in funding from government are providing greater financial challenges, requiring institutions to seek additional support from other public, private or partnership sources in order to make the investment in staff, equipment, and infrastructure to support their aspirations for excellence.
- Challenging targets are being set for widening participation within the context of a challenging resource base and additional pressures if institutions are to improve access, support and delivery of their services to a widening diversity of students.
- Globalisation of the market place, with other countries now competing in the same international markets.
- An increasing use of IT enabled systems and the concept of e-learning has also given rise to stronger competition in a range of national and international markets, opening up the opportunity for people to study in ways in which higher education may traditionally not have been able to support.
- Competition from other organisations entering the higher education market by developing company-based learning environments for large workforces provides a threat to the higher education sector.

- A wider spectrum of motivation, expectation, study skills and intellectual ability among the student population, provides diverse needs that must be met in a cost-effective manner.
- An increasing demand from employers for graduates with a broader set of skills, particularly in terms of communication and other 'soft' skills.
- A shifting emphasis away from bureaucracy on the standards and assessment of quality enhancement of learning and teaching in higher education, could mean a further change to institutional internal quality procedures and systems.
- Fundamental changes in the shape of higher education and the way of working, resulting from technological change and the development of the information/learning society means continual change and development must be embraced.
- An even greater recognition of the importance of life-long learning is also emerging as the pace of global change increases. The shift towards educational progression linked to a process of continuous personal and professional development, indicates that a much more integrated approach to education is needed.

In dealing with the challenge of transformation post-1994, higher education leadership had to respond to various sets of pressures. Cloete *et al* (2002:240-242) have classified different leadership responses to the challenges of transformation. They are:

- **Transformative leadership:** combines elements of leadership which are broadly recognised as being successful, with features of co-operative governance.
- **Managerial leadership:** 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.
- **Strategic managerialism:** 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.

- **Unwavering entrepreneurialism:** 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 that are sold at a competitive price. The institutions have, or try to develop, strong links with industry, and generally lack a collegial tradition.

2.6 Organisational trends impacting on higher education institutions

In their exceptional book, *Built to Last*, Collins and Porras (1994:Preface) state that they set out to discover the timeless management principles that have consistently distinguished outstanding companies. Along the way, they found that many of today's "new" or "innovative" management methods aren't new at all. Many of today's buzzwords – empowerment, continuous improvement, TQM, shared values and others – are repackaged and updated versions of practices that date back, in some cases, to the 1800's.

However, there are some management principles that are particularly relevant to the higher education sector and are discussed under the following headings:

2.6.1 Innovation

All higher education institutions acknowledge the importance of innovation. However, the problem is in identifying and rewarding innovation. **Innovation** refers to the process of bringing any new, problem-solving idea into use. Ideas for reorganising, cutting costs, putting in new budgeting systems, improving communication, or assembling products in teams are also innovations. Innovation is the generation, acceptance and implementation of new ideas, processes, products or services. It can thus occur in any part of the organisation, and it can involve creative use as well as original invention. Application and implementation are central to this definition: it involves the capacity to change or adapt. And there can be many kinds of innovations, brought about by many different kinds of people: the corporate equivalent of entrepreneurs (Moss Kanter 1983:20-21).

Certain environments stimulate people to act and give them the power to do so: some organisations systematically encourage **innovation** by the design of their systems and the treatment of their people, while other stifle or ignore it. The degree to which the opportunity to use power effectively is granted to or withheld from individuals is one operative difference between those companies which stagnate and those which innovate. The difference begins with a company's approach to solving problems and extends throughout its culture and structure.

2.6.2 Creative thinking

There is currently a great deal of interest in **creative thinking**. Almost every major business advertises itself as "the creative corporation".

According to De Bono (1996:Introduction) business over the past ten years has been involved in three major games:

- The restructuring game, including acquisitions, mergers, leveraged buy-outs, de-mergers etc
- The cost-cutting game which is still running. If you cut costs, then your balance sheet looks much better
- The latest game has been quality (and customer service)

Higher education institutions have had no choice and have been forced to participate in these three "games" to the same extent that other organisations have had to participate.

2.5.4 Competitive strategic planning

The emphasis being placed on **competitive strategic planning** today in organisations worldwide reflects the proposition that there are significant benefits to gain through the explicit process of formulating strategy, to ensure that at least the policies (if not the actions) of functional departments are co-ordinated and directed.

According to Galbraith (1995:12), ”Strategy is the company’s formula for winning. The company’s strategy specifies the goals and objectives to be achieved as well as the values and mission to be pursued; it sets out the basic direction of the company. The strategy specifically delineates the products or services to be provided, the markets to be served and the value to be offered to the customer. It also specifies sources of competitive advantage and strives to provide superior value.”

Essentially, developing a competitive strategy is developing a broad formula for how a business is going to compete, what its goals should be, and what policies will be needed to carry out those goals. Competitive strategy is a combination of the ends (goals) for which an organisation is striving and the means (policies) by which it is seeking to get there (Porter 1980:xxv-xxvi).

All these principles of competitive strategic planning have been adopted by higher education institutions where the basis for all planning is guided by the institution’s strategic plan.

According to Porter (1979:145) “The key to growth, even survival- is to stake out a position less vulnerable to attack from head-to-head opponent, whether established or new, and less vulnerable to erosion from the direction of buyers or suppliers. Establishing such a position can take many forms – solidifying relationships with favourable customers, differentiating the product either substantively or psychologically through marketing.“

Already one an sees these attempts of differentiation of products in the marketing strategies followed by South African higher education institutions.

Higher education institutions have had to adopt terminology like **vision**, **mission**, **institutional focus** and **strategic intent**, **strategy drivers** and **faculty plans**.

Commonly reported outcomes at institutions that have adopted quality principles and practices include time savings, increased efficiency, reduced costs, higher

morale, more involvement by employees, improved communication, greater customer satisfaction, less rework and changed culture.

2.6.4 Learning organisations

To achieve organisational excellence, organisations need to become **learning organisations**. Senge, the originator of the learning organisation concept (1990:5-10), summarises organisational excellence as:

- farsighted, committed and involved leaders
- a clear understanding of the organisation's critical organisational success factors
- unambiguous direction setting
- flexible and responsive process management
- people with relevant know-how and skill sets
- constant searching to improve the way things are done
- objective assessments of current and future performance

Senge says that five new "component technologies" are gradually converging to innovate learning organisations, though developed separately each will prove critical to the other's success, just as occurs with any ensemble. Each provides a vital dimension in building organisations that can truly "learn", that can continually enhance their capacity to realise their highest aspirations. This is particularly relevant in a higher education environment.

These five new "component technologies" are:

- Systems thinking – is a conceptual framework, a body of knowledge and tools that has been developed to make the full patterns clearer, and to help us see how to change them effectively.
- Personal mastery – is the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively.

- Mental models – are deeply ingrained assumptions, generalisations, or even pictures or images that influence how we understand the world and how we take action
- Building shared vision – the practice of shared vision involves the skills of unearthing shared "pictures of the future" that foster genuine commitment and enrolment rather than compliance. In mastering this discipline, leaders learn the counter-productiveness of trying to dictate a vision, no matter how heartfelt.
- Team learning – the discipline of team learning starts with "dialogue", the capacity of members of a team to suspend assumptions and enter into a genuine "thinking together". The discipline of dialogue also involves learning how to recognise the patterns of interaction in teams that undermine learning.

2.6.5 Knowledge management

Knowledge management has steadily been gaining ground and in one of the many text books available on the subject, *The Knowledge Management Fieldbook,* Bukowitz and Williams (1999:2), define knowledge management as: "The process by which the organisation generates wealth from its intellectual or knowledge-based assets".

However, two Japanese, Nonaka and Takeuchi are best known for their groundbreaking work on knowledge management in *The Knowledge Creating Company* (1995:5-8) where they explain that what is unique about the way Japanese organisations bring about continuous innovation, is the linkage between the outside and the inside. **Knowledge** that is accumulated from the outside is shared widely within the organisation, stored as part of the company's knowledge base, and utilised by those engaged in developing new technologies and products. A conversion of some sort takes place: it is this conversion process – from outside to inside and back again in the form of new products, services or systems – that is the key to understanding why Japanese companies have become successful.

Human knowledge is classified into two kinds. **Explicit** knowledge can be articulated in formal language including grammatical statement, mathematical

expressions, manuals and so forth. This kind of knowledge can be transmitted across individuals formally and easily. This has been the dominant mode of knowledge in the Western philosophical tradition. However, a more important kind of knowledge is **tacit** knowledge, which is hard to articulate with formal language. It is personal knowledge embedded in individual experience and involves intangible factors such as personal belief, perspective, and the value system. The interaction between these two forms of knowledge is the key dynamic of knowledge creation in the business organisation.

According to O'Dell and Grayson (1998:7) most companies start their knowledge management efforts by focusing on **creating**, **identifying**, **collecting** and **organising** best practices and internal knowledge in order to understand what they know and where it is. Just knowing that the practices and knowledge exists is not enough to ensure transfer or use. The process must explicitly address sharing and understanding of these practices. Finally, the process involves helping the recipients adapt and apply those practices to new situations, to create new 'knowledge' and put it in action.

Fitz-enz (1997:7) maintains that "management's imperative is to help human assets become knowledgeable. No amount of capital will be enough to offset the absence of knowledgeable motivated people. Organisations that find the tools and build the systems for effective human asset management will be the winners."

Knowledge management in higher education institutions will translate as follows in three areas where these institutions will be forced to become more innovative and entrepreneurial:

2.6.5.1 Research

Research is less and less a self-contained activity. Because of the complexities of the questions being addressed in many present-day research programmes, and because of the costs involved, research is increasingly becoming a matter of *sharing resources* (intellectual, financial and physical). This implies that institutions

need to *change* their *view of intellectual capital* and become less protective of their own resources (including their academic specialists).

In addition, institutions need to look for *strategic partnerships* which means that they have to interact more closely with other knowledge producers, and in the process learn to configure there resources (especially their intellectual capital) around different problem contexts, not just once or occasionally, but continuously, according to the dynamics of the problem contexts in which they want to operate.

These dynamics imply a completely new approach to research management, with emphasis on strategic partnerships, sharing of resources, searching for new problem contexts. The successful institutions of the future will be those that are competent in creating a presence for themselves in changing problem contexts, and in collaborating with other organisations (by sharing resources).

2.6.5.2 Teaching and learning

Increasingly, both students and employers are asking for “professional skills” rather than the transmission of (past) knowledge. They are more interested in processing skills than in the content of knowledge fields.

Innovative institutions no longer only educate traditional, academic intellectuals. They add a set of important new skills to this traditional academic training process, such as willingness to change, multi-disciplinarity, IT-skills, learning capabilities and social intelligence.

Given the changing environmental conditions, institutions need to rethink and redefine their educational roles. Gibbons (1998:2) argues that institutions have to make the jump from training ‘disciplinary specialists’ to training “professional knowledge workers”. Innovative institutions have set themselves the task of doing this.

2.6.5.3 Community service

The third core activity of any higher education institution is community involvement or the impact it has on the society in which it functions. Increasingly institutions are being judged by their involvement in the community and their relevance to the community, similar to the involvement of organisations in corporate social responsibility.

At the University of Pretoria (Strategic Plan 2002-2005:66,67), community involvement is also referred to as “interfaces” and the University has embarked on innovative outreach projects and programmes including:

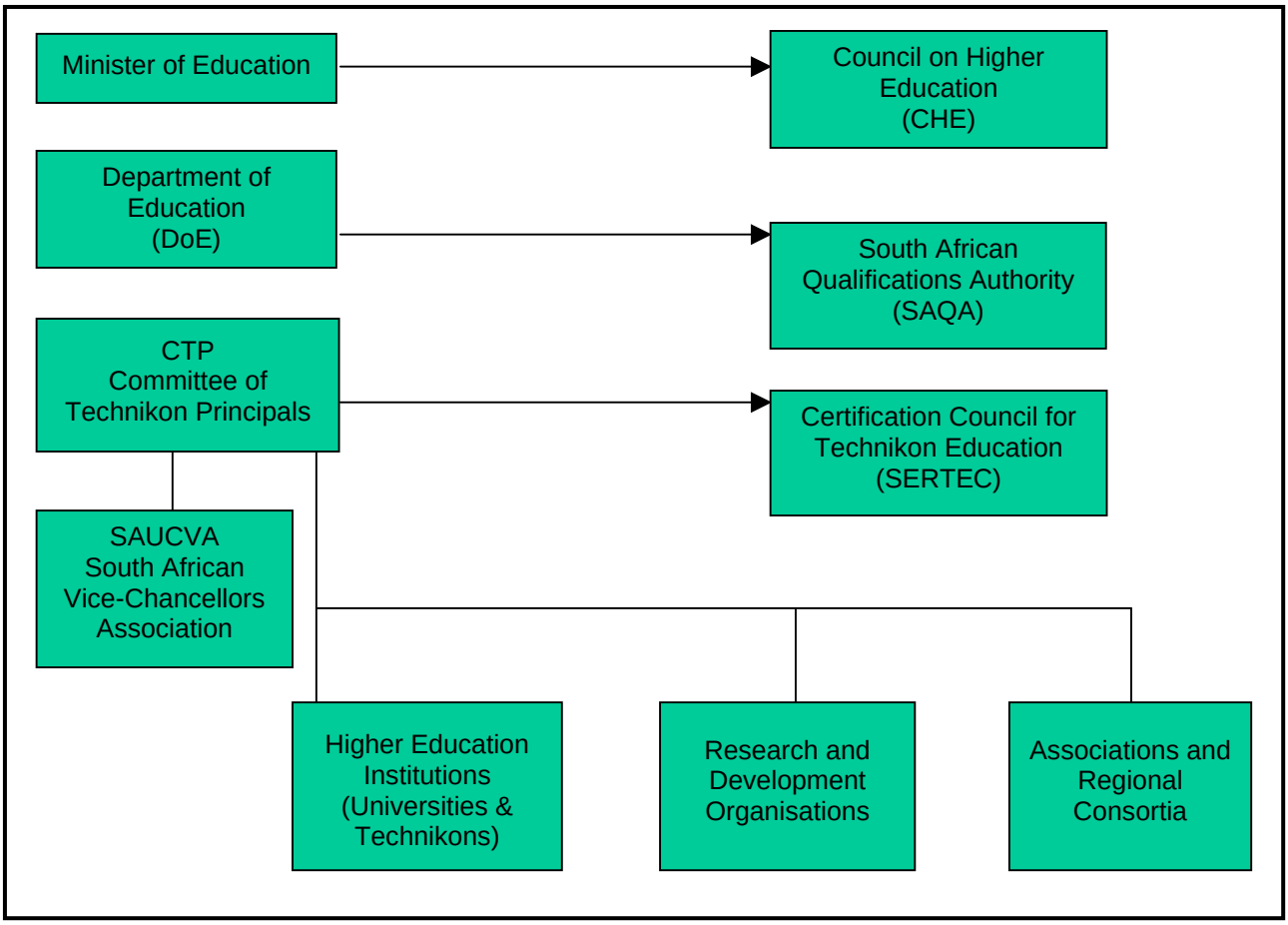
- Technical assistance
  - The University is active in numerous community development projects where it renders technical assistance, which also includes research and consultation.
- Continuing education
  - The University is committed to creating life-long learning opportunities. These include not only formal degree programmes at the undergraduate and postgraduate level but also various continuing education programmes. The University also views continuing education programmes as another mechanism to increase access to the University. The establishment of *Continuing Education at UP (Pty) Ltd* and of which the University is the sole owner, is the vehicle through which it conducts al its continuing efforts.
- Interactions with secondary schools
  - The University is planning to play a prominent role in interacting with secondary schools and the secondary school system in order to assist these schools to provide learners with adequate skills ad academic preparedness, and to help the learners themselves.
- Hosting of events
  - The University has excellent facilities to accommodate its academic programmes as well as for sport, the arts, culture, music and accommodation. These facilities are made available to other organisations, particularly in cases where the nature of events directly

supports the University's strategic aims with regard to teaching, research, sport, art, culture and music.

2.7 The higher education sector in South Africa

The structure of higher education in South Africa comprises the Department of Education (DoE), headed by the Minister of Education and various other bodies as depicted in Fig 3.

Fig 3: The structure of higher education in South Africa



(www.chet.org.za)

2.8 A brief history of South African universities

According to "A Brief History of SA universities" (http://www.sauvca.org.za accessed on 6 January 2003), the first South African university was established in

1873 and known as the University of the Cape of Good Hope. This followed the establishment of two colleges, the South African College in Cape Town in 1829 and Victoria College in Stellenbosch in 1865. Rhodes University followed in 1904 and in 1918, the South African College and Victoria College changed their names to the Universities of Stellenbosch and Cape Town respectively and the University of the Cape of Good Hope became known as the University of South Africa.

Missionaries established the South African Native College in 1916 which became known as the University of Fort Hare in 1951, and the School of Mines, started in Johannesburg in 1895, became the University of the Witwatersrand in 1922.

The University of South Africa was a federal university with a number of university colleges.

Over the thirty years following 1930, many of these colleges became fully fledged universities (including the Universities of Pretoria, Potchefstroom, Natal and the Free State).

The Extension of University Education Act was passed in 1959, designed to bar the entry of black students into historically white institutions and establish racially segregated universities instead. The Universities of Durban-Westville, the Western Cape, Zululand and the North came into existence shortly after.

Other universities established during the period from the mid-sixties to the mid-eighties included the University of Port Elizabeth, Rand Afrikaans University, the Medical University of South Africa and Vista University.

These “non-white” institutions were small. By the early 1960s, South Africa’s universities were catering to about 62 000 students, only 5 000 of whom were not white. The racial bias began to even out when, in the heyday of separate development, universities were constructed in the so-called “self governing territories” of Transkei, Venda and Bophuthatswana.

This was followed by the gradual "racial opening up" of many of the historically white universities, so that by the late 1980s student statistics revealed that in addition to the 150 000 white students studying at the country's universities, there were 120 000 black, coloured and Indian students. Reflecting some progress in building non-racial higher education, today the majority of students in the public sector's 21 universities are black – 207 000, according to preliminary enrolment figures for 1999, and 122 000 white students.

During the transformation of the sector, questions were being asked about the higher education sector as a whole. With the growing focus on technical and vocational education to address existing imbalances and skills shortages, were there too many universities as a result of apartheid's tendency to duplication? Thus began the "size and shape" debate, based on the premise that the sector was in need of rightsizing and rationalisation. There was talk of closures and mergers, which the Historically Disadvantaged Universities (HDU'S) immediately saw as a threat to their continued existence. After all the disadvantages they had suffered under the old order, the HDUs argued, were they now simply to be swallowed up by the Historically Advantaged Universities (HAU's) which had so manifestly benefited under apartheid?

2.9 Legislation pertaining to the higher education sector in South Africa

At the University of Pretoria Leadership Programme in June, 2003, Prof Anthony Melck, advisor to the Vice-Chancellor, provided a comprehensive overview of the legislation pertaining to the South African higher education sector that is referred to in headings 2.9.1 to 2.9.6.

2.9.1 The South African Constitution

The final Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), addressed many of the issues raised in the *Report of the National Commission on Higher Education: A framework for Transformation,* published in 1996 under the chairmanship of Dr Jairam Reddy, where on page 29 the following is stated: "A major characteristic of South Africa's higher education is the legacy of apartheid

ideology which provided the framework for structuring the education system after 1948. Starting with the Bantu Education Act of 1953, all education in South Africa was officially divided among racial/ethnic lines to reinforce the dominance of white rule by excluding blacks from quality academic and technical training."

Chapter 2 of the Constitution is devoted to the Bill of Rights, many of which are applicable *inter alia* to relationships among members of the University, both senior members (staff) and junior members (students).

Section 29 – on the right to education – says in subsection (2), that "Everyone has the right to receive education in the official language or languages of their choice in public education institutions where that education is reasonably possible. In order to ensure the effective access to, and implementation of, this right, the state must consider all reasonable educational alternatives, including single medium institutions, taking into account:

(a) Equity;
(b) practicality; and
(c) the need to redress the results of past racially discriminatory laws and practices."

2.9.2 National Commission on Higher Education

Given the values and rights specified in the Constitution, government appointed a Commission, shortly after coming to power in 1994, to analyse and make recommendations on higher education. The National Commission on Higher Education (NCHE) was chaired by Dr Jairam Reddy, previously Vice-Chancellor of the University Durban-Westville, and submitted its report, entitled *A Framework for Transformation*, in 1996.

The NCHE in many respects placed South African higher education on its present trajectory. It set out the need for transformation, the deficiencies in the higher education system for the time, the realities, opportunities and challenges as perceived when the report was written, the principles upon which a new higher education system should be based.

The authors of the report envisaged a system having a number of main characteristics. The first of these was that of increased participation by students, previously excluded from the higher education system, to the extent that a large-scaled 'massification' of higher education was expected to occur. The second is a system that is more responsive to the needs of society; and the third is increased co-operation and the development of partnerships. All of these would, it was said, culminate in a single co-ordinated higher education system, that would overcome the fragmentation of the past, answer to the imperatives of access and equity, correct the inefficiencies inherent in the previous system, be subject to overall planning and 'steering' by the state through the introduction of goal-orientated funding, and much more.

The NCHE made numerous fundamental recommendations, most of which have either been implemented or are currently in the process of being implemented. In one respect the Commission predicted future developments incorrectly; and in one respect the current reforms have gone beyond those envisaged by the Commission.

The aspect that the NHCE misjudged was that of 'massification'. Instead of the growth in student enrolments anticipated by the Commission, from about 800 000 students in 1995 to about 1 500 000 in 2005, enrolments in fact decreased for a number of years. Subsequently, there has been an increase, but not to the extent that the 1995 figures have yet been surpassed.

The most important consequence of this error has been that government encouraged the use of distance education as a measure for accommodating the anticipated increase in student enrolments. However, when the increase failed to materialise, and the increased competition in the system (resulting from more distance providers) seemed to be threatening the dedicated distance education institutions, government determined to reverse its liberalisation of distance education by imposing constraints on the residential institutions.

The aspect that the NCHE did not propose, at least to the degree to which the present practice has developed, is that of merging and incorporating institutions. Although the Commission did suggest that steps should be taken to increase the efficiency of the system and to address the apartheid-inspired educational landscape, these did not go as far as reducing the number of institutions in the way finally approved by Cabinet.

2.9.3 White Paper 3 – A Programme for Higher Education Transformation, 1997

The NCHE report, which was published in 1996, was followed in 1997 by the release of the Department of Education's *White Paper 3 – A Programme for Higher Education Transformation.* In broad terms, the White Paper responded to and formalised the recommendations, contained in the NCHE report, by adopting them as government policy.

The White Paper deals with a range of issues, the salient ones on quality being:

1. The functioning of the NQF with respect to higher education qualifications.
2. The importance of quality control and the functioning of the HEQC.

The SAUVCA Chairperson, Prof Njabulo Ndebele, indicated, "structural reconfiguration on its own does not guarantee quality, the real work is the identification of the intellectual enterprise, i.e. the research agenda, the commitment to teaching and learning and relevant curricula that constitute the core challenges if we are to produce successful graduates for the economy and society" (press statement, 12 February 2002 – SAUVCA's response to the release of the National Working Group Report).

"Any successful restructuring exercise in higher education has to align the rationalisation agenda with a renewed, national commitment to a relevant, quality-driven system. The resources of the private sector were also used to provide responsible advice before the Minister took his final recommendations to Cabinet."

2.9.4. The Higher Education Act, Act No 101 of 1997

The White Paper 3 was followed by the adoption of the Higher Education Act of 1997, which provided the legal foundation for the policies that had been developed by the NHCE and stated as policy in the White Paper.

The Act has a number of chapters, each dealing with specific aspects off the higher education landscape. Once again reference is made to quality in Chapter 1 which deals with the establishment of the Council on Higher Education, including the Higher Education Quality Committee.

The amendment to Section 3 of the Higher Education Act was the most vigorously debated of the changes, as seen from the perspective of public higher education. The debate reflected the tension inherent in public higher education: how much autonomy should institutions enjoy, and how much power should the Minister have to determine the shape of public higher education. Section 3 as amended arguably gives the Minister even greater powers than he already enjoyed under Section 39 (under which he makes public funds available to Universities and Technikons). There must be a balance between the Minister's powers and the autonomy of institutions to determine their future. This section has altered this balance. Time will tell whether this was for good or ill, given the present uncertainties in public higher education.

The amended Section 40 of the Act limits the autonomy of public higher educations. It does it in a way that allows the Minister to safeguard the public investment in public higher education. The university sector understands the Minister's legitimate obligation to do this and to facilitate the responsible management of public funds. SAUVCA's concerns were about the limits to autonomy, the unnecessary bureaucracy which could become involved and the practical difficulties in their implementation.

Section 41A of the Higher Education Act (1997) amended by Act 55 (1999) gives the Minister the power to appoint an Administrator to "perform the functions relating to governance or management on behalf of the institution". This step,

when taken, will be in response to alleged maladministration of an institution. The university sector respects the Minister's right to intervene to restore responsible administration. In practice, however, the complexities of each situation means that it is often difficult for the 'care-taker' Administrator to act independently. The management of public higher education, and especially of those institutions that were historically disadvantaged, is complex.

2.9.5 The National Plan for Higher Education

As required by the White Paper, the Department of Education produced a *National Plan for Higher Education,* which was released in 2001.

The National Plan on Higher Education (NPHE) addressed many of the issues raised earlier by the National Commission and the White Paper, e.g. issues of participation, equity and access, however, now placing increased emphasis on staff composition and the goal of achieving demographic balance. It also for the first time outlined the mechanism for the restructuring of the institutional landscape of the higher education system, as well as the development of three-year 'rolling plans'.

In this respect the Ministry undertook to establish a National Working Group to investigate the "… feasibility of a more rational arrangement for the consolidation of higher education provision through reducing, where appropriate, the number of institutions but not the number of delivery sites on a regional basis. The Working Group would undertake the investigation, based on the principles and goals for the transformation of the higher education system, as outlined in the White Paper.

The SAUVCA Position Paper of November 2002 states that: "The finalisation of the NPHE marks the end of a sustained period of restructuring of South Africa's higher education system. We are now a long way from the divided and divisive inheritance of the apartheid years. There are immense opportunities to pursue the key goals of public higher education in South Africa, including economic development, high-level contributions to the knowledge economy and the advancement of critical enquiry that is essential to a healthy democracy."

2.9.6 The Report of The National Working Group and the Response of the Department of Education

As mentioned above, the minister appointed a national Working Group (NWG) to advise him on the restructuring of the higher education landscape. The NWG finalised their report early in 2002 by proposing that a number of institutions, additional to those already mentioned in the NHPE, should be merged. On 30 May 2002, after endorsement by Cabinet, the Minister of Education announced government's decisions with regard to the NWG recommendations, most of which had been accepted. The result was that the number of higher education institutions would be reduced from 36 to 21, consisting of 11 universities, 4 comprehensive institutions and 5 technikons, as depicted in the following table:

Table 2: The merging of South African universities and technikons*

UNIVERSITIES
University of Cape Town
Wits University
Natal and University of Durban Westville
Stellenbosch
University of the Western Cape
University of the Free State
University of Pretoria
Rhodes University
Potchefstroom University
Fort Hare
Medunsa
TECHNIKONS
Peninsula Technikon and Cape Technikon
Vaal Triangle
Free State
Durban Institute of Technology
Pretoria Technikon, Technikon Northern Gauteng and North West Technikon
Mangosuthu Technikon

COMPREHENSIVE (offering university and technikon programmes)
Rand Afrikaans University, Vista Soweto and East Rand and Wits Technikon
University of PE and PE Technikon
Eastern Cape Technikon, University of Transkei and Border Technikon
University of South Africa and Technikon South Africa
University of Zululand
University of Venda

(The Star, Tuesday, 10 Dec 2002)

2.10 South African higher education structures

2.1O.1 The South African Council on Higher Education (CHE)

The CHE was established as an independent statutory body in May 1998 in terms of the Higher Education Act, No 101 of 1997. It serves as an advisory body to the Minister of Education on all matters related to higher education policy issues and assumes executive responsibility for quality assurance within higher education and training (www.che.org.za 3/24/03).

2.1O.2 South African Universities Vice-Chancellors Association (SAUVCA)

The Committee of University Principals (CUP) was established by Sections 6 and 7 of the Universities Act (1955). It was established as a statutory body, and the membership, juristic personality and functions of SAUVCA are regulated by the Universities Act, Act 61 of 1955 as amended. Today, the CUP is known as SAUVCA, a name change that reflects a restructured and transformed Association.

As a statutory body, SAUVCA is required to make recommendations to the Minister and Director-General of Education on matters referred to SAUVCA or on any other issues which SAUVCA considers to be of importance to the universities. It also appoints persons or nominates persons for appointment to a number of

statutory councils and committees on which universities should be represented. It is responsible for the formulation of the Joint Statutes and Joint Regulations relating to the university sub-sector of the Higher Education system, which contain several important provisions regarding aspects such as the transfer of students between universities, the mutual recognition of credits gained at universities or other institutions and the minimum period of study for a bachelor degree. These functions are obviously of direct importance to all the country's public universities, and SAUVCA plays a role in maintaining the most basic order in academic matters and regulating academic standards.

An important related function is SAUVCA's statutory responsibility for the Matriculation Board (MB). SAUVCA, via the MB, advises the Minister on the requirements for matriculation endorsement and exemption from the endorsement requirements, which represent the minimum requirement for registration for a university degree.

SAUVCA advances the interests of the university system by proactively engaging in any policy or practice which affects the system as a whole. It consults widely with other role players in the higher education system to ensure that it can act proactively and effectively. It fulfils its mission by engaging in discussion and debate, commenting on proposed legislation, representing the universities on national structures and committees, hosting and participating in workshops, presenting papers at conferences, or taking part in bilateral or multilateral talks.

SAUVCA is served by several specialist committees that advise it on matters of common concern. The present committees are the Executive Committee, Equity Committee, Finance Committee, Education Committee, Legal Committee, Research Committee and Intellectual Property Subcommittee of the Legal Committee (www.sauvca.org.za 1/9/03).

2.1O.3 The Centre for Higher Education Transformation (CHET)

This Centre mobilises trans-disciplinary skills for specific projects by tapping available expertise in the national and international higher education sector. A

non-hierarchical, flexible management style, modern information technology and a heavy reliance on consultants and steering committees affords CHET the unique capacity to respond to higher education needs with only a limited number of full-time staff.

CHET also provides a forum for interaction between the different structures, stakeholders, and constituencies in higher education. To this end, CHET is currently collaborating actively with the Ministry of Education, the Committee of University Principals, the Committee of Technikon Principals, Committee of College Education Rectors South Africa, and the National Centre for Student Leadership. International collaborators include the American Council on Education, the Association for African Universities, the Commonwealth Higher Education Management Services, and the Centre for Higher Education Policy (Netherlands) (www.chet.org.za 2/18/03).

2.1O.4 Higher Education Quality Committee (HEQC)

According to the Council on Higher Education Quality Committee, Re-accreditation of MBA's 2003 document, the Higher Education Act (No 101 of 1997) sets out quite clearly the roles and responsibilities of the CHE and its permanent sub committee, the HEQC, with regard to policy and quality assurance related matters in the higher education sector. Simply stated, in terms of their respective mandates, the CHE advises the Minister of Education on matters relating to higher education and the HEQC manages the quality assurance activities of all public and private providers operating in the higher education band.

In terms of its mission and vision, the HEQC supports the development, maintenance and enhancement of the quality of public and private higher education provision in order to enable a range of stakeholders to benefit from effective higher education and training. The HEQC performs its quality assurance duties also in terms of the South African Qualifications Authority Act (SAQA), 1995 (Act no 58 of 1995) and the SAQA Regulations of 1998. As an Education and Training Quality Assurance body (ETQA) for higher education, the HEQC is

responsible for the accreditation of public and private institutions and their learning programmes.

The underlying objective of the HEQC with regard to quality assurance is:
To ensure that institutions effectively and efficiently deliver education, training, research and community service which are of high quality and which produce socially useful and enriching knowledge as well as a relevant range of graduate skills and competencies necessary for social and economic progress.

The quality assurance framework and criteria of the Higher Education Quality Committee (HEQC) is based on a multi-faceted definition of quality (HEQC, Guidelines – Applying for accreditation as a private provider of higher education qualifications registered on the NQF, p 4 (Pretoria:2001):

- Fitness for purpose based on national goals, priorities and targets.
- Fitness for purpose in relation to a specified mission within a national framework that encompasses differentiation and diversity.
- Value for money judged in relation to the full range of higher education purposes set out in the White Paper on Higher Education. Judgement about the effectiveness and efficiency of provision will include, but not be confined to, labour market responsiveness and cost recovery.
- Transformation, in the sense of developing the capabilities of individual learners for personal enrichment as well as the requirements of social development and economic and employment growth.

The specific functions of the HEQC are to:

- Promote quality assurance in higher education
- Audit quality assurance mechanism of institutions of higher education
- Accredit programmes of higher education

According to the HEQC website, the HEQC's role is made even more demanding by being part of a larger process under SAQA and the Sectoral Education and Training Authority (SETA) quality assurers. The HEQC has statutory responsibility to conduct institutional audits as indicated in the Higher Education Act of 1997. In

terms of the Act, the specific functions of the HEQC are to accredit programmes of higher education, audit the quality assurance mechanisms of higher education institutions and promote quality in higher education (Audits are the responsibility of the HEQC also in terms of being recognised by SAQA as the Education and Training Quality Assurer (ETQA) for the higher education band (www.che.org.za/heqc 4/2/03).

The HEQC Audit Directorate began pilot audits of three higher education institutions in March 2003 which will be completed in December 2003. The main purpose of the pilot audits is to enable the HEQC to refine its audit instruments and process before the formal audit cycle commences in 2004.

The participating institutions are responsible for evaluating their academic quality systems themselves and producing a self-evaluation report. The institutional audits focus to a large extent on teaching and learning. The audit criteria will extend to issues relating to research only if an institution specifies research in its mission.

The Council on Higher Education, Higher Education Quality Committee states in its ***Proposed criteria for the HEQC's first cycle of audits: 2004-2009*** March 2003 Discussion Document that the audit does not seek to measure the actual quality of outputs in relation to teaching and learning, research and service learning. The audit seeks to:

(i) Establish the nature and extent of the quality management system in place at the institution – what policies, systems, available resources, strategies and targets exist for the development and enhancement of quality in the core functions of higher education.

(ii) Evaluate the effectiveness of the quality management system on the basis of evidence largely provided by the institution itself. The requirement to provide indicators of success and evidence of effectiveness, takes the audit beyond a checklist of policies and procedures.

The scope of the audits will cover the broad institutional arrangements for assuring the quality of teaching and learning, research and service learning programmes, as well as other specified areas. Governance, finances and other institutional

operations will not be a focus, except in relation to their impact on the above areas.

The one central principle emerging was that the primary responsibility for quality assurance rests with the higher education institutions themselves.

2.10.5 The South African Qualifications Authority (SAQA)

SAQA is a body of 29 members appointed by the Ministers of Education and Labour. The members are nominated by identified national stakeholders in education and training. The functions of the Authority are essentially twofold:

- To oversee the development of the NQF, by formulating and publishing policies and criteria for the registration of bodies responsible for establishing education and training standards or qualifications and for the accreditation of bodies responsible for monitoring and auditing achievements in terms of such standards and qualifications.
- To oversee the implementation of the NQF by ensuring the registration, accreditation and assignment of functions to the bodies referred to above, as well as the registration of national standards and qualifications on the framework. It must also take steps to ensure that provisions for accreditation are complied with and where appropriate, that registered standards and qualifications are internationally comparable (www.saqa.za 2/26/03).

2.10.6 The National Qualifications Framework (NQF)

SAQA's aim is to ensure the development and implementation of a NQF. The NQF is a framework, it sets the boundaries – a set of principles and guidelines which provide a vision, a philosophical base and an organisational structure – for construction, in this case, of a qualifications system. Detailed development and implementation is carried out within these boundaries. It is national because it is a national resource, representing a national effort at integrating education and training into a unified structure of recognised qualifications. It is a framework of qualifications i.e. records of learner achievement.

In short, the NQF is a set of principles and guidelines by which records of learner achievement are registered to enable national recognition of acquired skills and knowledge, thereby ensuring an integrated system that encourages life-long learning (www.saqa.org.za/nqf 3/24/03).

The NQF is based on the principles of outcomes-based education. In the NQF, all learning is organised into twelve fields. These in turn are organised into a number of sub-fields. SAQA has established twelve National Standards Bodies (NSB's) one for each organising field. Members of the NSB's are drawn from the six constituencies: state departments, organised business, organised labour, providers of education and training, critical interest groups and community/learner organisations. Up to six members from each of these constituencies serve on a NSB. The NSB's recommend standards and qualifications for registration on the NQF to SAQA.

Each NSB is responsible for recognising or establishing, Standards Generating Bodies (SGB's) for registration. SGB's in turn develop standards and qualifications and recommend them to the NSB's for registration. SGB's are formed according to sub-fields, and members are key role players drawn form the sub-fields in question. For example, the SGB for teacher Educators is made up of school teachers, professional teacher bodies, university, college and technikon teaching staff.

SAQA accredits Education and Training Quality Assurance bodies (ETQA's) to ensure that the education and training which learners receive, is of the highest quality. ETQA's in turn accredit providers to offer education and training in accordance with the standards and qualifications registered on the NQF.

As indicated in the table below, SAQA has adopted an eight-level framework, with levels 1 and 8 respectively being regarded as open ended. Level 1 accommodates three Adult Basic Education and Training (ABET) certification levels as well as the General Education and Training Certificate.

Table 3: NQF framework

NQF LEVEL	BAND	QUALIFICATION TYPE
8	Higher Education and Training	• Post-doctoral research degrees
7		• Doctorates
6		• Masters degrees
5		• Professional qualifications • Honours degrees
FURTHER EDUCATION AND TRAINING CERTIFICATE		
4	Further Education and Training	National Certificates
3		• National first degrees
2		• Higher diplomas • National diplomas • National certificates
GENERAL EDUCATION AND TRAINING CERTIFICATE		
1	General education and training	Grade 9/ ABET level 4 National certificates

(http://www.saqa.org.za)

2.11 Summary

The key challenges facing the South African higher education system have to be understood in the context of the impact on higher education systems world-wide and the changes associated with the phenomena of globalistion.

The challenges have also impacted on the role of higher education institutions and the emergence of “entrepreneurial “ and “enterprise” universities. Higher education institutions have out of necessity adapted their core academic focus of teaching and learning, research and community involvement.

Although higher education institutions are unique, they also possess characteristics that are similar to most forms of organisations and therefore have to keep up with emerging trends like innovation, creative thinking, competitive strategic planning and the need to become learning organisations.

The higher education landscape in South Africa is being significantly transformed and reconstructed due to the Department of Education's plan for a new institutional landscape for higher education in South Africa as set out in the *White Paper on Education 2002*.

The reduction of higher education institutions from 36 to 21 presents the ideal opportunity to not only focus on academic self-assessment, but also institutional self-assessment where quality models provide a framework for continuous improvement.

The quality models offer a strong stakeholder-focused approach – which is at the heart of everything that higher education institutions strive for. Most, if not all, institutions, aim to put students at the heart of teaching and learning – whilst considering other key stakeholders, such as parents, employers, partners, funding providers and regional/local communities. The student relationship often goes far beyond what might traditionally be viewed as a customer relationship, with students in some institutions seen as partners in the learning process. This means that unless institutions are driven by a way of working that looks inside at what is being done and how it is being done for all key stakeholders, then it is unlikely that continual improvement which meets or exceeds stakeholder's expectations, could be achieved and sustained.

In Chapter 3 quality and the establishment of quality models in the United States, SA, United Kingdom and South Africa will be discussed.