Leadership and Governance Issues at the University of Venda. The Case of a Historically Disadvantaged Tertiary Institution in South Africa

CHAPTER 1

INTRODUCTION AND STRUCTURE OF THE RESEARCH

This thesis deals with the concept of leadership and governance within the University of Venda. Issues of leadership, human resources management, as well as financial management were investigated.

Issues of leadership and governance of tertiary institutions have once again taken centre stage in higher education debates in South Africa. Since 1994 radical changes have taken place in higher education, especially in the connections between tertiary institutions and society, culture, science and innovation. These changes have transformed the environment of both leadership and governance.

The easily identifiable trends of the changes that have taken place are massification and marketisation. The modern university is usually a relatively large institution and is also market oriented. There are many fundamental changes taking place. There are also socio-economic and technological innovations that impact on universities or in the same vein, that universities impact upon. These complex, accelerated, simultaneous and reflex changes are the hallmark of tertiary institutions in the South African higher education landscape.

Institutional leadership is hard to define at the best of times. It depends upon institutional history, culture and traditions and systems of governance, as well as the external and internal (domestic) context. For any particular institution, it changes through time and varies with the particular mix of strengths and weaknesses of specific leaders, as well as their personalities. (Yukl, 1994 : 120)

Governance is distinct from management in operational terms, but the issue of governance is intimately connected with wider debates about managerialism, collegiality and accountability. Governing bodies in universities are increasingly seen as strategic areas of management and influence. Key members of these bodies have been drawn into senior management positions in the public sector and are expected to play key roles in leadership terms, especially in relation to external environments.

Governing bodies of tertiary institutions are regarded as key arenas of change, inculcating in their institutions enhanced awareness of competitiveness and the need for excellence in management. Secondly, governing bodies have been identified as a means of ensuring appropriate standards.

1.1. The Choice of the University of Venda

The University of Venda has been selected as the historically disadvantaged institution of focus in this study. The institution has been chosen firstly because of its strategic geographical position in the far north of the Limpopo Province, one of the poorest provinces in the Republic of South Africa, and also because of its historical significance. The University of Venda emerged in 1981 when

negotiations for change were already taking place between the liberation movements and the minority white government, albeit in an underground manner. Additional historically disadvantaged tertiary institutions could have been added as subjects of the research. This was avoided however, to make the research more focused. The understanding is that experiences in other historically disadvantaged institutions might be the same, differing only in degrees.

1.2. The Location of the University of Venda

Demographics of the Limpopo Province from which the University largely draws its student complement, show that the region has the lowest level of economic activity of all nine provinces in the Republic of South Africa, that it has weak infrastructure, and that people development is at its lowest within the borders of South Africa, for instance, the Province only contributes 3% of the Gross Domestic Product (GDP) of South Africa. This province also recorded a higher population growth rate than the aggregate for South Africa, namely 4,3% against 2,6% respectively. Furthermore, it has the largest percentage of children under the age of 15 years - achieving a higher growth rate in this category of 3,8% since 1980 - thus placing an abnormally high burden of dependency on its total economy (Pretorius, 1995:1).

Because of the rural and underdeveloped nature of the region, the University of Venda faces a daunting challenge. The education it offers should develop social, economic, cultural and political skills and equip its graduates and the community in general to face the challenges of poverty and unemployment.

1.3. The History and Development of the University of Venda

It is appropriate to give a brief analysis of the development of the University of Venda from a historical perspective. Before 1960, universities in South Africa could be grouped broadly into English or Afrikaans language institutions. The University of South Africa was the only correspondence university with a special feature in that it offered tuition in both the then official languages, namely, English and Afrikaans. The English medium universities tended to be liberal in tradition, in that they opened their doors to blacks, whilst the Afrikaans medium universities did not (Nkondo, 1977: 9).

It was only in 1959 after the passing of the Extension of University Education Act 1959 (Act 45 of 1959) that university education exclusively for "non whites" was introduced. This gave birth to the University College of the North and others to provide for various ethnic groups in South Africa. The University College of the North was meant to cater exclusively for the Northern Sotho, Southern Sotho, Tsonga, Tswana and Venda national units (Nkondo, 1977: 1-10).

The University of Venda, on the other hand, was established as a branch campus of the University of the North on 18 February 1981. It became independent from the University of the North on 6 November 1981 when the University of Venda Act 1981 (Act 19 of 1981) was passed by the then Republic of Venda Parliament (University of Venda Calendar, 1987: 22).

In 1984, a new constitution was introduced in the Republic of South Africa. This constitution entrenched the apartheid divisions in the country through its distinction between "own affairs" and "general affairs". Higher Education was divided into four groups, that is, black, coloured, Indian, and white. Students from one race group could not be enrolled in an institution designated for other race groups except with a permit issued by the Department of Education. The Department would only issue the permit if it could be shown that the programme that the student intended to pursue could not be offered at the institution of his or her race group (Bunting: 2002).

The intention of the then apartheid government of South Africa was that the University of Venda would become a tribal homeland institution, primarily serving the population of the then Venda Independent State, the latter being one of the homelands established to run the affairs of different ethnic groups in South Africa, in this case the Vha-Venda ethnic group. Whilst some of these homelands were granted self governing authorities and status, some who were willing, like the Venda Self Governing Territory, were further granted "independent status" and were thereby enabled to have a much freer hand in running their affairs, even though they were dependent on the Republic of South Africa for funding. The so-called independence was thus cosmetic as they remained under the control of the central white government (Compton, 1995: 393).

The University of Venda has, since its inception, refused to be dictated to by the above policies in both the selection of its personnel and students, as well as in its teaching and research. It has vigorously campaigned against the perception

of being an ethnic university. From its early years academic personnel have been drawn from many places and backgrounds in Africa and abroad (see staff composition in the University of Venda Calendar 1982).

The purpose of this study is to analyse issues of leadership and governance in this historically disadvantaged institution in South Africa and thereafter make recommendations on how these issues can be improved or established where they are lacking. It is acknowledged that leadership and governance issues constitute a very wide scope and it is, therefore, necessary to indicate that the study will be limited to selected issues in leadership as well as in human resource and financial management. All these issues occur within the context of organizational management and policy science in the discipline of Public Administration. A whole chapter is therefore devoted to discuss the development of Public Administration and Policy Formulation and Implementation.

1.4 The Structure of the Chapters

It is important to understand that higher education does not exist in a vacuum, but within a specific policy framework. A proper understanding of this framework will enable the reader to understand the context of the study, its findings and its recommendations.

Chapter 1

Chapter 1 deals with the historical context and location of the University of Venda. The institution does not exist in a vacuum. It was originally meant to serve a purpose, be it academic, political or otherwise. This historical background is important, as it helps the reader to understand the origin and context of the subject of research.

The reason why the University of Venda was chosen for the study is explained. A brief analysis of the development of the University of Venda from a historical perspective is given, as well as the effect of political developments on the institution.

Chapter 2

Chapter 2 illustrates the conceptual framework of the study. Discussions in this chapter attempt to locate the study within the discipline of Public Administration.

Attention is focused on the higher education sector, beginning with the policy shift which occurred in 1992 during the African National Congress National Policy Conference, until the year 2001, when the National Plan for Higher Education was released.

Chapter 3

Chapter 3 discusses the research methodology of the study. The initial discussion is on scientific research and its philosophical paradigms, including its application to problems and critical methodological errors made by some proponents.

The chapter goes on to discuss quantitative and qualitative research methodologies, and also explains why the qualitative method was chosen as an appropriate methodology for this study.
The purpose of the study, delimitations of the study, the hypothesis and research question are also succinctly given in the chapter. Finally, an overview of the interview process is presented.

Chapter 4

Chapter 4 deals with issues of organisational management and policy science in Public Administration. This chapter discusses the development of Public Administration until the post modernist state. Issues of policy making as well as policy implementation are discussed. Different models of policy implementation are discussed in detail.

Chapter 5

Chapter 5 deals with the case study of the University of Venda. Interview responses by research participants as well as policies in university official

documents are discussed and analysed. Aspects of the institution's financial management, human resources and leadership were discovered through carefully structured interview questionnaires, with follow up discussions where necessary. An African perspective on leadership and governance underpins the discussion.

Chapter 6

In this chapter the concept of leadership is discussed, including the characteristics that define a leader. Several prominent leadership theories that have evolved over time are discussed before an appropriate leadership framework for universities is proposed. The concept and practice of governance within the specific context of universities as organisations is also discussed. Lastly, an attempt is made to explain 'disadvantaged' by discussing its place in history, as well as the way in which historical processes and developments actually drive its unfolding as a phenomenon.

The chapter also deals with a review of related literature on governance and leadership, human resource management and financial management. An interphase in policy matters as well as other transformational matters is also discussed.

The literature review on human resource management deals with the development of an effective human resource management policy, as well as a discussion of recruitment and selection processes. An international perspective on training and development of human resources is given, including different

approaches to training. Thereafter an analysis of employment law in South Africa is presented.

The literature review on financial management attempts to identify financial tasks, for example, the establishment of financial policies and procedures. The section begins with a literature review on budgeting, risk management, ethics, fraud policy, tender systems and asset verification. Thereafter an analysis of the role of a Finance Department within a tertiary institution is given.

The section on leadership begins with the philosophy of leadership and a literature review on the definition of leadership, before discussing several leadership theories. There is also a segment on what makes for effective leadership. For the purpose of reviewing conflicting schools of thought and experiences concerning leadership in educational institutions some leadership movements are discussed. Governance is also discussed in this chapter, including the four main theories that attempt to explain the process of governance in higher education.

Chapter 7

Chapter 7 discusses and analyses the findings of the research. Arguments for or against the researched aspects of the institution are scientifically presented, with due regard to the research question, which, in a fundamental way, influences, and determines the nature of the arguments and/or analysis. Ways and means of remedying the shortcomings, if any, are recommended. The chapter also

presents the conclusions of the research. Discussions in this chapter endeavour to verify or falsify the hypothesis.

1.5. Conclusion

This chapter has given the reader the scope of the research. The research deals with issues of leadership and governance within the University of Venda. Leadership, human resources management and financial management at this institution were investigated. The location of the University was discussed. This entailed a discussion of the demographics of the Limpopo Province from which the University largely draws its student complement.

The history and development of the University were discussed, beginning in 1959 when the Extension of the University Education Act 1959 (Act 45 of 1959) was passed. This Act gave rise to university education exclusively for "non whites". The University of Venda was established in 1981 after becoming independent from the University of the North.

The reason why the University of Venda was chosen was also explained in this chapter. The chapter ended with a brief analysis of the structure and content of chapters of the thesis, from chapter 1 to chapter 7. Chapter 7 is the culmination of the thesis and deals with the findings, recommendations and conclusion of the research. Chapter 2 which follows, deals with the conceptualisation of terms.

CHAPTER 2

CONCEPTUALISATION OF TERMS

2.1. Introduction

This chapter illustrates the conceptual framework of the study. Definitions of leadership and governance are discussed. The concept of a historically disadvantaged institution in its various forms is considered, beginning with systematic disadvantage, running through curriculum disadvantage, student disadvantage, funding disadvantage, teaching disadvantage, reach disadvantage, racial disadvantage and language disadvantage. The discussions in this chapter attempt to locate the study within the discipline of public administration.

Attention is focused on the higher education sector, starting with the policy shift which occurred in 1992 during the African National Congress (ANC)'s National Policy Conference, until 2001 when the National Plan for Higher Education was released.

2.2. Positioning the Study

It is important at this early stage to locate this study within the discipline of Public Administration, as an academic discipline. Public Administration includes as part of its generic functions, and as opposed to functional activities, policy making, financing, personnel, control as well as organising (Botes *et al.*, 1992). It is clear, therefore, that issues of leadership, governance, human

resource and finance management fall within the generic realm of the academic discipline of Public Administration.

White and Adams (1994: 1 – 102) posit that the administrative context includes control, understanding as well as changes in beliefs and values. According to the authors, administrators have a great interest in control, and to control something in a scientific way implies the ability to explain and predict the occurrence of a behaviour or event. If these can be controlled, then events can be encouraged or prevented from taking place. The greatest impetus for ensuring predictability is the establishment of norms, values, and rules that make up the formal and informal structure of an institution.

Interpretation is concerned with understanding the meaning of the norms, values and rules that regulate social action within an institution. Interpretive research is concerned with the meanings that people attach to the rules, norms and values that regulate their interactions.

Critical research points out inconsistencies between truth and falsehood, and the benefits are changes in value systems and beliefs. This kind of research is a foundation for error detection and evaluation. Administrators strive to have their models of reality be as accurate as possible, otherwise their actions run the risk of being disastrous, inconsequential or misdirected. Administrators want to know the desirable ends and the appropriate means to achieve the said ends.

The culture of organisations reflects the way people conduct themselves. It is during this process that patterns are formed which depend on people. The problem arises when the global environmental changes and public institutions like universities remain stagnant. As long as students, information and technology grow, administrators need to adapt to these changes.

Weber (1964: 337) defines an organisation as a structure of activities geared towards the achievement of certain objectives. In order to maximise efficiency and productivity, every organisation develops a system of specialisation. In so doing, tasks and systematic rules and procedures are formulated. Weber's critics view his model of bureaucracy as an ideal type, which cannot be realised in practical terms.

According to Parkin (1982: 14 – 15), the concept of organisation was important to Weber because the organisation is the link between all social sciences. According to Blau (1963: 1) Weber's ideal form of organisation was the bureaucracy which he viewed as an administrative system consisting of permanently appointed officials. The concepts of change and a learning environment promote the application of the general scientific method.

Many views have been expressed on the definition of leadership, but the one that captures one's imagination is by Jukl (1998: 05) who states : "Leadership is viewed broadly as the process wherein an individual member of a group or organization influences the interpretation of events, the choice of objectives, the motivation of people to achieve the objectives, the maintenance of co-operative

relationships, the development of skills and confidence by members and the enlistment of support and co-operation from people outside the group or organisation".

It is clear from the above, that leadership is viewed as a specialised activity and a socially influential process. Some writers describe leadership as part of a larger system or process. It is argued that a leader's job is three fold: to establish a vision, to align the culture in the organisation and to design a set of management practices based on that culture. Accordingly, creating a vision means linking every day events to a broader set of values. It means creating a sense of meaningfulness and purpose amongst employees, and a common culture within an institution. It is argued further that all organisations have a culture or set of traditions beliefs, values, norms and patterns of behaviour that make them unique.

A leader's role is to inculcate a set of core values such as open and trusting relationships, a commitment to people and teamwork and a commitment to change and innovation. Finally, a leader is responsible for managing change (Georgiades and Mcdonnel: 1998: 78).

All the leadership theories that are discussed in detail in Chapter 6 have one thing in common, the desire and interest in understanding leadership as a practice and for purposes of research. It can be deduced from the above analysis that leadership does not exist in a vacuum, but takes into consideration all factors related to the leader, those being led as well as other environmental forces.

The leadership contextual framework used in this study therefore views leadership as a function of the leader, group members and other situational variables. Situational leadership challenges facing South African universities today include the rejection of the traditional top-down approach style of leadership, in favour of an all inclusive bottom-up approach. In addition, tertiary institutions need to rid themselves of the scourge of gender chauvinism. The traditional belief that women cannot lead belongs to the annals of history and is an inhibiting factor. It is evident in practice that similarities in leadership styles and quality between men and women tend to outweigh the differences.

By leadership we therefore refer to the structures (positions, offices and formal roles) and processes through which individuals seek to influence decisions. Typically one is interested in behaviour that allows individuals to be influential beyond the degree suggested by their formally designated position and authority.

Governance on the other hand refers to structures and processes of decision making within the institution. The decision making may be about purposes, policies, programmes and procedures.

2.3. Historically Disadvantaged Institutions

In order to understand the context in which disadvantage may be understood, one needs to understand its place in history and the way in which historical processes and development actually drive the unfolding of disadvantage as a phenomenon.

Historically black (disadvantaged) institutions in South Africa were a mixed grouping which by 1985 could be divided into three. The first was that of four (4) universities for blacks controlled by the National Department of Education and Training. The second group was that of two universities for Indians and Coloureds respectively i.e. the University of Durban Westville and the University of the Western Cape (Bunting: 2002).

The third group was four historically black universities that existed in the former TBVC States, that is, the "independent states" of Transkei, Bophuthatswana, Venda and Ciskei, namely, the University of Fort Hare, the University of Venda, North West University and the University of Transkei.

The table below indicates the classification as well as key characteristics of historically black (disadvantaged) institutions in 1994.

Table 1 : Classification and Characteristics of Institutions

Categories	Institutions	Key Characteristics up to 1994
1. Historically black universities	Durban Westville, Medunsa, University of the North, Vista University, Western Cape, Zululand	- Top management originally supportive of apartheid government. - Originally authoritarian institutions which became sites of anti-apartheid struggle during the course of 1980's. - Intellectual agenda determined by instrumentalist notion of knowledge and function being that of training "useful black graduates".
2. Historically black universities (TBVC).	University of Fort Hare, North West University, University of Transkei, University of Venda	- Perceived in 1980's as extensions of civil service of "independent republics". - Authoritarian institutions which became sites of anti-apartheid struggle at the beginning of the 1990's. - Intellectual agenda determined by instrumentalist notion of knowledge and function being that of training "useful graduates" for "independent republics".

Source: Bunting, (2002)

Pityana and Kruger (2002) conducted a study of the historically disadvantaged institutions (HDI's), an audit of the nature, form and scope of black disadvantage as it manifested itself in and through the higher education system, and defined the following seven forms of disadvantage:

2.3.1. Systematic Disadvantage

The study showed a number of features of the historically disadvantaged institutions illustrated i.e. the nature, form and scope of the disadvantage that needs to be responded to. The study showed that the academic and administrative infrastructure and the staff capacity of historically disadvantaged institutions were sites of incomparable disadvantage for a modern country and the following comparisons in enrolment figures demonstrate the point:

Table 2 : Comparisons in Enrolment Figures

1992 ENROLMENTS			
White Institutions			
UCT	14239	5,8%	4,5%
NATAL	13488	5,5%	4,2%
UOFS	9264	3,8%	2,9%
UPE	5149	2,1%	1,6%
POTCH	9353	3,8%	2,9%
UP	22384	9,1%	7,0%
RAU	9865	4,0%	3,1%
RHODES	4122	1,7%	1,3%
STELLENBOSCH	14313	5,8%	4,5%
WITS	18120	7,4%	5,7%
UNISA	125283	51%	39,3%
TOTAL	**245580**		**77%**
Black Institutions			
MEDUNSA	2592	5,0%	0,8%
TURFLOOP	15617	30,4%	4,9%
VISTA	28581	55,7	9,0%
ZULULAND	4568	8,9%	1,4%
TOTAL	**51358**		**16,1%**

Coloured and Indian Institutions			
UWC	12521		3,9%
UDW	9506		3,0%
GRAND TOTAL	**318965**		**100%**

Source: Pityana and Kruger (2002)

Table 3 : Student Enrolments

UCT	4,5%
NATAL	4,2%
UOFS	2,9%
UPE	1,6%
POTCH	2,9%
UP	7,0%
RAU	3,1%
RHODES	1,3%
STELLENBOSCH	4,5%
WITS	5,7%
UNISA	39,3%
MEDUNSA	0,8%
TURFLOOP	4,9%
VISTA	9,0%
ZULULAND	1,4%
UWC	3,9%
UDW	3,0%

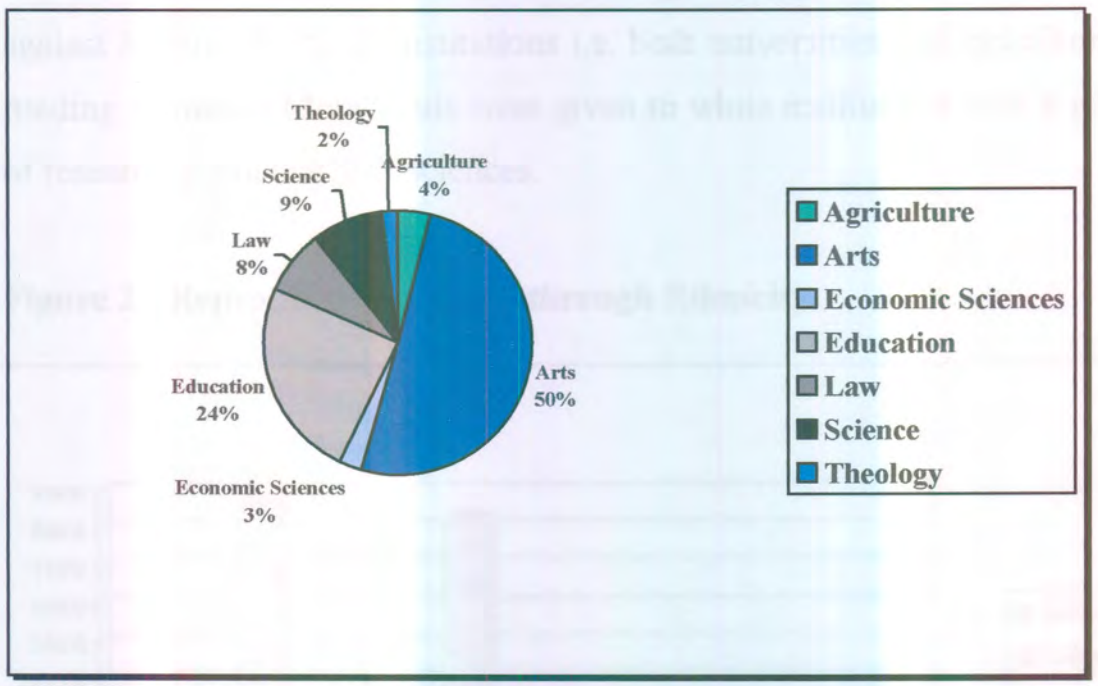
Source: Pityana and Kruger (2002)

It is clear from the above statistical data that there is a disparity in favour of historically white universities in the system in terms of student enrolments. There was 77% enrolment in historically advantaged institutions in 1992 compared to only 16,1% in historically black institutions and only 3,9% and 3% in historically coloured and Indian institutions, respectively.

2.3.1. Curriculum Disadvantage

The ideological heartland of black disadvantage in higher education is the curriculum disadvantage that characterises the black university and technikon systems. The University of Fort Hare (1992) graduation statistics per faculty serve as an example.

Figure 1 : Graduation Statistics per Faculty at the University of Fort Hare (1992)



Source : Pityana and Kruger(2002)

The above schematic diagram shows that the majority of black students i.e. 74% of students graduated with Arts and Education degrees at the University of Fort Hare in 1992, whereas only 9% graduated in Natural Science.

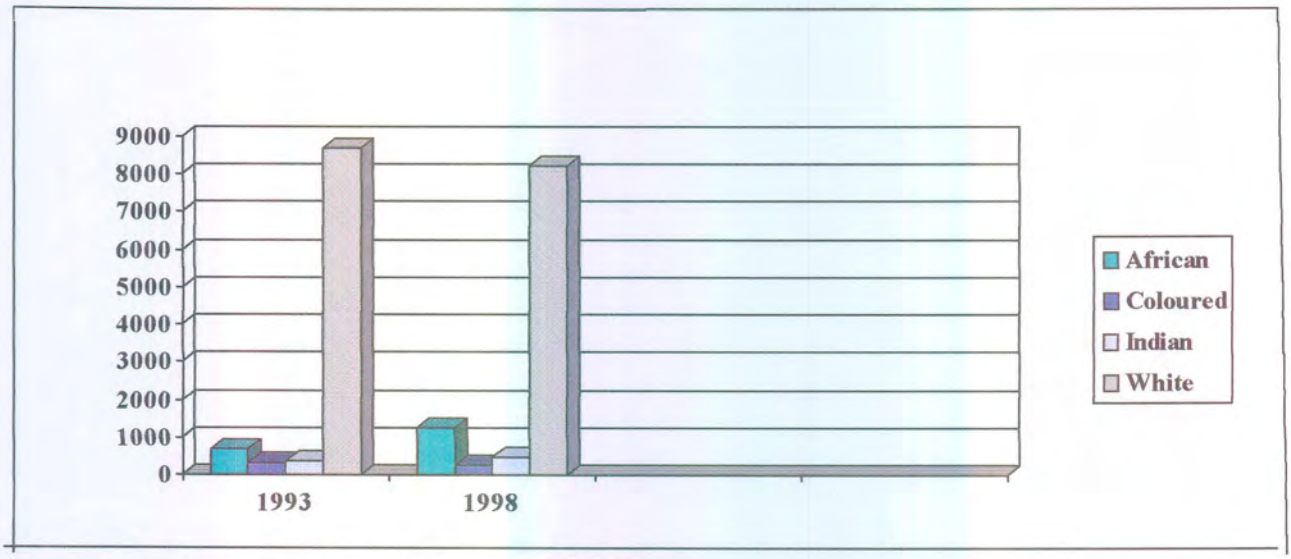
2.3.2. Student Disadvantage

The study showed that the most persistent of all disadvantages of historically disadvantaged institutions is in respect of the second and third class status that the underlying system conferred on black students in general and African students in particular.

2.3.3. Funding Disadvantage

A deliberate attempt at funding disadvantage through subsidies was orchestrated against historically black institutions i.e. both universities and technikons, by the funding formula. More funds were given to white institutions with a good record of research, particularly in sciences.

Figure 2 : Reproduction of Race through Ethnicity



Source : Pityana and Kruger (2002)

Table 4 : Funding per Funding Formula

UNIVERSITIES AND TECHNIKONS	1999	2000	2001	2002
Historically Black Technikons	550	581	680	642
Historically White Technikons	846	850	873	810
Historically Black Universities	1320	1302	1103	980
Historically White Universities	2379	2600	2645	2500

Source: Pityana and Kruger (2002) *** millions**

2.3.5. Teaching Disadvantage

The study found that circumstances under which black students were taught, the content of their learning, and the politics of alienation that accompanied the pedagogical practices of university study for black people, constituted a bitter terrain.

2.3.6. Research Disadvantage

The study further showed that the capacity, nature, purpose and scope for research in historically disadvantaged institutions were true to the ideological burden that underpinned the deliberate disadvantage being meted out to blacks and Africans in historically disadvantaged institutions.

2.3.7. Racial Disadvantage

Finally, the study highlighted the institutional reproduction of the racial politics of South Africa through the ethnicisation of universities and technikons completed the mosaic of disadvantages that were intended for historically disadvantaged institutions, as also happened through other forms of social engineering.

The following table shows the number of academic staff at universities per race in 1993 and 1998.

Table 5 : Number of Academics per Race

	1993	1998
African	663	1258
Coloured	313	278
Indian	362	483
White	8704	8217

Source: Pityana and Kruger (2002)

2.3.8. Language Disadvantage

There is a need to also consider the question of language. The use of English, as a medium of operation and governance, also impacts negatively on the overall performance of the University of Venda in the areas of focus.

The situation of disadvantage continues to haunt historically black institutions today. The failure in the redress effort is compounded by the alleged lack of financial resources. The Department of Finance does not allow disadvantage to be addressed from government funds as an item in the budget. There seems to be weak support from the Department of Finance, and institutional redress appears to be a bone of contention within and among higher education institutions themselves.

There is a need therefore for a dedicated programme for redress that targets the teaching disadvantage with an increase in budgets for staff development, focussing on both academic and professional qualifications. The worldwide distance between higher education institutions and business should be closed. Research, especially applied research, should be undertaken through

partnerships between business and higher education institutions. This may be another way of combating disadvantage. The eradication of the teaching disadvantage will include the provision of equipment such as laboratory facilities, library books , computers, and other facilities and materials.

2.4. Tertiary Educational Institution

A tertiary educational institution is an institution of the third order or rank (Random House Websters, 1997: 681). The word tertiary originates from the Latin word "tres" which means three. In South Africa, educational institutions of the third order are universities, colleges and universities of technology, attended after primary and secondary education.

A university is "an institution of higher learning authorised to confer both undergraduate and graduate degrees" (Random House Websters, 1997: 719). The University of Venda confers the above mentioned degrees and it therefore qualifies and is recognised as a true university, also evidenced by the legal way in which it was founded.

2.5. Policy Shift in Higher Education

Education does not exist in a vacuum but within a specific policy framework or context. Policy has been defined as a matter of the authoritative allocation of values. They are operational statements of values, statements of prescriptive intent (Ball, 1990: 3). Government's policies are therefore statements that describe what government expect to do, or believe they are doing, and the reasons for such actions or proposed actions. Government policies indicate government's intentions.

For any policy to succeed various stakeholders must be convinced that it is justified, necessary and implementable, especially those who are beneficiaries or potential beneficiaries of such a policy, as well as those who are expected to implement it. This implies that the groundwork of any education policy, be it at national or institutional level, must be very carefully prepared, if the policy is to find broad public acceptance and win the support of education managers and practitioners. The process of policy making in education should be inclusive of all stakeholders. Policy makers need to practice the arts of consultation, listening, reasoning and persuasion as well as offering vision and leadership.

As statements of educational values, educational policy making can be analysed through four broadly defined sets of values: educational, social, economic and institutional. Social and educational values are close to each other. Issues of learning involve views about society and individuals. The most significant social issues are equality and socialisation. Socialisation is the process by which generations are introduced into societal norms. Schools however have never been detached from the promotion of particular values. Work, ethics, multiculturism have jostled with law to teach religious education (Kogan 1985: 20).

Economic values and education are associated with each other. Education produces the flexibility and creativity that is needed in the minds of individuals. This in turn assists in sustaining the economy. The question is therefore not whether there will be a return on educational investment, but whether the return will justify a particular level of investment. Economic performance is supported for its worth to society and to individuals, as a way to afford communal welfare programmes and to sharpen further the acquisition of goods

and materials. Expenditure on education is dependent on economic policy. Both the original expansion and the current contraction of higher education institutions have been justified on economic grounds (Kogan 1985: 21).

Institutional values relate to basic values such as the place of parents on governing councils, the powers of instructors, the freedom of universities and student representation. Almost all views of how universities should be governed begin from a liberal democratic position which leads to different outcomes in accordance with the opinions of various interest groups e.g. participation might have different meanings to different interest groups. Institutional values justify the maintenance of personnel systems which ensure the orderly appointment of lecturers, build and maintain capital plant, and are also responsible for the well being and progress of thousands of students. Institutional accountability depends upon combinations of social and individualistic values for the justification of institutional values (Kogan, 1985: 22).

The current policy framework for education and training in South Africa can be traced back to 1992 when the African National Congress (ANC) convened a National Policy Conference. A policy document that was published after the conference entitled 'Ready to Govern' outlined the organisation's broad policy objectives for the education and training system. In 1994, a policy framework was first released as a draft discussion document. The policy framework recognised the importance of translating policy proposals into implementable plans. This happened through "An Implementation Plan for Education and Training" in July 1994 (ANC Education Department, 1995: 1).

The ANC Policy Framework for Higher Education views the higher education system as representing a major source for national reconstruction and development and for the country's capacity to contribute to the worldwide advance in knowledge and skills. The present structure and capacity are seen as seriously distorted, its systems are outmoded and its funding arrangements have led to serious crises for both students and institutions.

The framework envisages a situation where after consultation, a representative Commission on Higher Education would be appointed to investigate and report on the role of the sector in reconstruction and development, its structure, institutional governance and governance of the system (ANC Education Department, 1995: 13).

The 1995 ANC Policy Framework for Education and Training suggested policy proposals on the shape and structure of the higher education system, the provision and access to higher education as well as on research and governance. With respect to governance, a division of Higher Education and Training has been established with the responsibility for the development of a national policy and the planning, co-ordination and monitoring of higher education. Stakeholders were to have a central role to play in the formulation and development of higher education policy through representation on the relevant Boards and Statutory Councils. Institutional governance would provide for the effective representation of all institutionally based constituencies and the wider community. The framework also made a distinction between academic freedom and autonomy of higher education institutions. Academic freedom was viewed as entailing freedom of speech in the academic sphere. Autonomy was viewed

as relating to the policies which govern the overall running of institutions, their general direction in relation to development strategies, and hence issues such as specialisation and differentiation. The framework supported a high degree of autonomy for higher education institutions in the determination of their affairs, balanced with the need for the monitoring, evaluation and public accountability of the higher education system, especially in relation to the redress of inequalities, equality of provision and the efficient usage of resources (ANC Education Department, 1995: 128).

After the demise of apartheid in 1994, the African National Congress came into power and had an opportunity to put its policy proposals into action. Higher Education was assigned to the National Ministry of Education. Section 125 (2)(b) of the Constitution of the Republic of South Africa 1996 (Act 108 of 1996) provides that the Premier of the Province exercises the executive authority, together with the other members of the executive council by implementing all national legislation within the functional areas listed in schedule 4 or 5 of the Constitution, except where an Act of Parliament or the Constitution itself provides otherwise. Schedule 4 of the Constitution affords the Provincial Legislatures powers to legislate on education at all levels, excluding tertiary education, which is a national competence.

In July 1997 the Ministry of Education released an Education White Paper 3 which contains a programme for higher education transformation. The White Paper 3 was the culmination of a ranging and extensive process of investigations and consultation that was initiated with the establishment of the National Commission on Higher Education (NCHE) in February 1995. The

White Paper, whilst acknowledging the achievements and strengths of the higher education system, also observed limitations in its ability to meet the moral, political, social and economic demands of the new South Africa. It also acknowledged amongst other things, that the governance of higher education at a system level is characterised by fragmentation, inefficiency and ineffectiveness, as well as negligible systemic planning. At the institutional level, democratic participation and the effective representation of staff and students in governance structures is still contested on many campuses. The White Paper envisaged a single coordinated system, which pays particular attention to management, including management of change, leadership and strategic planning at institutional and national levels, as well as co-operative governance of the system at all levels. A special observation was made regarding the composition of staff. It was noted that the composition of staff in higher education tertiary institutions fails to reflect demographic realities. Black people and women are severely under represented, especially in senior academic and management positions.

The White Paper (1997) further observed that governance in higher education institutions continues to be characterised by challenges for control, lack of consensus and even conflict over different interpretations of higher education transformation. A model of governance envisaged in the White Paper is one based on a recognition of the existence of such different interests and the inevitability of contestation among them. Therefore structures should be created and processes encouraged which enable differences to be negotiated in participative and transparent ways. A model of co-operative governance for higher education in South Africa was adopted, on the principles of autonomous

institutions working co-operatively with a proactive government in a range of partnerships.

It was as a sequel to the Education White Paper 3 that the Higher Education Act (1997) was promulgated. As envisaged in the Education White Paper 3, the Council on Higher Education (CHE) was legally established as a juristic entity by the Act. The Council on Higher Education is therefore an independent statutory body established in terms of the Higher Education Act 1997 (Act 101 of 1997) and the Education White Paper 3.

The mission of the Council on Higher Education is to contribute to the development of a higher education system characterised by quality, responsiveness, equity, and effective and efficient provision and management. This contribution is made *inter alia* through the provision of informed, independent and strategic advice on higher education issues to the Minister of Education. The CHE is required to be both reactive and proactive in the rendering of service to the Minister. In undertaking its activities, the CHE develops or establishes effective and efficient procedures, mechanisms and courses of action. The Higher Education Act 1997 (Act 101 of 1997) provides that the Minister must determine policy on higher education after consulting the Council on Higher Education (sec 3.1 of the Act).

Chapter 3 of the Higher Education Act 1997 also provides for institutional governance of higher education as envisaged in the Education White Paper 3. The Council of a declared public higher education institution governs it subject to law and the institutional statute. The institutional statute governs the processes and procedures within the institution. The Act further enables the

institution's Council to determine language as well as student support services policies within the public higher education institution. In terms of the Act, the Senate is accountable to the Council for the academic and research function of the public higher education institution.

Chapter 5 of the Higher Education Act 1997 deals with issue of funding of public higher education. The Minister of Education, after consulting the Council on Higher Education with the concurrence of the Minister of Finance, determines the funding of public higher education, which must include appropriate measures for the redress of past inequalities. Such policy should be published in the government gazette.

The first concrete step in the transformation of higher education came in 2001 with the release of the National Plan for Higher Education. The National Plan was the Minister of Education's response to the advice provided at his request, by the Council on Higher Education on the restructuring of the higher education system. The National Plan outlines the framework and mechanisms for implementing and realising the policy goals of the white paper. It recognises the current strengths and weaknesses of the higher education system and is based on a developmental approach intended to guide institutions towards meeting the goals for the system as a whole.

Following the release of the National Plan for Higher Education, the Minister of Education appointed the National Working Group (NWG) to advise him on the appropriate arrangements for restructuring, the provision of higher education on a regional basis through the development of new institutional and organisational

forms, including institutional mergers and rationalisation of programme development and delivery. It is this report that *inter alia* recommended a merger between the University of the North and the Medical University of South Africa (MEDUNSA) into a new multi-campus institution called the University of Limpopo. The University of Venda was not merged with any other institution, but was instead given a new mandate as a comprehensive institution, which should offer Technikon type-programmes and a limited number of degree programmes.

The relationship between government and tertiary institutions in South Africa is that of co-operative governance. This means government assumes a pro-active, guiding and constructive role. Institutional autonomy is to be exercised in tandem with public accountability. The Ministry has no responsibility to micro-manage institutions. The Ministry undertakes its role in a transparent manner (Olivier, 2001:8).

2.6. Conclusion

This chapter has provided the conceptualisation of terms as well as the framework for the study. Definitions of governance and leadership have been discussed. The concept of historically disadvantaged institutions in its various forms has also been clarified. A focused discussion on the higher education sector was presented, with the transformation of the sector during and after 1994, when the African National Congress was elected into power. The year 2001 saw a culmination of the transformation in the sector, which started in 1992, during the African National Congress National Policy Conference. It was in the year 2001 that the National Plan for Higher Education was released.

CHAPTER 3

RESEARCH METHODOLOGY

3.1. Introduction

From time immemorial, man's respect for knowledge has been one of his peculiar characteristics. It is, however, not only knowledge in general that has distinguished great creators of knowledge, but credible knowledge. For knowledge to be said to be credible it has to be discovered in a scientific way.

Scientific research needs to take place according to a particular research methodology. This has to do with the methods of data collection within either a qualitative method or a quantitative method or a combination thereof. Attempts are first made here to discuss the nature of (scientific) research. The first question to ask would be *what is research*, then to consider a definition of science. Mouton (1996 : 63) avers that the process of research is a continuous interaction between the researcher and the world, during which the researcher has to make decisions in pursuit of valid conclusions. Research can be used to develop theories and in this case it is referred to as basic research. Research can again be used to solve practical problems and here it is referred to as applied research. Researchers are often associated with academic disciplines in which the research is conducted or with the particular technique or activity involved (Brynard and Hanekom; 1997 : 7).

There is a lot of debate and confusion surrounding the major concern of scientists. Some believe that the main concern of scientists is the formulation of laws and theories and adducing evidence to support those theories. This is regarded as the scientist's main concern as these laws and theories are needed to fulfill important goals of science, which are the explanation of what has been observed as well as a prediction of what will be observed in future.

The classical role of the so called scientific method has recently come under tremendous pressure and strain. The emergence of technology, post modernism, and the knowledge and information age has forced people to reconsider the traditional scientific method of research based on machine-like mathematical and laboratory tests, in favour a more humane and ecological type of science which is holistic in nature.

3.2. The Demarcation Problem and the Nature of Science, Modernism and Post-Modernism

The question of what science is, is inextricably bound to the issues of demarcation, and vice-versa. The word science is so fashionable today that everybody seems to be laying claim to it. Anything done or performed scientifically seems to enjoy unreserved respect and credibility. The question however remains *what is science* and what falls within the realm of the scientific method?

The definition of science depends on the world view of the time, personal interests, culture, as well as the period of assessment. The classical definition of science differs in a material respect to a post modern definition of science.

Curtis (1930: 143) gives Huxley's definition of science as "trained and organized common sense". A person according to the author, is said to have common sense if he/she deals rationally with the facts of his/her experience.

Capra (1982: 10 – 51) is of the view that according to Descartes, a scientific method, like mathematics, based on self evident principles, would allow one to construct a complete science of nature about which one could have absolute certainty. His method was analytic, involving breaking up thoughts and problems into pieces and arranging these in their logical order. Descartes' theory reached its finality through Isaac Newton who provided a consistent mathematical theory of the world that remained the solid foundation of scientific thought for a long time. Newton's experimental method was based on the understanding that whatever is not deduced from phenomena is to be called a hypothesis, and hypotheses have no place in experimental philosophy, in which particular propositions are inferred from phenomena, and afterwards rendered general by induction. There was therefore no room for opinions and metaphysics in the realm of science.

In contrast to the mechanistic Cartesian – Newtonian world view, the modern view of science is organic, holistic and ecological. This may be referred to as a systems view. The world is no longer seen as a machine consisting of different objects but as one indivisible, dynamic whole whose parts are essentially interrelated (Capra: 1982: 116).

The modern paradigm of science sees human beings as rational autonomous beings and the universe as an object of the needs of the human being. The post-modern paradigm sees human beings as relational beings and the universe as a

dynamic organisation. In terms of the latter, development and progress are seen as scarce and limited whereas modernisation sees improvement in development and growth. Truth in the modern paradigm is neutral and objective, whereas in the post-modern paradigm truth, objectivity and neutrality are subject to the role of beliefs and value systems (Sohnge; 1995).

The modern paradigm sees the world as stable, closed, determined and predictable. Post-modernism postulates the cosmos as unstable, complex and holistic, with man as part of the greater reality (Gare; 1995: 5).

The post-modern view of science calls for a complete revolution in peoples' attitude to knowledge. It posits that meaning and value are as much integral aspects of the world as they are of us. According to this view science should be carried out with a moral attitude, or else the world will respond to science in a destructive way. The call is made in the post-modern view to overcome the separation between truth and virtue, value and fact as well as ethics and practical necessity (Bohm; 1988: 57 – 68).

The difference between science and other disciplines, with respect to demarcation issues, is in its syllogistic train of reasoning. This method has various parts and terms, for example a major premise, a minor premise, and conclusions. With the help of further reasoning, which is drawn out, and usually exhibited in further syllogisms, one arrives at one's determination (Huxley; 1930: 133).

The scientific method consists mainly of two essential stages, viz. observation and inference. In arriving at a scientific law, one has to observe the significant facts, secondly one arrives at a hypothesis which if it is true, would account for the facts, then one deduces from this hypothesis, consequences which can be tested by observation. Should the consequences be verified, the hypothesis is provisionally accepted as true, although it will usually require modification later on as the result of discovery of further facts (Russel, 1934: 58).

Scientific knowledge is derived from facts in an inductive manner. Chalmers (1999: 46) avers that for an inductive inference from observable facts to be justified, the number of observations forming the basis of a generalisation must be large, the observations must be repeated under a wide variety of conditions and no accepted observation statement should conflict with the derived law.

Problems with induction have been exposed and the method of induction has been doubted. It is argued that in science the observed facts obey certain laws, therefore other facts in the same region will obey the same laws. Again, scientific knowledge of the unobservable, for example, electrons, DNA, molecules, cannot be established by inductive reasoning. Another problem is with induction itself. The question is how induction itself is to be justified if one justifies induction through experience then one is justifying induction by an appeal to induction. Some scientists try to avoid the problem by averring that science through the inductive method does not yield the truth, but only what is probable, that is, scientific truth is made up of approximates (Chalmers, 1999: 49).

One philosopher who attempts to sidestep problems with induction by putting up a view of science that excludes induction is Karl Popper. This philosopher coined the term "falsificationism". Popper's view was that the so-called scientific theories actually explained nothing as they could rule out nothing. It seemed to him that these theories could never go wrong because they were sufficiently flexible to accommodate any instances of human behaviour or historical change as being compatible with their theory. Popper therefore offered the alternative to verification, which is falsification. The essence of his methodology is that although it is not possible to affirm or verify a conditional hypothesis, it is logically possible to deny or falsify such a hypothesis, that is, to prove it wrong. His methodology is *modus tollens* instead of *modus ponens*. A good theory, according to Popper is one that has survived a flurry of attempts to prove its falsity (Chalmers, 1999: 59).

The testing of hypotheses or theories must be done in an empirical way. The testing should not be confined to the attempted falsification of a single theory, but of the main theory as well as its auxilliaries (Blaug, 1992: 19).

3.3. The Mainstream Scientific Approach in Public Administration and The Paradigm it adheres to, its Application Problems and Critical Methodological Errors made by its Proponents

The mainstream scientific approach in Public Administration, is positivism or the positivistic approach. The paradigm of this theory is the modern, Newtonian world machine based on measurements and experiments. This paradigm is centred around the notion of absolute space and time, elementary solid particles,

the fundamental material substance and the objective description of nature (Capra, 1982: 62).

It is widely believed that positivism refers to procedures like mathematical analysis, inferential statistics, hypothesis testing, careful sampling and measurement as well as experimental design (Lee, 1991). The understanding was that the human world should be studied in the same manner as the natural world and that the science of human behaviour can be compared to the natural sciences.

It was the philosopher Emmanuel Kant who came up with the motto "have courage to use your reason" during the period of enlightment, which motto spurred researchers and philosophers into action (Kant, 1963). The philosophers' objective became the rationalisation of the world by disenchanting humankind from metaphysics through the scientific revolution of their age.

Kalakowski (1966: 186) defined positivism as "a collection of rules and evaluative criteria for referring to human knowledge and as a normative attitude, regulating how we use such terms as 'knowledge', 'science', 'cognition' and 'information'".

The tenets of positivism are according to Bryant (1985) fourfold, that is, phenomenalism, nominalism, rejection of value judgments and normative statement, as well as the belief in the unity of the scientific method. The

struggle against metaphysics came to a lull by the 19th century, when the Vienna circle and logical positivism entered the arena.

In 1922 a physicist and philosopher Moritz Schlick was appointed professor of Philosophy of Science at the University of Vienna. Three years later he organised an evening deliberation group of philosophers and mathematicians, which became known as the Vienna Circle (Cadwell, 1984).
Members of the Vienna Circle campaigned for the elimination of metaphysics through the logical foundations of science, in its broadest sense, including all theoretical knowledge. They were neither concerned about the different fields of science whether in natural sciences, social sciences or in the humanities, nor whether it was knowledge found by the application of social scientific procedures or knowledge based on common sense in everyday life (Carnap, 1938: 92).

It is the fusion of empiricism with a firm basis of logic which distinguishes logical positivism from the earlier positivism of classical philosophers. The logical positivist approach insists that only meaningful statements are to be accorded the status of knowledge. There are those statements which are either analytic, that is, tautological or self contradictory or synthetic, that is, may be verified or falsified by evidence. Logical positivists contend therefore that metaphysical utterances do not qualify as knowledge because they are neither analytic not synthetic. They however do not argue that such statements are false, but that they are meaningless, as Hempel puts it:-

> ***"The proposition 'Discourse concerning a metaphysical external world is meaningless' does not say : 'There is no external world; but***

> ***something all together different. The empiricist does not say to the metaphysician 'what you say is false' but 'what you say asserts nothing at all'. He does not contradict him, but says 'I do not understand you"*** *(Caldwell,1984: 14).*

Logical positivists averred earlier on that legitimate synthetic statements can be separated from metaphysical assertion by the verifiability principle, that is, statements have meaning only to the extent that they are verifiable. This implies testability. They however modified their position as time progressed and as they started putting more emphasis on the primacy of observation evidence (Caldwell, 1984: 16).

The Vienna Circle came into the fora as logical positivists. From the mid 1930s through to the mid 1950s, a more complex and modern positivist approach emerged, namely, logical empiricism. This approach was less radically empiricist than logical positivism. The most important input of logical empiricists was on the search for criteria of cognitive significance, the function of theories and theoretical terms, as well as the nature of scientific explanation. Cognitive significance was well illustrated by Hempel and other philosophers who showed that the straight forward program for distinguishing legitimate knowledge statements of science from meaningless metaphysical utterances was no longer acceptable. This was replaced by certain concepts which accept

"differences in degree, such as the formal simplicity of a system, its explanatory and predictive power, and its degree of confirmation relative to existing evidence" (Caldwell, 1984: 23).

Logical positivists were divided on the question of theories in the arena of research. Some were totally against accepting theoretical propositions as

knowledge but logical empiricists like Carnap and Hempel later revised their position to one in which "theoretical terms have partial meaningfulness to the extent that such terms can be partially interpreted into an observation language." (Caldwell, 1984: 16).

Earlier positivists did not give any role to explanation in science. This view was eventually replaced in the logical empiricist approach in what came to be referred to as the 'covering law models' of scientific explanation, the so called 'deductive nomological model of scientific explanation'. It has been proposed that every valid explanation should consist of two parts, an explanation and an explanans. The former is the sentence describing the phenomenon to be explained and the latter refers to the class of those sentences which are produced to explain the phenomenon. The explanans further contains sentences consisting of a list of antecedent conditions which must be complied with and sentences representing general laws. The explanation must be a logical consequence of the explanans, the explanans must contain general laws and have empirical content and the sentences constituting it must be true. This approach affirms that any legitimate scientific explanation must be communicable in the form of a deduction argument (Caldwell, 1984: 28).

The emphasis on observability led the logical positivists to a belief in the methodological unity of all scientific effort. The way of achieving such unity was, according to them, the unification of scientific language through physical jargon. They argued that scientific knowledge should be grounded in the stylised vocabularies and ways of communication that consist of language plays. The combination of a unifying language with an index of forbidden words could enable the unity of science movement to make predictions about

inter alia human beings. This led to what we call behavioural science. In a way, logical positivists were proposing a research methodology in which scientific enquiry begins with a logical theoretical proposition, relies on facts, makes predictions on what is to be observed and lastly compares what was actually observed. The behavioural science movement was at its highest peak during the cold war. To be considered as part of the behavioural sciences, a field must satisfy two critical criteria, first it must deal with human behaviour, secondly, it must study its subject matter scientifically (Ndoushani, 2000: 1 - 150).

The positivist approach has been subjected to severe criticism, even though positivists themselves were confident that their analysis constituted a turning point in philosophical research. It should however be noted that the developmental maturity of classical positivism into logical positivism and logical empiricism assisted to rectify to some extent, some earlier mistakes in the approach (Bryant, 1985: 119 – 125).

The positivist approach has come under siege, especially by the Institute of Social Research founded in 1923 in association with the University of Frankfurt (Bryant, 1985: 119 – 125). Perhaps the most fervent criticism by the Frankfurt School is the identification of knowledge with science, by positivists, so that, that which cannot be scientifically proven cannot be accepted as knowledge. The tenet of the objection is that positivists lose sight of the fact that a critique of science is offered in language, which is metascientific. They argue that knowledge is possible beyond those institutionalised in contemporary science.

The Frankfurt School objects to the positivists' conception of science. The assertion that the correct form of knowledge is identical with physics and that physics is the great Herculean science under which all sciences fall, is rejected. They argue that there is a possibility of historically limited structures and processes which yields observable phenomena, but whose existence can only be inferred (Bryant, 1985: 119 – 125).

Another objection is to a theory neutral observation language - the Frankfurt School denies that such a language exists. According to them, there is always an active operator who congregates his objects of inquiry in a reflexive way in relation to the understanding, concepts and pre-dispositions of his own culture. They therefore argue for an element of realism in tackling the issue. (Bryant, 1985: 119 – 125)

The Frankfurt School also rejects empiricism. According to them, empiricism is offensive because it assumes the primacy of data over reason. They argue that theoretical reflection upon the whole of society cannot be completely realised by an empirical analysis. They believe that the testing of theories involves an exercise of 'concretisation' which produces other variables to the theory tested. Empirical social research itself, they posit, becomes ideology as soon as it professes public opinion to be absolute. (Bryant, 1985: 119 – 125)

Another criticism is with the positivists' conception of the unity of the sciences. They argue that a distinction should be made between 'physical objects and the objectification of the mind'. The mind operates through life experience, that is, through experience gained in the process of living. (Bryant, 1985: 119 – 125)

Positivists are further attacked for confining reason to calculation of the technically most appropriate means to pre-given ends. This phenomenon, the Frankfurt school argues, places the end of action beyond reason and does not afford any protection from the use of force when all else fails. (Bryant, 1985: 119 – 125)

Finally, the Frankfurt School rejects the dualism between facts and values, and the conception of a value free social science. They argue for a concept of reason which goes beyond the given and the actual *status quo* in order to assess reasonableness. (Bryant: 1985: 119 – 125)

It has been argued by Feyerabend (1980: 21) that positivism as a science that insists on possessing the only correct method and the only acceptable results, becomes an ideology, and is very dangerous. It must as a result be separated from education.

3.4. The Influence of Power, Societal Structure, Information, Knowledge and Post-Modernism on the Manner or Way Research and the Research Process is Conducted in Public Administration

All the above factors have had a profound effect on the way Public Administration is viewed, and research processes in the field are conducted. It is given that those with power and authority will always dictate the direction and also the outcome of research, as they say "money talks" and "money is power".

According to Fox and Miller (1995: 69), the "traditional Public Administration paradigm based on the Wilsonian dichotomy, Taylorist scientific management and Weberian hierarchical control is dead". Fox and Miller (1995: 65) indicate that we have now moved into an age of 'post-modern Public Administration and Management'. Public Administration and Management is now rooted in the practice of reform. In terms of Public Management, a key rationale for reform is modernisation. However according to Minogue *et al.* (1998: 64), post-modernism is inherently globalising. In this regard, international institutions offer exemplars and best practice to policy makers in government and researchers.

The emergence of post-modernism implies the restructuring of the state. The creation of more effective public management depends heavily on the creation of an efficient and effective system of central administration, which highlights both structure and performance of the civil service. Reinventing government requires structures, which are mission driven, decentralised and entrepreneurial. These structures are regarded as being more responsive to external forces and changes, and encouraging entrepreneurialism (Minogue *et al.*, 1998: 24). Radical public sector reform programmes began in the 1980s in UK, the USA, Australia and New Zealand, as part of their attempts to reposition their economies to cope with increasing global competition. This in turn has fostered a wave of reform in various countries, further fuelled by the notion that there are specific models of 'good governance' that have universal applicability (Heller & Feher, 1988: 124).

Concerning the status and power of excluded groups, their status is renegotiated to provide greater inclusion as regulated by common values, that have a universalistic idiom of justice, which is elaborated in terms of values, like equal opportunity, anti-discrimination, equity, equality and individual rights to participation. Post-modernism has thus recommended dialogue, collaboration and mutual learning between public administrators and citizens for a number of reasons, namely, reduction or elimination or bureaucratic tyranny, authenticity in communication, and reinvigoration of democratic values (Geuras & Garofalo, 1999: 8).

With regard to power and its shifting patterns, Munick and Da Silva (2000: 1) argue that managerial conceptions of government are not neutral, they constitute an ideology, or preference, about how government should work. Minogue *et al.*, (1988: 9) also see current managerial reforms as flawed because they become yet another source of power and control for professional managers, who thereby strengthen their domination within the institutional framework for public service provision. Waugh (1992: 7) indicates that policy elites therefore see the new reforms as a means of entrenching and reinforcing their power at the centres, while distancing themselves from the uneasy problems of implementation at decentralised levels. They may also perceive opportunities for personal and political gain. The reason for the rapid spread of new public management practices has been their utility and acceptability to dominant political elites (Minogue *et al.*, 1998: 33).

It is evident that centralised, unified, accountable structures of the state are on the decline. Post-modernism is thus anti-bureaucracy of all forms. State

departments are restructured along lines indicated by the notions of decentralisation, devolution, deregulation, self-management and privatisation. Pyramidal organisations are therefore giving way to flatter structures. Smith (1994: 120 – 121) indicates that "in the post-modern condition bureaucracy is now the film across which social relations transact in the public sector". Post-modernism cuts through the red tape in public sector organisations.

In conclusion, it can be said therefore that a scientific theory is nothing more than a consensus of opinion by experts or scientists on a particular law. The only way that this law differs from the sense of persons without scientific experience is that it rests upon wider and more critical observation, and is therefore more reliable. The theory becomes scientific because it is processed through a distinct method called the scientific method. The method becomes scientific because firstly the investigation is done by trained people, and secondly only after special preparation of the materials examined. Its methods however are logical methods of thought used regularly by normal individuals. Refinement in the technique of analysing phenomena thus constitutes the sole difference between the scientific and other non scientific methods of drawing conclusions. It is easy, therefore, to reach the conclusion that there is nothing unique in science or in the method of science. Scientists are not 'demi gods' but people who apply to natural phenomena, methods of analysis used by logical minds in their daily life affairs. One only needs the necessary training to comprehend the simpler facts of science.

It will, however, be an understatement to ignore the impact of science and the scientific method on society. It is because of its intricacies that science has a

special appeal and influence. It is for this reason that science and the scientific research method should be defined and directed towards the welfare of society as it has the capacity to be all encompassing and destructive.

3.5. Quantitative and Qualitative Research Methodologies

The quantitative research method is associated with analytical research, and its purpose is to arrive at a universal statement (Mouton, 1983: 128). According to Bryman (1994: 77), in quantitative methodology, the researcher assigns numbers to observations. By counting and measuring 'things' or 'objects', data is produced. The method is underpinned by a distinctive theory as to what should pass as needed knowledge. It requires methods such as experiments and surveys to describe and explain phenomena.

Quantitative research is therefore a search for truth by means of systematic methods that make use of statistical techniques. It is a research method in which measurements are taken. To measure is to attribute numerical values to the properties of abstract concepts in a way that is congruent with the properties of the number system.

Qualitative methodology, on the other hand, refers to research which produces descriptive data, for example, peoples' own spoken or written words (Brynard and Hanekom, 1997: 29). According to Bryman (1984: 78), one important condition for qualitative methodology is seeing the world from the point of view of the participant, and close involvement is therefore emphasised. The main

theme of this kind of research is that the actors' perspective is the empirical point of departure. It focuses upon the real life experience of people.

In qualitative methodology, the human being is the object of the study, and therefore the same methods used for natural sciences research cannot be used in the human sciences (Mouton, 1983: 125). When conducting qualitative research studies, interviewing key informants, participant observation, questionnaires and document analysis, are some possible data collection methods (Brynard and Hannekom, 1997: 30). The difference between qualitative and quantitative research has mainly to do with the way data is collected.

3.6. Elements of Quantitative Research

Quantitative research in the social sciences is more highly formalised as well as more explicitly controlled, with a range that is more exactly defined, and with regard to the methodology used, is relatively close to the physical sciences (Mouton & Marais, 1988: 155).

As indicated already in this thesis, a research document consists of three essential elements, that is, concepts, hypothesis and observation. Definitions of the three elements have already been given above.

Empirical or measurement research always starts with a conceptual or theoretical stage. To move from the conceptual stage to the empirical stage, an operational definition is required. In other words, properties are operationalised to indicators which are quantitative in nature. An operational definition is

therefore a description of the actions that are required ultimately to measure the concept (Mouton & Marais, 1988: 160).

Hypotheses are presumptions that originate from the observation of numerous cases, with classified cases already being a statistical fact. This is the starting point where the scientist's invention and classificatory enumeration stimulate one another from the hypothesis. A chain of deductions is developed which is closely interlinked with ideas and processes (Boldrini, 1992: 238). A hypothesis is actually that which one wants to know, emanating from the research question. It also serves as an instrument for control or measurement, which the researcher uses to determine whether relevant data is being collected (Brynard & Hanekom, 1997: 19). The hypothesis in quantitative research should therefore be stated explicitly, at least in the form of a research question and it should be formulated before the research process begins, with the understanding that it can either be verified or falsified (Mouton & Marais : 1988:160).

Observational techniques determine how research participants react under specific circumstances, either natural or artificial (De Wet, *et al.*, 1981; 163 – 165). Quantitative researchers should be aloof to the study of the phenomenon and not become too involved, because the process is an objective one and should indeed be seen to be so. The observation is planned in advance and is well structured. In most cases an inventory of expected results should be drawn up, and expected observations placed in groups in anticipation of those actual results. The interaction process is analysed on a constant basis. The process is strictly controlled in order for one to measure what one has set out to measure. Should one measure what one did not set out to measure through error or

outside interference, the whole research project collapses (Mouton & Marais, 1988: 1-182).

The question of measurement and the reliability of data measuring instruments bring us to the question of validity. Validity refers to the potential of a design or an instrument to achieve or to measure what it is supposed to achieve or measure (Brynard & Hanekom, 1997: 40).

Different kinds of validity criteria have been established. External validity refers to the applicability of the conclusion in research to real world life problems. This is influenced by the way the measuring instrument appears to the participants, the subjective judgment of the researcher and the reaction of respondents for whom a specific instrument is intended. The instrument may arouse an enthusiastic or despondent attitude in the participants. Construct validity refers to the ability of a technique to uncover the information it set out to uncover. Does the questionnaire obtain the desired information? Content validity refers to the correctness and appropriateness of questions included in a test or questionnaire. Criterion-related validity involves collecting two sets of data from the same group of subjects, for example, testing whether apparatus "Q" selected for data collection measures what it is expected to measure and whether it can be compared to another instrument "R", which is known to be valid (Brynard & Hanekom, 1997: 40).

Several threats to validity have been identified. Vague definitions and hypotheses lead to insufficient or faulty collection of data. Inadequate design and planning of the research project results in overlooking certain important

factors in the process. Some variables may be left out. Errors in sampling is a serious threat to external validity, that is, when the sample is not representative enough. The research instrument should also be tested, for example, to eliminate leading questions and difficult vocabulary, which would result in inaccurate answers. Different attributes of participants in research sometimes lead to both interviewer and respondent bias. The aim of the research should be to obtain the truth. When research results are presented, it must be ensured that own expectations and prejudices are eliminated as much as possible (Bless & Higson-Smit, 1995: 144 – 146).

Other threats to validity are interaction selection and spontaneous change, measurement error and ecological generalisability. One can say in conclusion that the purpose of quantitative research is to explain, predict, confirm, validate or test a theory. The research is outcome oriented. The nature of the research process is objectively structured and focused with known variables and established guidelines.

The methods of data collection in quantitative research are representative, using large samples and standardised instruments. The form of reasoning used in the analysis is the deductive method and the findings are communicated in numbers, that is, statistically aggregated data presented in a scientific way.

3.7. Importance of the Study

This study is important in view of the fact that historically disadvantaged tertiary institutions have since their establishment, been beset with problems of

both leadership and governance. It is not accidental, but a political design that the historically disadvantaged tertiary institutions were meant to cater for the black citizens of the country, even though initially they were managed by an almost all white management and leadership. Blacks have managed to take their rightful places in management and leadership of these institutions, not long ago. The crises of leadership and governance in these historically disadvantaged institutions were there from the beginning and they continue to plague these institutions to date.

3.8. Research Question and Description of the Problem

This research is aimed at testing the extent of institutional change in leadership, governance, financial management as well as human resources management. Effective change takes place as a result of an institution's level of continuous transformation. The necessary changes at the University of Venda are not evident due to leadership not being conducive to a changing environment. The research was conducted to verify that changes at the University of Venda could take place by creating a conducive environment at management level. The assumption is based on the premise that there is a problem with the University's governance structures, leadership, systems, processes and culture.

The issue is whether or not inefficient people are employed to do the required jobs in this institution and also whether or not inefficient financial and recruitment policies and methods are used. This study therefore considers selected issues in leadership and governance at the University of Venda, to determine where the problem lies and thereafter to recommend ways in which

these problems may be resolved. The research question is therefore to what extent leadership and governance contribute to the problems faced by the institution in its financial and resource management and what can be done about it.

3.9. Hypothesis

The hypothesis is that the problem lies with financial mismanagement and wrong employment practices. All these can be attributed to lack of proper leadership and wrong corporate governance at the University of Venda. This hypothesis will be verified or nullified by the research findings.

3.10. Purpose and Delimitations of the Study

The purpose of the study is to analyse issues of leadership and governance at the University of Venda and thereafter make recommendations on how these issues can be improved or established where they are lacking. It is acknowledged by the researcher that leadership and governance issues constitute a very wide scope and it is therefore necessary to indicate that the study will be limited to selected issues in leadership as well as in human resource and financial management. The study is limited to a period of ten years from 1995 until 2005.

3.11. Methodology of the Study

The research is qualitative in nature in which key leadership and governance issues within this tertiary institution are explored, even though other

quantitative research works will be referred to. The method used is a multiperspective approach including, but not limited to, in-depth interviewing of key interviewees, questionnaires and perusal of official documents.

In qualitative research one gets closer to the people, talks to them and tries to encourage their subjective feelings and reasons why the situation is as it is. Reality is subjective and seeks to understand phenomena. The research is determined by information techniques of the context and the data is in the form of words and quotes. The research design is therefore flexible. Inductive logic is employed in the quest to derive meanings from subjects. These are meanings people attach to everyday life (Cresswell, 1998: 129).

3.11.1. Sampling

An ideal population would be all employees of the University, but such a sample would be impossible and also not justifiable. One that might be justified would be employees or officials holding strategic positions in the areas of investigation. There is a need for participants who hold positions of influence and who have some knowledge on how the various departments function. This was coupled with observations by managers on how the leadership run the institution. Students of the university were also contacted to obtain their views, especially on leadership and how it impacts on them.

3.11.2. Confidentiality

It might be difficult to convince officials at the University that the information is needed for research/study purposes. There is always fear and mistrust directed at anyone who seeks information especially on financial and personnel matters. It was therefore important to ensure that the officials were convinced of the confidentiality of their responses, should they so wish.

3.11.3. Data Collection

Interview data was collected by the researcher. Attempts were made to make appointments and meet the respondents at their work places wherever possible. Observational notes were taken during interviews, that is, about the environment, etc. Observational notes were important to determine ultimately what hindered or supported the interview. Methodological notes, that is, notes on where procedure was flouted were also taken. It was important to look for emerging themes, that is something that came up unexpectedly which needs to be researched or given further attention.

Data collection was in the form of in-depth interviews. The aim of qualitative interviewing is to provide a framework for a subject to speak freely and in his or at her own terms about issues which the researcher brings to the interaction.

A choice had to be made between structured or unstructured interviews. A structured interview asks each respondent a series of pre-established questions with a limited set of response categories. There is little room for variation

except when the question is an open ended one, which is rare. Unstructured interviewing provides greater breadth than the structured type, given its qualitative nature. It attempts to understand the complex nature of things without imposing any prior categorisation that may limit the fields of enquiry (Denzin & Lincolin, 1994: 364 – 367).

The approach used in this research study was structured interviews. Pre-determined questions were prepared and the focus of enquiry was limited to these pre-determined questions. Official documents were also referred to. Permission to use the documents was granted by management of the institution.

3.11.4. Rapport

Establishing a good rapport with the respondents was crucial, as it helped the parties to reach the goal of understanding each other. To achieve this, the researcher tried to put himself in the roles of the respondents and attempted to view the situation from the latter's perspective. The researcher however tried to avoid losing his objectivity by 'immersing' himself too much into the respondents' roles, to such an extent that he might have become a spokesperson for the respondents.

The decision on how one presents oneself is also very important in creating a good rapport. This may be in terms of dress, for example. The researcher therefore dressed in a immaculate way, which was intended to have a positive influence on the respondents.

3.11.5. Informant

The researcher has been working at a tertiary institution for fourteen years. It was therefore not necessary to find an informant to help the researcher to understand the culture and even the 'language' of the targeted departments in the institution during the interview process, neither during data analysis. English was used as the medium of communication during the interviews.

3.11.6. Verification and Substantiation

Verification by peers gives credibility to scientific research. It is important therefore that the results and the method of research be published to facilitate peer scrutiny. The importance of verification is recognised and the research will be published. There exist today several august bodies and organisations which oversee the quality of scientific work and research.

3.11.7. Evaluation

The research process needs to pass standard evaluation. It is important therefore that the field notes be kept intact for purposes of verification should the need arise. The limiting factor with evaluation of field notes is that the respondent's facial expressions during the interviews are lost to the evaluator. This reason for video taping being preferred by some researchers was not the case *in casu* due to lack of resources. It is important to exclude all possibilities of personal bias as much as is reasonably possible.

3.11.8. Ethical considerations

Ethical considerations are important, both during the interviews and also during reporting. It is important for the researcher to always keep in mind that the objects of enquiry in an interview are human beings. It is therefore important to protect them and for them to feel protected at all times. When they agreed to an interview, steps were taken to ensure that they knew exactly what they are agreeing. In some cases the respondents might wish their identity to remain anonymous. This was explained to them, and their right to privacy was respected. There are also other risks that the interview might expose them to so they were allowed to raise those concerns to be dealt with thoroughly before the interview commenced.

3.12. Conclusion

This chapter began by defining the concept of research, and its uses. The definition of science depends on the world view of the time, personal interests, culture, as well as the period of assessment. It has been shown that the scientific method consists mainly of observation and inference. The difference between science and other disciplines was clearly elucidated.

The positivist approach, which is the mainstream scientific approach in Public Administration was discussed in detail. This approach came under siege in 1923 by the Institute of Social Research and the Frankfurt School.

The influence of power, societal structure, information and knowledge was also discussed. It was established that all the above factors have a pro-found effect

on the way Public Administration is viewed, and research processes in the field are conducted. The two main research methodologies, qualitative and quantitative methodologies, were discussed. In quantitative methodology, the researcher assigns numbers to observations. By counting and measuring 'things' or 'objects', data is produced. Qualitative methodology, on the other hand, refers to research which produces descriptive data, in which the human being is the object of study.

The importance of this study, the hypothesis, research question, purpose and delimitations of the study, and the methodology of the research were presented. Sampling, confidentiality, data collection, rapport, informant, verification and substantiation, evaluation and ethical considerations were discussed.

CHAPTER 4

ORGANISATIONAL MANAGEMENT AND POLICY SCIENCE IN PUBLIC ADMINISTRATION

4.1. Introduction

Public Administration as a function in society has been with mankind from time immemorial. Wherever there are people, there has been a corresponding structure of governance and a need for public service delivery.

It should be noted here that even though there are similarities, Public Administration is distinguishable from Private Administration. The behaviour of individuals within the two types of administration and indeed the behaviour of organisations themselves may be the same, although Public Administration is geared towards service delivery and Private Administration is essentially geared towards the making of profit.

The role and contribution of Max Weber and Woodrow Wilson to the development of modern Public Administration will be discussed in this chapter. Their contribution will be put in a historical context, taking into account what others like Frederick Taylor have achieved in the field.

An attempt by researchers to distinguish between policy making, policy implementation and the evaluation of such policies is hereby noted. Some authors, however, do not believe that such distinctions exist. They do not

believe that policy making comes to an end once a policy has been formulated and released for implementation. The belief here is that policy is being made as it is being administered (Parsons, 1995: 52). In other words the understanding is that implementation is policy formulation using other alternative means.

For those who make the distinction, implementation is seen as a separate activity, defined in terms of its relationship to policy making. Implementation is defined as "those actions by public or private individuals or groups that are directed at the achievement of objectives set forth in prior policy decisions" (Hill, 1997: 129).

Pressman and Wildavsky, on the other hand, opine that, a verb like 'implement' must have 'policy' as an object (Pressman and Wildavsky, 1973: 445). The researcher agrees with the view that implementation is actually a policy-action continuous process, allowing policy to emerge in action (Hyman, *et al.,* : 1991).

Therefore, for the purposes of this section it will not necessarily be distinguished between policy making, policy implementation and policy evaluation. An attempt will be made to elucidate the problems that arise as a result of multiplicity of both participants and perspectives in the delivery or implementation of a new social programme or programme modifications. Theoretical analysis will be related to concrete and practical experiences in delivering such programmes in South Africa. Finally, suggestions for possible solutions will be offered.

4.2. The Development of Modern Public Administration

Public Administration can be defined as a detailed and systematic execution of public law. It means therefore that every application of the law that applies to all people generally, is an act of administration. An administrator exercises some discretion in going about his/her administrative activity. It is not just a passive instrument. The study of administration viewed in a philosophical manner is, in fact, very near to the proper distribution of constitutional authority (Wilson, 1998 : 11).

The management of both types of administration must however, deal with the same issues, for example, power, authority and communications. Public Administration can also be viewed as a profession, comparable to fields such as law and medicine.

The study of Public Administration took off earlier in Europe than in the United States. Wilson (1998: 8) argues that the reasons for this development are two-fold. Firstly in Europe, government was independent of popular assent and there was therefore more governing to be done. Secondly, the desire to keep government a monopoly made the monopolists interested in discovering the least provocative means of governing.

It was later that essays on the study of Public Administration surfaced in the United States. Frederick Winslow Taylor (1967: 230) was amongst the first to develop a systematic management study of Public Administration in the United

States of America. Taylor (1967: 231) pointed out through a series of examples, the great loss the United States was incurring through inefficiency by both public and private officials. His view was basically that the remedy for this inefficiency lay not in a herculean person who was capable of solving management ills, but in systematic management practices. He went on to prove that management is a true science, based on clearly defined principles, rules and governing laws as a foundation.

Taylor (1967: 240) introduced the concept of scientific management in the study of administration. The principal goal of management should be, according to him, to secure maximum prosperity for the employer, coupled with maximum prosperity for each employee.

According to Taylor (1967 : 240) the majority of people believe that the fundamental interests of employer and employees are in conflict with each other. Scientific management, on the other hand, has as its foundation the firm conviction that the true interests of the two are the same, that prosperity for the employer cannot exist in the long term unless it is coupled with prosperity for the workers, and the converse being equally true. The essence of Taylor's argument is that one can give the employee high wages while boosting productivity and maximizing returns for the employer.

Taylor's science was therefore both a technical and a philosophical approach to productive life in the work place. He argued that the best craftsperson of any period knew how tasks could be performed best, their wisdom was derived

mainly from experience, thus allowing them to develop the most efficient work processes.

Scientific management recommends to managers a view of workers as machines to be tuned to their maximum efficiency, but it also recommends a new hands-on role for managers. Managers, according to this science, are required to design and conduct experiments to plan work processes with a view to establishing the most efficient work techniques. They are required to train and supervise workers in terms of the new techniques. This meant that managers were then needed in great numbers in the workplace, which was revolutionary in the field of administration.

Taylor's theory can be criticised in that he tends to consider workers to be machines of production and not human beings who have feelings and needs to be considered in the process of production. His theory maximises productivity by any means necessary. In most examples he gives, the rise in levels of productivity is not accompanied by a proportionate rise in the amount of wages. The interests of business are therefore served at the expense of workers, like in the United States of America, a capitalist society where the rich get richer and the poor get poorer everyday. In a mixed economy, like in South Africa, the situation is no better. Taylor's theory is belied by concrete prevailing situations on the ground, both in the United States of America and in South Africa.

A more formal study of the growing administrative operations of government, to establish specific mechanisms that would enable one to respond to the

increasingly technological society in which one finds oneself, was done by Woodrow Wilson (1998 : 95).

Wilson (1998 : 15) was concerned about the preoccupation of writers of his time with constitutional drafting rather than a study of the distribution of authority in terms of the said constitutions. He argued for business – like, stable principles of administrative management in running operations of public agencies. We may therefore benefit from searching in the private sector for models of administrative management.
Whereas Frederick Taylor (1967: 1 - 200) emphasized a machine-like efficiency by humans on the production floor, Wilson (1998 : 92) emphasised technology in keeping with the emerging scientism of his age. Technology according to the latter can and should be applied to human beings as well.

Wilson (1998: 10) argued that administrative efficiency as well as administrative responsibility would be well encouraged if single centers of power controlling, basically hierarchical structures were established. He drew this lesson from business. Governmental power needed to be reshaped into more integrated and centralised structures. He argued that the responsibility for public action should be located in a single authority to ensure efficiency and trustworthiness.

Wilson can be criticised for introducing anti-democratic and despotic tendencies into administration. He, however, countered this criticism by saying there is no danger in power, as long as it is not irresponsible. If it is divided, or if it is obscured, it may become irresponsible. But if is centered in heads of the

services and in heads of branches of the service, it is easily monitored and brought to book (Wilson, 1998: 12).

Wilson (1998: 26) argued further that in pursuit of democracy, government must follow the style of business, even where it appears non-democratic. The basis of this argument was that the means and measurement of efficiency were similar both in government and the private sector and democracy, if is to stand the test of time, should give space to centralisation, hierarchy and discipline.

Wilson (1998: 28) also argued for the separation of administration from politics, if maximum efficiency is to be attained. He posited that administration lies outside the sphere of politics. Politics sets the tasks for administration, but this does not mean the two are one and the same. In politics, issues are debated and decisions on the direction of public policy are taken. In administration, politics are to be implemented by a neutral and professional bureaucracy.

Wilson (1998: 32) also dealt with the question of public opinion in administrative matters. His view was that public opinion indeed plays the part of the authoritative critic. The problem is of course, to make public opinion effective without suffering it to be meddlesome. He argues that the study of administration should find the best way of encouraging public opinion where relevant and excluding it from all other interference. Administrators should be allowed to exercise their discretionary powers without too much interference from the general public.

A vibrant literature on public bureaucracy has contributed to the advancement of administrative sciences in the United States of America and also in other countries. This literature drawn from the social sciences, largely from political scientists, focuses on issues like the place of bureaucracy in democracy, methods of oversight and control, as well as the reality of the internal dynamics and the influence of other forces in shaping bureaucracy, as studied by Max Weber (Benhardt, 1984: 28).

Max Weber posited that every system of authority must establish and secure a belief in its own legitimacy and he introduced what he termed the types of legitimate authority. He was careful however to indicate that there are different kinds of legitimacies, depending on the kind of legitimacy that is claimed, the kind of obedience that may be lacking by the administrative staff supporting the authority, as well as the style in which the said authority is exercised (Benhardt, 1984: 28).

Weber identified three types of legitimate authority: traditional grounds, charismatic grounds and rational or legal grounds (Sheldrake, 1997: 61). Traditional grounds rest on the belief in the sanctity of continuous immemorial traditions and the legitimacy of the status of those exercising authority. In South Africa, the best examples would be the authority wielded by traditional rulers, for example, kings, chiefs and headmen.

Charismatic grounds rest on the attention to the exceptional sanctity, heroism or exemplary leadership of an individual person and of the normative patterns or order revealed by him. In South Africa, former State President Nelson Mandela

serves as an example. No one could dare challenge his authority, due to the heroic giant - like character that he has, as the greatest statesman of the world.

Rational grounds rest on the established belief in the legality of patterns of normative rules and the right of those in leadership positions under such rules to give commands. A case in point in South Africa is the leadership of President Thabo Mbeki.

In the case of legal authority, Weber argued that officials operate in a personally free manner. He began by setting out five concepts on which the legitimacy of legal authority rests. The first is the establishment of a code of conduct which is obeyed by all members within the institution. Secondly, administration should be compatible with the law and act within the precincts of the law. Thirdly, even the person at the helm of the institution should obey the impersonal order. Fourthly, members should obey the law in their characteristic positions as members. Obedience is impersonal to the person who wields authority, but due to the personal order which granted him/her the position.

Using the above concepts as a foundation, Weber went on to formulate a set of principles concerning the structuring of systems of legal authority (Sheldrake : 1997: 92). The first principle was that official duties should be organised and regulated on a continuous basis. These tasks or responsibilities should be divided into different functional areas and each sphere should have its own authority and sanctions. Thirdly, there should be a hierarchy of offices with rights of complaint and control between them well demarcated and expressed. These offices should be manned by trained people whose resources are distinct

from those of the organisation and at no given moment should it be possible for the office holder to own his office. Administration is based on written documentation and legal authority and should be conducted by a bureaucratic administrative staff. Webber stated in addition that there should be free selection of officials which selection invariably leads to a free contractual relationship. Candidates should be selected on the basis of qualifications and experience, and an appointment made thereafter.

Officials should be remunerated by fixed salaries with a right to pension. The official should feel free to resign and it is only under special conditions that an employee engagement is terminated. An appropriate salary scale is established according to rank. The incumbent of a particular office should treat his/her office as their primary or sole occupation. There must be a career path where people are promoted according to achievement or seniority or both, as judged by superiors. Lastly, the employee is subject to strict discipline and control in the operations of his/her duties within the office (Sheldrake, 1997: 92).

It is clear that Weber, together with his contemporaries, revolutionised the study of administration. Webber can however be criticised, in that he put much emphasis on a formal organisational setup, leaving out the possibilities of informal organisations.

Mintzberg (1983: 164) criticises Webber's machinery bureaucracy for its highly specialised, routine operating tasks, formalised procedures and proliferation of rules and regulations. He also opines that his bureaucracy relies heavily on a

functional basis for grouping tasks, relative centralised power for decision taking, as well as a huge differentiation between line management and staff.

It is clear from the above analysis that Public Administration was developed and studied as a discipline earlier in Europe, before it was treated the same way in the United States of America. Wilson's business-like approach in Public Administration is sharp and penetrating. His concept of centralised authority is fundamental in both efficiency and accountability in Public Administration, even though his detractors argue that it makes inroads into the hallowed principles of democracy that all should aspire towards. His view is basically that democracy is not a sacred cow and if it is strong enough, then it should withstand the winds of efficiency and accountability in administration.

Weber is credited with theoretical conceptions of bureaucracy. For him, bureaucracy is a legal rational staff, functioning within a pluralistic power structure. It is a means or an instrument. Weber did not envisage that bureaucracy might one day assume authority in its own right and perhaps constitute a ruling class with a monopoly of power. Managers, even though having control of the means of production, will not, according to Weber, appropriate power. Politicians and owners will remain setting out the tasks and policies to be implemented (Sheldrake, 1997: 121).

4.3. Post-Modernism and Public Administration and Management

A shift of emphasis associates itself with the new thinking of idealism, whereby the concept's deviation from philosophy implies a new underlying and

fundamental dedication of Public Administration to norms of true democracy and true community. This, however, cannot go without open access to public policy making. Such a stance by post-modernists is bound to take us back to the progressive school of thought, which rejected the totalitarian approach and advocated new debates on gender and ethnic diversity, the empowering of citizens, the meaning of public interest and bottom up planning.

4.3.1. Post-Modernism and Public Administration

The advocacy under policy reformation is therefore a move away from hierarchical bureaucracy because evidence suggests that no democratic input can energise it from the top, and so the alternative is towards discourse which is an inherently democratic structure of will formation.

4.3.1.1. Policy Reformation

The current argument offered by Fox and Miller (1996) centres around the re-engineering of Public Administration with respect to policy making. They however, acknowledge the constitutionalists' and communitarianists' challenge to orthodoxy in Public Administration but they argue that the foregoing schools of thought do not offer a satisfying discourse on the theory itself, because they are both concerned with legitimizing Public Administration. The gist of the argument is presented by Fox and Miller (1996: 4) as follows:

> ***"Constitutionalists ask : what aside from legislative statute justifies what we do? Communitarians are concerned with legitimizing a new sovereign, not the legislature but the citizens themselves. They ask : how aside from legislative statute can we justify what we do? We, on the***

other hand, are less concerned with legitimacy and more concerned with policy".

Democracy as a theoretical concept, a paradigm, a praxis, of and related to Public Administration, is understood to have a representative democratic accountability feedback loop model, which in itself does not signify any democratic element. It is therefore worth recapping the democratic theory, by pointing out that it begins with individual preferences that become aggregated to popular will, codified by legislation, implemented by the bureaucracy, and evaluated in turn by attentive voters (Fox & Miller, 1996: 5). Against the foregoing, communitarianism associated democracy with citizen activism and civism whether as the post-modern public administration, albeit embracing civic participation, should embrace a political discourse, in the nature of public policy conversation, thereby exploring post-modernism and post-modernity in an effort to replace orthodoxy.

4.3.1.2. Public Administration and Bureaucracy

Contrary to the portrayal of bureaucracies as concrete entities Giddens, in Fox & Miller, (1996: 115) argues that a bureaucracy is a structuration of repeatable practices, a conglomeration of social habits and patterns of social practices that recur in rule-like fashion. Another sting to orthodoxy pertains to the fact that bureaucracy, as important as it was decades ago, should no longer be the dominant theme in Public Administration. A newer perspective should embrace itself with a collection of phenomenological moments, known as public energy fields, for example, conceptualisation. To understand the energy field theory, one is tempted to leap into the area of natural sciences, where the term 'energy' would imply that the field is sufficiently charged, with meaning and intention in

this case. The term 'field' could be equated to the magnetic field wherein a complex set of forces are at play. Then for public policy reformulation, it would mean those fields which encompass matters of public concern and possess energy.

Hanekon *et al.*, (1996: 85) argue that all government agencies are caricatures of the bureaucraticised form of organisation and as such, public bureaucracy is a political instrument, strategically placed in the political arena. It is further argued that bureaucracy in its purest form will only be encountered in fully developed modern states and in private economies of the most advanced institutions of capitalism. From the foregoing, one could state that for South African Public Administration, there is no well developed bureaucracy, so therefore the perspective is more than correct in advocating for a re-making of public policy in this post-modern era. On the aspect of public policy making, Hanekom *et al.*, (1996: 85) make no attempt to infuse Public Administration in post-modernity, except to acknowledge that, with increasing complexity of the field and the increase in population, knowledge of the adequacies of public policy is a necessity to determine the desired effect.

4.3.2. Bureaucracy, Markets and Organisations

A view held by Wamsley & Wolf (1996: 82) suggests that the bureaucratic, market and organisational action contexts form the greater part of the worlds for most private corporations and public agencies, therefore the language, logic and power of these forces encompass what is known or needs to be known about the public sector. Wamsley & Wolf (1996: 143) point out that major difficulties

emanate mostly from the administrator's inability to read effectively the contexts of implementing prescriptions:

> "***As public agencies face postmodern conditions, public servants must contend with a special kind of incoherence. Though the environment of public agencies displays many of the characteristics of a postmodern condition, the inside world of the agencies may be quite different from those described. The everyday of public administrators blends many of the characteristics of the modern and post-modern worlds. Parts of the administrators' world form coherent clusters of meaning and action".***

For Peters (1996: 124), there is however, no noticeable deviation from Max Weber's form of bureaucracy since he regards the public servants' compliance with legitimate bureaucratic power, at a political level, as a good recipe to safeguard the democratic system, as well as the top down democratic control essential for the political system. The above is reminiscent of the well developed modern bureaucracies of the world, albeit no mention is made of the policy effect on the citizenry and vice versa.

In his analysis of the modern state and bureaucracy, and the state of the nation, Giddens (1986: 24) points to the consequences of the association of capitalism, established as a generic type of society, with the advance of bureaucracy. The author argues on the comparatives of Weber and the Marxists with the latter emphasising that a socialist society can generate a more democratic order than is possible in a capitalist liberal democracy. Marxism was pre-occupied with citizenry participation and in today's understanding, that could well be equated with post-modernism's ideology of revamping Public Administration on matters

entailing policy reformulation, civic participation and equal treatment, with due consideration of the customers.

4.3.2. Coxian Critical Theory (CCT) and Post-modernism

The Coxian theory originates from the Frankfurt School which emphasises the distinction between critical and traditional theory. The theory, however, refers to the critical and problem solving aspects. The Coxian theory is noted for its flexible, reflective and change oriented transformative nature. One of the cornerstones of the Coxian Critical Theory is its emphasis on the importance of production in society. The theory points out that production creates the material basis for all forms of social existence, and that the ways in which human efforts are combined in productive processes affect all other aspects of social life (Leysens: 1998). The importance of Coxian Critical Theory in Public Administration and Management will be discussed in line with post-modernism and development in general.

It is worth noting that contemporary social institutions and practices are basically structured by the massive expansion of consumer society and the disintegration of more stable forms of production and political and industrial relations. Numerous theories have sought to provide strategic approaches to development, as well as corresponding alternatives, whereas post-modernism's contribution to post development has viewed improvements on socio-economic and political conditions as an exercise in futility (De Beer & Swanepoel, 2000: 56). These authors further point out that post-modernism questions the *sine qua non* of development theory and policy: (De Beer & Swanepoel, 2000: 56)

> ***"It (postmodernism) says that developmentalism – the language of development is universalist, teological and ethnocentric, it is presented and taken as a recipe for social change, while it is in fact a "discourse of power". In its softer variants it can alert scholars and policy-makers to the variety and diversity of forms of knowledge, the need to locate and learn from indigenous knowledge, and to take more cognizance of localized groups and the plurality of cultural practices and preferences".***

This assertion by post-modernism is relevant especially when one considers the difficulty experienced in the administration of public programmes, for example, diffuse goals, unmeasurable and unidentifiable benefits (Peters: 1995). It should be remembered that any efforts towards development are linked to resources, and administration is directly affected by the scarcity of resources available to the public sector. The adjustment of policies and policy making styles should be to the satisfaction of the citizenry as the main customer of public administration, through consultation, transparency and full civic participation. In the same vein, management is also hampered by the scarcity of resources, changing social and cultural values, and increasing organisational and inter-organisational complexity. As stated earlier, Coxian Critical Theory focuses on production in society, and post-modernism's use of language as a discourse for power should, in actual fact, be used to locate the nature of public interest so that there is also knowledge production. As Leysens (1998: 4) points out, "critical theory, in contrast, posits a link between knowledge and interests/power. In other words, it locates theory within a historical power matrix". Critical theory engages in the process of inquiry by attempting to substantiate the claims it makes through the presentation of evidence.

In the light of the above, it is worth noting that the Coxian Theory does not attempt to reject other problem solving approaches, but it should be recognised that the dominance of this approach and its use of a positivist rationale assist in evaluating what form of knowledge production is acceptable. The framework of Coxian Critical Theory therefore tends to incorporate the interaction between effects of social forces, states and world orders. On the other hand, forms are the result of social forces within the state and the nature of their incorporation within the world order.

The lessons implied for public administrators in using the Coxian Critical Theory are that they should be aware of contradictions in the concepts they use, as well as being historically sensitive. Another merit of the Coxian Critical Theory is its ability to differentiate between problem solving and critical approaches. Lastly, the Coxian Critical Theory maintains that there is an indivisible link between political and economic development.

4.3.4. Post-modernism, Public Administration and Public Interest

It has been argued that the theory of public interest has served paradoxically to be both the strongest and weakest point in public administration's effort at securing a place in democratic governance (Wamsley & Wolf : 1996: 140). This issue of public interest is located within post-modernism, in this sense understood as a social and intellectual deterioration, and a change in paradigm. A change in paradigm has evoked a call of a positive role for governance in society. So, therefore, contemporary social conditions, most noticeable at the turn of the 20th century, have become more compatible with the idea of public

interest. The envisaged administrative action calls for a partnership with the wider community. As Sekoto & Van Straaten (1999: 72) argue, citizen participation should aim to educate the individual citizen in civic awareness, to promote participation in public policy making by providing inputs (values and needs) to the policy makers and the policy making process - inputs that might otherwise have been considered irrelevant. The nature of public interest that is regarded as desirable for public administration, has relevance to the concept of social equity in South Africa. This is supported by Houston *et al* (1999: 380) who state that :

> ***"South African society is one of the most inequitable in the world, with wide disparities between rich and poor. In particular, apartheid has resulted in unequal development between black and white, a consequence of the disparate provision of education, housing and health care, among others".***

Governance and public administration are interrelated with politics and society, and as such government does not operate in isolation, unaffected by the society of which it forms a part. Mokate (1999) offers a counter argument to both Coxian Theory and post-modernism by stating that :

> ***"the existence of a socially conscious government in South Africa has placed the need to address poverty and inequality firmly at the centre of the nation's agenda."***

Mokate (1999) has perhaps had no exposure to post-modernism and the Coxian Critical Theory, otherwise it would have been clear that these approaches favour in depth scrutiny of any policies, projects and public programmes that, without credible evidence, would be rejected.

It can be argued in conclusion that post-modernism, in public administration, regards orthodoxy as having inculcated a myriad of endemic assumptions, for example, the consensus around organisational goals, key concepts and variables that shape public administrative thought. A newer rejection of this implies that such assumptions are actually reifications, that is, those socially constructed categories that are mistaken for things that exist 'out there' in the world of 'objective reality'. This is well understood in bureaucracy studies, where the constant mention of organisational goals is actually intended to separate them from humans, as if they are natural constructs, which sounds like organisational goals should be privileged. Bureaucracy, as a decade-old theme of Public Administration, is said to be imbued with orthodoxy and should be replaced by the adoption of new public energy fields, which manifest themselves in the Coxian Critical Theory and post-modernism in Public Administration. This will undoubtedly revitalise the field, by showing calculated concern for the public.

4.4. Policy Management in Public Administration

Pressman and Wildavsky (1973) are concerned with the degree to which positive implementation of policy is dependent upon linkages or connections between distinct structures and departments at the lower level. According to them, if this is true then 100% cooperation is needed to avoid a cumulative shortfall, created by small deficits in the link. Policies are complex phenomena as they involve compromises that should be reached with those who are to be affected by the policies. Lee (1999) argues that careful attention should not only

be paid to what is included in terms of the policy, but also to the environment in which implementation will occur.

Hill (1997: 144) is of the view that it is of crucial importance to remember that policy implementation involves people, and it is important therefore that there have to be negotiations and bargaining with all existing stakeholders. It is in some cases possible to formulate policies that ride roughshod over the wishes of the people, but then one should expect low morale and lack of confidence from those who are assigned to implement such policies, and also lack of public confidence. "***Policy is essentially no more than the terms that the regulator is able to reach with the regulate***". One recalls here the 'apartheid' policy that was imposed on the majority of South African people by the former minority government. This policy did not only result in low morale to those who were to implement it, but to resistance, death and destruction of life and property on both sides of the regime (Preston, 1995: 166).

In any policy implementation, there are a multiplicity of participants who bring, different perspectives to the table. Policy implementation is ordinarily the responsibility of administrative agencies who, in most instances, are provided with widely couched and unclear mandates that leave them with discretionary powers on what to do and what not to do in the process (Anderson, 1984: 217).

In South Africa, mainly government departments are responsible for formulating as well as implementing policy. As already stated, the line between policy formulation and policy making is very fine indeed. Government departments might be responsible for policy making, but they also monitor the

implementation thereof by other organs of state, for example, higher education policy in which tertiary institutions are called upon to transform themselves.

The Department of Education wields the whip and incentives by threatening to withhold the annual financial grants, should these institutions fail to comply. This is what Edwards (1984) calls the 'incentive relation in implementation'.
Although administrators are formally the main implementers of policy, there are other role players who bring their perspectives into the implementation area, for example, the legislature, the courts, pressure groups like non-governmental organisations, community organisations, party political officials as well as the media. These are what Urban and Henning (1998) refer to as "policy networks". The arrangements within an organisation tend to allow some interests and perspectives substantial access to those who wield authority, be it in parliament or in the cabinet. Implementation is therefore a process structured by conflict and bargaining which is "treated as a study in compliance and adaptation" (Mitnick *et al.*, 1984: 63).
In an effort to achieve success in implementation, scholars have posited two models of implementation, what Welmer & Vining (1992: 320) refer to as the 'forward mapping' or ('top bottom design') and 'backward mapping' (or a 'bottom up design'). The forward mapping design is the specification of the chain of behaviour that connects a policy to the desired result. A backward mapping design begins with the visualisation of the behaviour that creates the situation which warrants the need for policy formulation. In both designs, a multiplicity of participants and perspectives exists and needs to be dealt with. It is contended here that the choice of the design will depend on the type of policy

to be implemented. Cloete & Wissuink (2000: 42) argue for a synthesis of the two approaches for a successful implementation.

The researcher will now attempt to suggest possible reasons why the multiplicity factor stifles or delays the implementation process, by giving a practical example within government and reasons given for its failure. It was reported in City Press (2001 : 2) that the school children feeding scheme had collapsed. The Minister of Welfare and Populations Development, Dr Zola Skweyiya, blamed the collapse of the scheme on its over reliance on business people to run it. The Minister emphasised that norms and standards have to be agreed upon by the Department and the companies involved. Dr Skweyiya also lamented the failure of the government's job creation and pension pay out policies, and has now undertaken to work with church groups to try to improve the former.

It is the writer's considered opinion that the multiplicity factor in implementation can be minimised if the policy giver formulates a clear, precise and unambiguous policy, which does not leave much or uncontrolled discretion to the implementor. The unguided *lacuna* or vacuum created for discretion creates too much opportunity for individual interests and perspectives of the various role players in the implementation process. This view can however be criticized in that it treats implementation as a rigid top down process, which should not afford an element of flexibility for the implementers (Hill, 1997 : 140). It is the writer's view that balance could be struck between an unguided discretion and a balanced one, to avoid either too much rigidity or too much

flexibility. The policy should however remain clear and consistent in its communication.

There is again an assumption here that implementation is achieved through an 'army like' organisational structure, where norms are enforced and objectives issued, with people doing what they have to do without any outside pressure, which is not true. In negotiating, participants should be willing to compromise their interests and reach what Baum (1984) refers to as the "compliance perspective".

Negotiation is not a once-off phenomenon. The frequency with which participants have to deal with each other is likely to influence the success/failure and outcome of negotiations. The more they deal with each other, the more flexible and amicable they will be, than they would if they were holding an isolated negotiation. Here reciprocity becomes a source of social co-operation (Axelrod: 1984: 250).

Another factor that shapes the outcome of negotiations is the resources that one brings to the negotiation table, be it political or otherwise. The question is whether or not either party is able to appeal to outside members, for example, cabinet or mayor. Can one party invoke precedent as a bargaining chip? What would be the effect of a delayed agreement on the cost of the process (Welmer & Vining, 1992: 321)?

Fisher and Ury (1983: 105) suggest two useful practical guide lines for negotiating effectively. Firstly, negotiations are done with people who have

their own emotions, personal interest and beliefs. The way one presents oneself, as well as the substance of the proposals may be crucial for reaching consensus. In some cases, the problem may be solved by merely changing a word and replacing it with another with a similar meaning. Secondly, participants should avoid negotiating positions and concentrate on interests. Experience has shown that in many instances, negotiations get bogged down when people fail to move one another from one position to another. A clear focus on what the parties wish to achieve usually breaks the deadlock.

Policy implementers should be given legal authority to perform their function. The more legal authority is given, the more efficient will be their capacity to compel compliance (Welmer *et al.*, 1992: 326). This view can be criticised in that it professes a rigid bureaucratic implementation process where accountability is seen as depending upon deference to a legislative process. This type of process is not adaptable to the needs of those that are to be impacted upon by the policy. It is the writer's view that the most constructive way is to change the disposition of the role players towards a compliance attitude. Whilst there is no dispute that parliament, for example, through budget allocation and courts, carries some authority, it is not clear to what extent this authority enables a compliance disposition on the part of administrators. It might therefore be advisable that a choice be made for the policy to be implemented by those who are favourably disposed to it, or those who have been so influenced. The essence of this argument is that the implementers should feel they are compatible with the policy. This boosts morale and enhances public confidence. The ability to influence the interests and perspectives of those assigned to implement a policy is a valuable tool.

Welmer *et al.,* (1992: 330) argue that the reasons why implementation is problematic is because of the absence of what they call 'fixers'. These, according to them, are people who can intervene in the implementation process, to assist negotiating compromises with non-compliers, what Thompson (1984: 1 – 26) refers to as 'overhead control'. They give as an example "the staff of the legislative sponsor of the policy may oversee the implementation process".

Whilst this view is supported, caution should be exercised against an over imposition of these fixers on the team of implementers. Such a move might, if not handled tactfully, be counterproductive, leading to loss of enthusiasm and morale. It should be noted here that most administrators are specialists who need to feel respected in their own right and as a result, they will view anybody intervening from outside their organisations with skepticism. This also affects one's self esteem and one's image of oneself in turn strongly affects one's performance. The command and control approach dictates behaviour but discourages private initiative and innovation in attaining policy goals. Rather the enhancement of individual freedom and voluntarism should be supported.

Mitnick and Backoff (1984: 69 – 122) suggest the "incentive relation in implementation". They argue that every model of implementation, to be adequate, must have incentive relationships as an important element. The underlying assumption here is that incentives affect the receivers level of satisfaction, which in turn influences receiver behaviour and enhances performance. It is, however, opined here that it is difficult to employ the incentive system using, for example, promotion, reward and pay increases in the public sector. Promotions are based on seniority, rewards are tied to individual performance and pay increases are effected across the board. It is therefore

submitted that the incentive implementation relation approach might not be the most appropriate method to employ in the public sector. Attempts to apply it in the private sector might be useful, for example, reduction of tax on companies with less environmental pollution. The difficulty of course is that big companies will afford to pay the high tax and continue polluting. Another objection leveled against the incentive system is that it leaves decisions about the level of performance to the judgment of private parties, who may be dictated to by self interest. It also fails to stigmatise non performance as "morally wrong" (Anderson, 1984: 256).

Another problem in implementing programmes where there are a multiplicity of participants and perspectives is a lack of corporate managerial skills. This model proceeds through a cycle of objectives, planning, organising, giving direction and providing the necessary control (Parsons, 1995: 474 – 490). Of essence here is the so-called SWOT analysis, that is identifying the internal strengths and weaknesses of the structure or organisation, as well as the external opportunities and threats. In the identification of threats, the implementers will be able to adapt the structure of the organisation towards the manner and style which is conducive to the implementation of its goals and objectives.

One other cause of non-compliance stems from the fact that policies may be in conflict with the values, beliefs or morals of certain individuals or groups. An example in the South African situation is laws relating to racially mixed schools and public facilities. This is one area where a bureaucratic rigid top down approach had to be successfully employed to compel compliance. In desegregation of schools, the incentive method is also effective, where the

threat of withholding government grants is often employed. It should be remembered however that in most instances, compliance is achieved through sheer respect and obedience for the law, more especially if the policy is legitimate in the sense that it was made by people who have the necessary constitutional authority to act. Most role players would not tolerate the stigma of being referred to as law breakers or people who are responsible for stifling or delaying the implementation of policies.

The presence of critical links in the implementation process has been identified. It is necessary therefore that provision be made in the process for a weak link, or what Landau (1969: 40) refers to as "redundancy and slack". In other words, if one link in the line of participants is not co-operating, one should replace it with an alternative. This suggestion can be criticised for its impact on resources which are ordinarily scarce. It implies an overlap or duplication of strategies and financial resources, but may ensure successful implementation.

It is also important for a successful implementation of a policy involving many participants to provide for a corrective action mechanism. In the absence of evaluation requirements in policy designs, it is sometimes desirable to build in reporting requirements. Administrators are often required to provide financial and other information. This information might indicate a problem area. An executive or legislative 'policy giver' may be better able to spot weak performance in the link, and take corrective action (Thompson and Jones: 1986 : 82). This theory, might however prove difficult to implement, given the limited capability of the executive to assess the information and the limited time available on legislative calendars.

Cloete and Wissink (2000) suggest five variables, namely policy content, policy context, commitment by implementers, capacity and clients, and coalitions of interest groups. According to the author, all five variables are likely to act together, often at the same time and in perfect harmony. Any weakness in one produces change in the other. They argue therefore that the challenge facing programme implementers is to see to it that there is an interconnectedness between these variables.

Another helpful tool is what Grispink (1999: 90) refers to as "chain computerization". The departure point here is communication between the different parts of an organisation. It is only when the right information has been collated that the right decision will be taken. The protection of the privacy of the persons about whom these organisations communicate must be borne in mind.

Implementation is a potentially changing series of implementation relations. It is important to recognise that implementation involves a continuation of the complex process of bargaining, negotiation and interaction which characterises the policy making process.

The rational model in policy implementation dictates that implementation is about encouraging people to do what they are instructed to do, and keeping control over a sequence of stages in a process. It is also about developing a programme of control which lessens deviations from the set of goals, as well as conflicts. This theory or model can be designed so as to deliberately exclude all

motivational factors, such as considerations of love, hate and envy (Parsons: 1995).

Allison (1971: 1 – 277) gives three models on how to proceed when confronted by a challenging crisis. The first model is the Rational Actor. The hallmark of this model is an attempt to explain events by recounting the aims and calculations of the organisation. The second model is the Organisational Process, according to which organisations are viewed as institutions perceiving problems through organisational sensors. Alternatives and estimated consequences are defined as their component organisations process information. Organisational behaviour is therefore understood more as outputs of large institutions functioning according to set patterns of behaviour and less as deliberate choices. The third model is Government Politics. According to this model, leaders in organisations are viewed as individual players in their own right in the game of politics.

Organisational behaviour is understood here, not as institutional outputs, but as outputs of many players who focus on many diverse problems, and act in terms of no defined set of strategic objectives, but rather according to various conceptions of organisational and personal goals. Decisions are not based on any single rational choice, but on political objectives.

The Rational Actor Model, on the other hand, is founded on the assumption of rational behaviour, behaviour motivated by a conscious calculation of advantages, which calculation is in turn based on an explicit and internally consistent value system. The basic concepts of models of rational action are

firstly that the goals and objectives of the role player are translated into his or her 'preference' function. At the beginning of the process the agent has a responsibility to rank all possible sets of consequences in terms of his/her values and objectives. The agent must then choose among a set of alternatives displayed before him/her in a particular situation. To each alternative is attached a set of outcomes of choices that will result if that particular alternative is chosen. Rational choice therefore consists of selecting that alternative whose consequences rank highest in the decision maker's pay-off function (Allison, 1971: 29 – 30).

Peters (1984: 180) also posits competition amongst contenders for office as one criterion for governance associated with democratic and partisan government. Whereas bureaucrats already hold the office, what they do not have is money. This results in bureaucratic agencies 'fighting' each other for the budget. This competition for the budget in a way divides organisations into sets of sub-organisations each serving a clientele group crucial in the politics of survival. As the fight for money continues, old programmes become institutionalized as commitments of organizations, entitlement for departments and the need to compete for increased funding produce new programmes and policies from the agencies. All these tensions in fact take the role of governance away from leaders and makes implementation of decisions emanating from them increasingly difficult.

Randall (1973: 20) gives as the most important aspects of bureaucracy, information and expertise. The information is concentrated in agencies and can be traded for influence over policy. Bureaucracies have the power of decision,

but they may use complex professional jargon that leaders fail to understand and therefore cannot challenge or reject.

Another resource available to bureaucracy is the ability to mobilise political support amongst legislators. This enables them to gain power over politicians who might be opposed to a specific policy. The agency can also mobilise this support at committee level before the issue even goes for legislation (Jones, 1962: 327 – 344). Bureaucracies also gain power over politicians because of their permanence and stability. It is not easy to transfer or dismiss a civil servant, whereas politicians come and go.

Political institutions, on the other hand, try to gain an upper hand over bureaucracies through formal and constitutional authority, which they derive from the fact they are a legitimate government. In addition, the political establishment uses the 'power of the purse', through the budgetary process. Politicians can trade money or latitude for information. Bureaucratic agencies need more latitude or scope to decide on government policies or spend the budget with minimal constraints. Politicians can therefore exploit this need by trading it for information (Peters, 1984: 191).

Bureaucratic agencies use several ploys to limit the effect of political authority over policies. They can delay or resist the implementation of policy under the guise of planning. The best example here is economic planning. Another ploy by bureaucracies may be budgeting. This may be a complex exercise which may not be easily understood by an ordinary politician. It becomes easy therefore for bureaucratic agencies to manipulate the process to their advantage. Further,

bureaucratic agencies infiltrate ministerial advisory bodies which is easy to do as these bodies are constituted by their fellow civil servants (Peters, 1984: 193 – 198).

Experience has shown that politicians, on the other hand, have their own ploys to counter the effect of bureaucratic agencies. They appoint special budgetary institutions, for example, committees constituted by members detached from bureaucratic agencies, answerable only to the politicians. They also appoint special advisory committees and develop their own counter staff and sources of information. These independent sources of information are then institutionalised in, for example, the President's office. In some cases, a strong political party makes it easy for government policy to be implemented, as the bureaucrats operate under tremendous pressure from political constituencies, to deliver in terms of government policy.

The third model or framework through which ones response can be analysed is that of Government Politics or the Bureaucratic Politics Model. An overview of this model was discussed above. This model sees participants exercising and sharing power with differences in perspectives and direction. The power and skills of these role players acting as groups of individual politicians result in a decision on the nature and direction of policy.

Allison (1971: 148) views participants in the government as having an independent basis and therefore power is shared. Constitutional prescription, political tradition, government practice and democratic theory all come together to accentuate differences amongst needs and interests of individuals in the government. It means therefore that the leader is not alone in the job of

governing, and those with him cannot be trusted to be always responsive to his orders. The leader must therefore be imbued with the power of persuasion.

The Bureaucratic Politics paradigm views government action or policy as a result of international politics, emanating out of compromise, conflict and confusion of officials with diverse interests and unequal influence. The players here are a group of individuals with different interests and what ultimately determines the route to be followed is 'power' (Allison, 1971: 162).

Another way of arriving at a decision is what is called the Systems Thinking Model. This model is to a large extent similar to the Organisational Process Model. The systems approach views the system as a whole consisting of interdependent elements. The systems approach has two functions: the first function is the development of a common language which makes it possible for scientists of different disciplines to communicate with one another. The second function is to give an insight into the methodology inherent in the systems approach, which is in fact, the approach from the outside to the inside, that is, a holistic approach. In case of government, the whole institution is regarded as an integrated complex of interdependent agencies capable of interacting sensitively and appropriately with one another and with their environment (Kramer, 1977 : 5 – 7).

The above analysis goes a long way to address issues pertaining to policy fiascos. Bovens and Thart (1996 : 15) define policy fiasco as

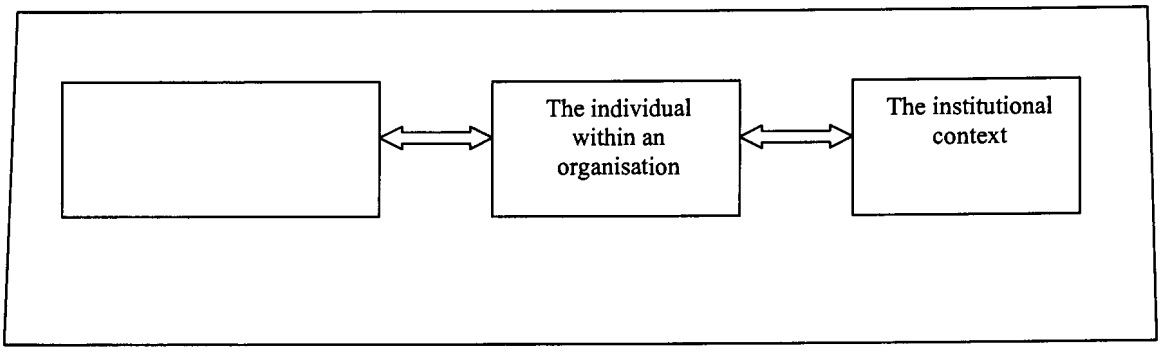
> ***"a negative event that is perceived by a socially and politically significant group of people in the community to be at least partially caused by avoidable and blameworthy failures of public policy makers".***

What is captivating in policy fiascos is the fact that in the study of momentous historical events and highly controversial policy episodes, the difference between what became a disaster, what went unnoticed as a 'nonevent', or what was hailed as a coup, was extremely trivial. The more one knows about the details of the events that shaped a particular government decision, the more important small details seem to be in determining the collective appreciation thereof. Change a few details and the players could have changed the course of history.

Some writers have presented a synthesis between the top down and bottom up frameworks in policy implementation. This synthesis is what has been referred to as an incremental or evolutionary framework.

Two early models that incorporated the basic tenets of both the top down and bottom up approaches were developed by Lewis and Flyn in 1978 and 1979 and Barret and Fudge in 1981. Lewis and Flyn posited a model which considers implementation as an action by individuals which is contained by the world outside their institutions and the institutional context within which they operate (Parsons, 1995: 120).

Figure 3. Barret and Fudge's Policy Action Continuum



Source : Parsons (1995: 120)

Parsons (1995: 129) is of the view that the interaction with the outside world, the organisation and its institutional context, implies that policy objectives are not necessarily guides to action. Actions, in fact, result from the resolution of conflicts between two sets of policy areas and priorities. Actions may come before the formulation of a standard way of dealing with similar cases in future. Therefore the policy, or may result from what is possible in the circumstances rather than the completion of the initial objectives.

Parsons (1995: 139) refers to what Barret and Fudge call the 'policy action continuum', in which an interactive and negotiative process taking place over time, between those seeking to put policy into effect and those upon whom action depends.

4.5. Conclusion

In this chapter, organisational management, and policy science in Public Administration were discussed. The distinction between public and private

administration was explained. Public Administration is geared towards the delivery of services. The contributions of Max Weber and Woodrow Wilson to the development of modern Public Administration was recognised, even though their position on the concept of Public Administration, especially Weber's view of bureaucracy, has been subjected to severe criticism. Fredrick Taylor brought to the fore the concept of scientific management.

Today's public management doctrine is vehemently regarded as an orthodoxy that is intellectually bankrupt and democratically unacceptable. The concept post-modernism aims to criticise constitutionalism and commutarianism as the main competitors of the orthodoxy, and thus to replace these concepts with a new theoretical position of constructivism, which has its roots in phenomenology and structuration. It is thus from the latter that a discourse on the new theory of Public Administration has been built, thereby discarding the old age inherent concept of bureaucracy in Public Administration.

This chapter also discussed the concepts of policy formulation and implementation. A view which is upheld by the researcher is the one which views policy implementation as a continuum of policy making A policy is subject to negotiations and amendments during the implementation process.

Post-modernism and Public Administration and Management were also discussed. A detailed literature review on policy management in Public Administration was offered. An approach which is favoured is one in which an interactive and negotiative process takes place over time between those seeking to put policy into effect and those upon whom action depends.

CHAPTER 5

LEADERSHIP AND GOVERNANCE : THE CASE OF THE UNIVERSITY OF VENDA

5.1. Introduction

This study is predicated between 1995 and 2005. The period 1995 saw the emergence of the first black Vice Chancellor and Principal of the University of Venda, who was appointed on a fixed term contract for five years (Manenzhe : 2002).

Prior to 1995, the University of Venda was, in a state of turmoil, with students, unrest and a state of anarchy that prevailed. Student representation on the Council of the University (two students) became a very powerful force that was literally dictating terms and wielding the power. This was exacerbated by the emergence of the Broad Transformation Committee (BTC) as the most influential structure on campus. The BTC had an over-representation of students, as each student structure was represented (Nemadzivhanani : 2005).

In terms of the University of Venda Statute, the BTC was established under section 29 of the University of Venda Act, 1981 (Act No 19 of 1981) (Venda), an operationally independent structure which derives its powers and authority from the Statute. The Council of the University, however, had superior powers in that it had a final say on all recommendations made by the BTC.

The Broad Transformation Committee's imposing influence would see it playing a crucial role in the appointment of the Vice Chancellor and Principal. The Council of the University, as expected, endorsed the recommendations of the BTC and Prof Nkondo was duly appointed Vice Chancellor and Principal (Nemadzivhanani : 2005).

5.2. Governance at the University of Venda 1995 – 2005

The first assignment of the Vice Chancellor and Principal after his appointment, was to assemble his management team. The Deputy Vice Chancellor and Vice Principal (Administration) was appointed. He served his term of five years and his contract was not renewed. It was emphasised that the reason his contract could not be renewed was because he had reached his retirement age, in terms of University policy. The Deputy Vice Chancellor and Vice Principal: (Resource Management and Planning), was later appointed, and he served his five year term and left the institution. It was during the presence of the Deputy Vice Chancellor and Vice Principal : Resource Management and Planning that a new post of Deputy Vice Chancellor : Academic and Research was created. This position was filled and the incumbent is still serving his term (Manenzhe : 2002).

The next in authority during the Vice Chancellor and Principal's first term in office was the Registrar. He became Registrar before the arrival of the Vice Chancellor and Principal and he stayed in office until his retirement at the end of 2004. The University has been operating without a Registrar since then and an Acting Registrar was only appointed around May 2005 (Nemadzivhanani: 2005).

The next rung in the governance structure of the University was made up of Directors at post level 4. The top management, together with all Directors, constituted what was termed the Executive Management Committee of the University. This committee held regular meetings every week, and its purpose was to advise the Vice Chancellor and Principal on strategic issues in his day-to -day running of the institution (Manenzhe : 2002).

The Vice Chancellor and Principal proceeded to appoint his Legal Adviser, who proved to be of strategic importance during the Vice Chancellor and Principal's first term of office. This will become clear later in this chapter.

When the Vice Chancellor and Principal was appointed in 1995, the University of Venda was being regulated by the University of Venda Consolidation Proclamation of 1990 (Proclamation 44 of 1990, as amended (Venda)). The last amendment was in 1993, by the University of Venda Consolidation Amendment proclamation of 1993 (Proclamation 16 of 1993 (Venda)). The 1990 proclamation was preceded by the University of Venda Act of 1981 (Act 19 of 1981 (Venda), as amended) which was the founding Act.

The Vice Chancellor and Principal was appointed during a critical period in the development of the institution and the political landscape of the country. The year 1994, was significant as the year of freedom for the oppressed black masses of the country, in that all political parties were unbanned and the first free multiracial elections were held around the country. The year 1996 is seen as the birth of the first democratically formulated Constitution of the Republic of South Africa of 1996 (Act 108 of 1996).

The Vice Chancellor and Principal needed to make a fresh beginning, with his authority based on legitimate legal instruments, and this is where the office of his Legal Adviser became invaluable. The first major assignment for the Legal Adviser was to draft an Act and Statute for the University of Venda. These two legal instruments later became known as the University of Venda Act of 1996 (Act 89 of 1996) and the Statute of the University of Venda of 1998 (Government Gazzette No. 18659 of 1998 Vol. 392). The University of Venda Statute was made in accordance with section 32 of the Higher Education Act of 1997 (Act 101 of 1997). It should be noted that both the University of Venda Act of 1996 and the University of Venda Statute of 1998 have since been repealed, and they are discussed herein for historical purposes. The University of Venda Act was repealed by the Higher Education Amendment Act of 2001 (Act 23 of 2001). The University of Venda Statute was repealed by the University of Venda Statute of 2005 (No. 27558 of 2005).

The University of Venda Act of 1996, came before both the Constitution of the land as well as the Higher Education Act, but it should be noted here that in 1995, the ANC policy framework for Education and Training had already suggested policy proposals on the shape and structure of the higher education system, the provision and access to higher education and on research and governance. This laid the basis for the then University of Venda Act of 1996.

The process of drafting the above two legal instruments was long and arduous. The office of the Legal Adviser had to consult with all stakeholders within and outside the University. Stakeholders in this regard included Convocation,

students, staff and parents organisations. The University of Venda Act, in particular, was more problematic as it dealt with representation of constituencies, and other stakeholders on important and influential bodies like Council and Senate. The Council is responsible for the management, control and executive power of the University, whilst Senate is responsible for making recommendations to Council on all academic matters of the institution (Sections 8 and 9 of the then University of Venda Act of 1996, (Act 89 of 1996)).

The University of Venda draft proposal on the Act was finalised and approved by the Department of Education for submission to the National Parliament. Parliament sent two representatives from the Parliamentary Education Portfolio Committee to visit the institution to make sure that enough consultation took place. The two eminent members of parliament reported that all was well, thus paving the way for the Legal Adviser and the Vice Chancellor and Principal to present the draft Act proposals to the Parliamentary Education Portfolio Committee in Cape Town. The Act was finally passed. The passing of the University of Venda Act paved the way for the publication of the Statute of the University of Venda, which deals with procedural matters in fulfilling the substantive requirements of the University Act.

The repealed University of Venda Act of 1996, constituted the Council and the Senate, the most important governance structures of the University. Section 8(1) of the Act provided that the Council shall consist of

"(a) the principal
(b) the vice principal or vice principals
(c) any three experts designated by the Council
(d) four persons appointed by the Minister

(e) one person appointed by the Premier of the Northern Province after consultation with the Minister

(f) two persons elected by the Senate from among its members

(g) two persons elected by the convocation

(h) two persons designated by persons who, in terms of the Statute, are donors

(i) one academic employee of the University other than members of the Senate, elected by academic employees

(j) two students of the University elected by the Students' Representative Council

(k) one member of the service employees of the University, elected by the service employees

(l) one member of the administrative employees of the University, elected by the administrative employees

(m) one person designated by the Thohoyandou Town Council

(n) other persons, not exceeding six in number, designated by such bodies as may be determined by the Council".

The above composition of the Council of the University was then hailed as very progressive and inclusive, but a single omission in this governing structure would haunt the institution for many years to come, that is, the failure to include the traditional leaders upon whose land the University is situated. This is referred to as *trado* governance.

It is important, in order to understand the gravity of the problem, to look into the historical events that resulted in the University of Venda finding itself at its

present geographical location. This history was constructed from old files and documents that were obtained from different offices within the institution.

The University was established on the premises of the Dimani Agricultural high School which was relocated to a new area at Shayandima, eight kilometers away. The application to register Dimani Agricultural High School was granted on 5 April 1972. An application for permission to occupy ±350ha of land belonging to the Mphaphuli and Tshivhase Territorial Councils for schooling purposes, was lodged with the Magistrate's office by the Department of Education and Culture on 19 May 1972.

On 9 May 1973, the Department of 'Bantu' Administration and Development granted temporary authority for the allocation and occupation of a site approximately 373.7932ha in a location belonging to the Mphaphuli and Tshivhase Territorial Councils. This authority was granted to the Department of Education and Culture on condition the site was suitably fenced by the occupier within six months and buildings are erected within twelve months. These conditions were complied with. Architects De Beer and Swanepoel were engaged as early as March 1972.

On 10 September 1982, the Department of Education recommended to the Department of Urban Affairs that the latter transfer ownership of the site to the University of Venda. It was also recommended that the Department of Transport and Works effect the handing over of buildings and any relevant property attached to the school.

On 4 October 1982, Ministerial approval was granted by the Minister of Urban Affairs and Land Tenure that the site be transferred to the University of Venda.

The Department of Urban Affairs and Land Tenure felt that they could not object, as Dimani Agricultural High School was under the Department of Education. A farm by the name of Beuster was by then not yet handed over to the Venda Government and the Department of Education was to be informed accordingly as soon as the matter had been finalised.

On 07 July 1986, the University of Venda made an application to the Department of Education for more agricultural land for purposes of further research and training projects by the University. The Department of Education referred the matter to the Department of Urban Affairs and Land Tenure, which in turn referred the matter to the Department of Agriculture and Forestry.

On 15 March 1988, the Department of Education requested the Department of Urban Affairs to measure the additional ground on the southern side of the University campus and thereafter incorporate the new ground allocated to the University of Venda. The area on the North West, that is, the ground on Gota Sikhwivhilu of Ngovhela, had been measured, but the ground on Gota Mahwasane of Muledane was still to be measured and added to the former measured section.

On 13 February 1989, the University of Venda applied to acquire experimental farm Magazand 123MT for its Faculty of Agriculture for teaching purposes. On 10 August 1989, the Department of Urban Affairs and Land Tenure replied that the land was to be allocated to one of the senior Cabinet Ministers.

It is clear from the above that the process of acquisition of land by the University was not complete. Whilst ministerial approval had been granted, the

University needed to acquire real security over the land by way of registration against the title deeds. It is only after registration that true ownership would vest with the University. This would then enable the University to obtain loans and attract private investors to invest in student and staff housing.

The office of the Legal Adviser to the Vice Chancellor and Principal was once again assigned the duty of tackling the land registration issue. A brief account of what happened is presented below, as well as the current state of the land question at the University of Venda. This account is based on letters and memoranda found in the Legal Adviser's office.

After a thorough investigation of the matter, the University submitted an application for a Deed of Grant to the Thohoyandou Local Council (TLC) around 1996. The idea was to obtain a Deed of Grant and thereafter upgrade it to a Title Deed, which is a less difficult route. The TLC requested Council resolution empowering the Vice Chancellor to sign the papers on behalf of the University, and the resolution was submitted. It appeared later that the TLC appeared confused on the way forward. At one stage the University was even referred to the Department of Local Government and Housing to look for its file there. The latter was not sure whether the University should pay or not for the Deed of Grant, and promised to investigate the matter. They later reported that the University was liable to pay, since it is a public institution. They promised to come back to the University once a fee determination was finalised.

On 16 April 1997, the University received a letter from the TLC instructing it to pay an amount of R66 510 203.50 as a purchasing fee (See Annexure marked "1"). A meeting was hurriedly arranged with the TLC to address the issue. The

then Vice Principal : Administration, and the Legal Adviser to the Vice Chancellor and Principal represented the University at a meeting held in the office of the Chief Executive Officer (Town Clerk). Here they were assured that the purchasing fee stated in the letter would be reconsidered, but that the University should get a letter from the Territorial Councils/Chiefs on whose site the University is situated, to back their application for a Deed of Grant.

The matter took some time before they heared from the TLC, and a decision was taken to at least apply for a Permission to Occupy certificate, pending their issuing of the Deed of Grant. This Permission to Occupy certificate was due to be upgraded at a later stage to a Title Deed. The TLC told the University to delay its application pending their meeting around November 1997, where a decision on the University's application for a Deed of Grant would be made.

The University subsequently arranged to meet with the Tshivhase Territorial Council to garner their support. A meeting was arranged with Chief Kennedy Tshivhase on 20 March 1998, and once again the Vice Principal, Dr V N Vera, and the Legal Advisor to the Principal, visited the Territorial Council to put forward the University's case. They were surprised by the attitude of the Council who, once again, demanded to know what they were going to receive from the University in return for their support. It was made clear to them that their King would be honoured by *inter alia* naming some buildings within the institution after him, which did not appear to be satisfactory to them (See Annexure marked "2").

On 12 August 1998, the University received a letter from the Greater Thohoyandou Local Council inviting them, once again to visit their offices to be

assisted with the process of registration. The letter stated further that the University would only be allowed to register the whole area where the University is situated up to the Mvudi river on the south of the property (See Annexure marked "3"). It is clear here that the TLC was aiming to expropriate a large area of the University site for itself. This was not acceptable to the University. At one stage the University was instructed to submit a rolling plan to justify the need to register the whole land, and such a plan was submitted.

It was clear that the Greater Thohoyandou Transitional Council (now Thulamela Municipality) were refusing or unwilling to co-operate with the University in this matter. The University has had several meetings with them, and at one stage a Town Planner with the Limpopo Provincial Government was invited to give expert advice on procedures to follow to enable them to finalise the matter, but this did not help. Still the municipality continued to send the institution from pillar to post. It is for this reason that the University once contemplated taking the case to court, to compel the necessary offices in government to register the land. Efforts to apply for a Permission to Occupy certificate from the Department of Land, Housing and Local Government were frustrated by lack of co-operation from the Tshivhase Territorial Council.

There is an interesting background to the attitudes displayed by both the Tshivhase Territorial Council and the Thohoyandou Local Council (the latter was later re-named the Thulamela Municipality). It was during this time that the two main traditional houses in Venda were fighting to be declared the sole king of the Vha-Venda people. The two traditional houses are the Mphephu and Tshivhase traditional houses. This battle for power was taking place in the background of two commissions of enquiry which were appointed to investigate

into the matter, viz, the Mushasha Commission (1988 – 1990) appointed by the former Venda Homeland Leader Brigadier Ramushwana, to investigate the traditional leadership disputes in Venda, and the Ralushai Commission (1996 – 1998) which was appointed by the Premier of the Limpopo Province Adv. Ngoako Ramatlodi to investigate the traditional leadership dispute in the Limpopo Province. The latter commission's report, in particular, was so sensitive that the then Premier of Limpopo Province embargoed it, and handed it to the Minister of Local Government and Housing, Sydney Mufamadi, to handle. It would transpire at a later stage that the report confirmed the Mphephu House of traditional leaders as the authentic house to the throne as king of the Vha-Venda people. This created a problem for the African National Congress-led Provincial Government, as King Kennedy Tshivhase who was their member and also a member of parliament, was left out of the reckoning. The matter was left to be handled by President Thabo Mbeki at national level, and he has accordingly appointed a commission to look into the matter (Nhlapo Commission, 2004 – Current).

The University of Venda is situated in Thohoyandou and is surrounded on the east by headman Mahwasane, on the west by headman Masiagwala and on the north west by headman Sikhwivhilu. All these headmen owe their allegiance to King Kennedy Tshivhase. In fact, the University of Venda was built on the land held in trust by King Kennedy Tshivhase for his people. The issue that also compounded the problem was that the mayor of Thulamela Municipality is Chief T Makumbane, an African National Congress member, and who pays his allegiance to King Kennedy Tshivhase.

The University of Venda under the Vice Chancellor and Principal's leadership made a tactical mistake by giving the impression that they support the Mphephu house of traditional leaders over that of Tshivhase. King Mphephu was indeed invited to several University of Venda functions, where he was entertained by the Vice Chancellor and Principal and members of his executive management (Nemadzivhanani : 2005). This did not please the Tshivhase traditional house, as they felt they were being marginalised.

It was therefore not surprising when on 4 April 2005, the Tshivhase Territorial Council wrote a letter to the company hired by the University, to erect a fence, requesting them to stop the erection of the said fence. The letter was received by the University on 5 April 2005, and was immediately dispatched to the office of the Legal Adviser for his urgent opinion (See Annexure marked "4").

On 7 April 2005, the Legal Adviser to the Vice Chancellor and Principal advised the University to proceed in two ways; firstly in terms of the Communal Land Rights Act of 2004 (Act 11 of 2004). The Minister of Land Affairs may, in terms of this Act, appoint a Land Rights Enquirer to do an enquiry on the land and thereafter send recommendations to the Minister for his determination. Secondly, the University could approach the court for the latter to confirm ownership of the land on the basis of prescription. Section 33 of the Deeds Registry's Act allows any person who has had an undisturbed occupation of the land for a period of not less than thirty years to approach the court for this kind of confirmation (See Annexure marked "5"). The University is, at the time of this research, still undecided on the way forward.

The second most important governance structure of the University is the Senate Section 9(1) of the repealed University of Venda Act of 1996 (Act 89 of 1996) constituted the Senate of the University as follows:

"(a)the principal, who shall be the chairperson
(b) the vice chancellor or vice principals, one of whom shall be designated by the principal to be the chairperson, in the absence of the principal

(c) two members of the council, elected by the council

(d) all deans of schools

(e) all heads of academic departments

(f) fifty percent of the professors of the university who are not deans or heads of academic departments, elected by the professors from their own ranks : provided there shall be at least one professor from each school

(g) thirty percent of the senior lecturers of the university who are not deans or heads of academic departments, elected by the senior lecturers from their own ranks : provided there shall be at least one senior lecturer from each school

(h) ten percent of the lecturers of the university who are not deans or head of academic departments, elected by the lecturers from their own ranks : provided there shall be at least one lecturer from each school

(i) the chief librarian of the university

(j) a director or head of a bureau, section or department of the university designated by the council

(k) one student, other than a first year student, for each school, elected by the students of the school concerned; and

(l) the directors of academic centres and institutes".

The above composition of Senate was hailed as the first of its kind in the country, in that it is all inclusive and transformatory. Stakeholders, particularly students, were pleased with this development.

The third most important governance structure is the Institutional Forum. This forum was not created by the University of Venda Act of 1996, but by the Statute of the University of 1998. It should be noted however that the Higher Education Act of 1997 (Act 101 of 1997) makes the Institutional Forum mandatory. The Institutional Forum could not be created by the University of Venda Act of 1996, as the Higher Education Act only came into effect in 1997.

The Institutional Forum was created by Chapter 6 of the Statute of the University of Venda, of 1988 (No 18659 of 1988), replacing the Broad Transformation Committee, which existed during the period of appointment of the Vice Chancellor and Principal.

Section 68 of the repealed Statute provided that "the Institutional Forum is a committee of Council that retains its operational independence. In the event of the Institutional Forum holding a view that is at variance with Council's opinion on a particular matter, the opinion of Council prevails". The forum comprises all statutory and non-statutory bodies at the University which are recognized by Council.

The functions of the Institutional Forum are *inter alia* to develop a framework of values and principles that will ensure maximum representativity of all

structures on campus in the decision making organs of the University. Secondly it needs to facilitate the transformation of curricula to address core issues of the society and lastly to serve as a consultative forum for all issues relevant to the work of the University.

The composition of the Institutional Forum was later altered to be in line with the Higher Education Act 101 of 1997 (Act 101 of 1997). The Act provides for the Constitution of the Institutional Forum (IF) as follows: The IF consists of representatives of

"(a) management,
(b) the council,
(c) the senate,
(d) the academic employees,
(e) the employees other than academic employees,
(f) the students,
(g) the convocation, and
(h) such other statutory and non-statutory bodies at the University which are recognized by Council."

Structures in the Institutional Forum are represented by three members. The functions of the Institutional Forum are to advise the Council of the University on issues affecting the institution including

" (i) the implementation of the Higher Education Act of 1997 (Act 101 of 1997)
(ii) race and gender equity policies
(iii) selection of candidates for senior management positions
(iv) code of conduct, mediation and dispute resolution procedures as well as the cultivation of an institutional culture which promotes

tolerance and respect for fundamental human rights, and the creation of an appropriate environment for teaching, research and learning, and finally

(v) to perform such functions as Council may determine from time to time".

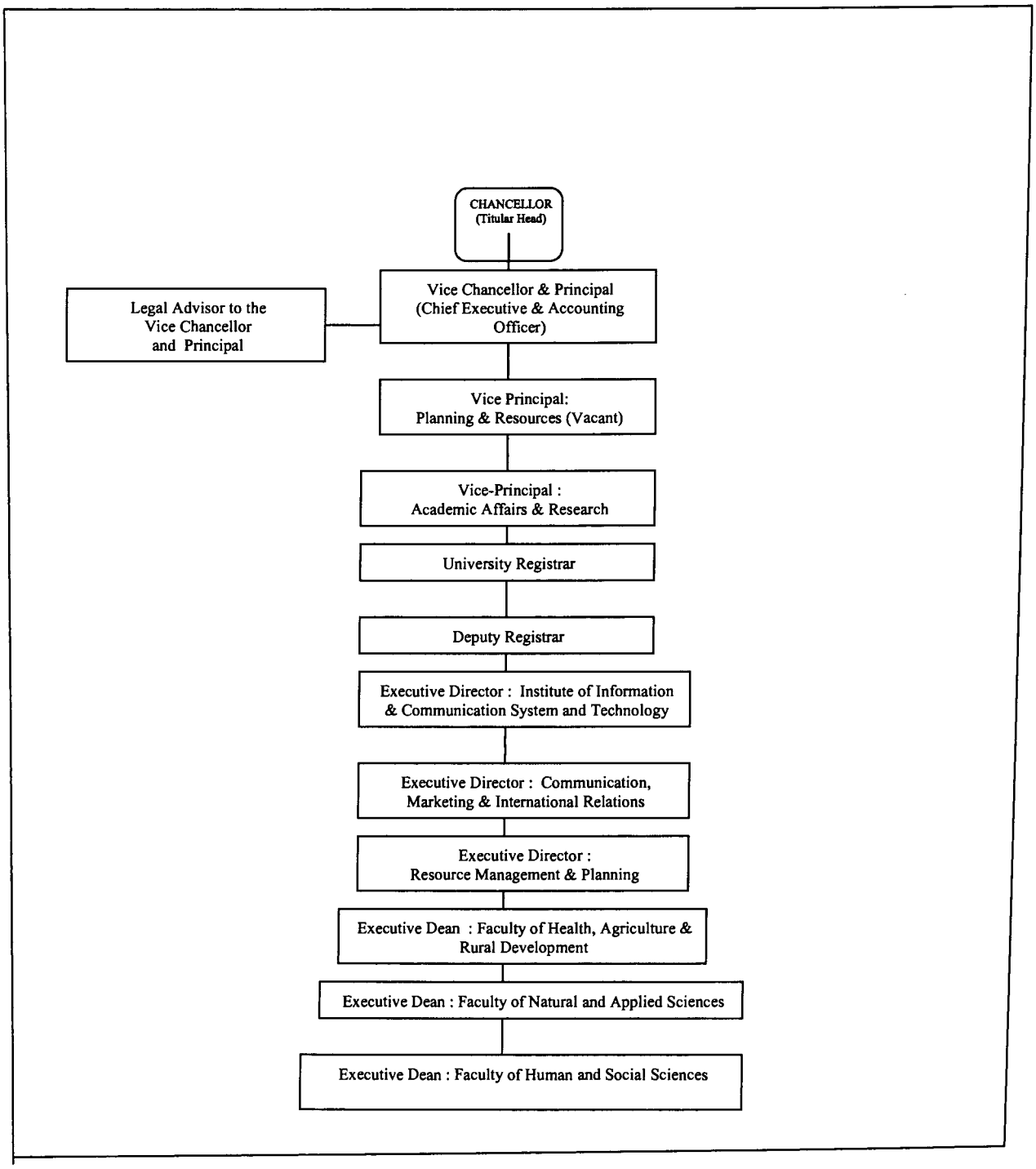
The University of Venda Institutional Forum, it would seem, lies dormant and only springs to action when new senior appointments are to be made. This is when efforts are made to hurriedly assemble the unit (Manenzhe: 2002).

The University also has Academic Faculty Boards, one per faculty and two Administrative Boards. The Faculty Boards make recommendations to Senate on academic issues, whereas the Administrative Boards make recommendations to Executive Management on administrative issues. Administrative Boards are informal structures that are not created by any University formal policy or any legal instruments.

5.3. Leadership at the University of Venda

The current top leadership echelon of the University of Venda, is as follows:-

Figure 4 : Organogram of the Leadership at the University of Venda



Source : University of Venda Calendar, 2005

The Chancellor is the titular head at the University of Venda and his/her function is to confer all degrees and award all diplomas on behalf of the University, subject to law (Section 2, Chapter 3 of the University of Venda Statute of 2005 (No. 27558 of 2005). Section 8 of the Statute provides that the Vice Chancellor and Principal is the Chief Executive and Accounting Officer of the University. He/she also exercises the functions of the Chancellor in his/her absence.

The Vice Chancellor and Principal in exercising his functions, would normally appoint senior officers within the institution to constitute his executive team. There were no Executive Directors and Executive Deans when Prof Nkondo was appointed Vice Chancellor and Principal in 1995. He therefore assembled a team made up of all Directors of Administrative Departments, his Deputy Vice Chancellor/s and Registrar to constitute an informal and non-statutory body called Executive Management (Nemadzivhanani : 2005).

The above was to change during Prof Nkondo's second term in office, that is, 2001 – 2005, when a Strategic Plan (2001 – 2005) was developed. This Strategic Plan was only in operation for about two years of the initially planned five years, when a new Strategic Plan (2003 – 2008) was formulated. The reasons given for the development of the new Strategic Plan was that positive developments had taken place in a few critical areas, namely:

" ***(a) The creation of a new Executive management Structure to provide a co-ordinated institutional leadership, along with the creation of three(3) posts of Executive Faculty Deans as well as three posts of Executive Directors.***

(b) The merger of schools which led into the rationalization of the academic structure by the creation of a faculty system

(c) The creation of an Executive management Committee which is academic biased in its composition. The academic function is now regarded as a core function of the University.

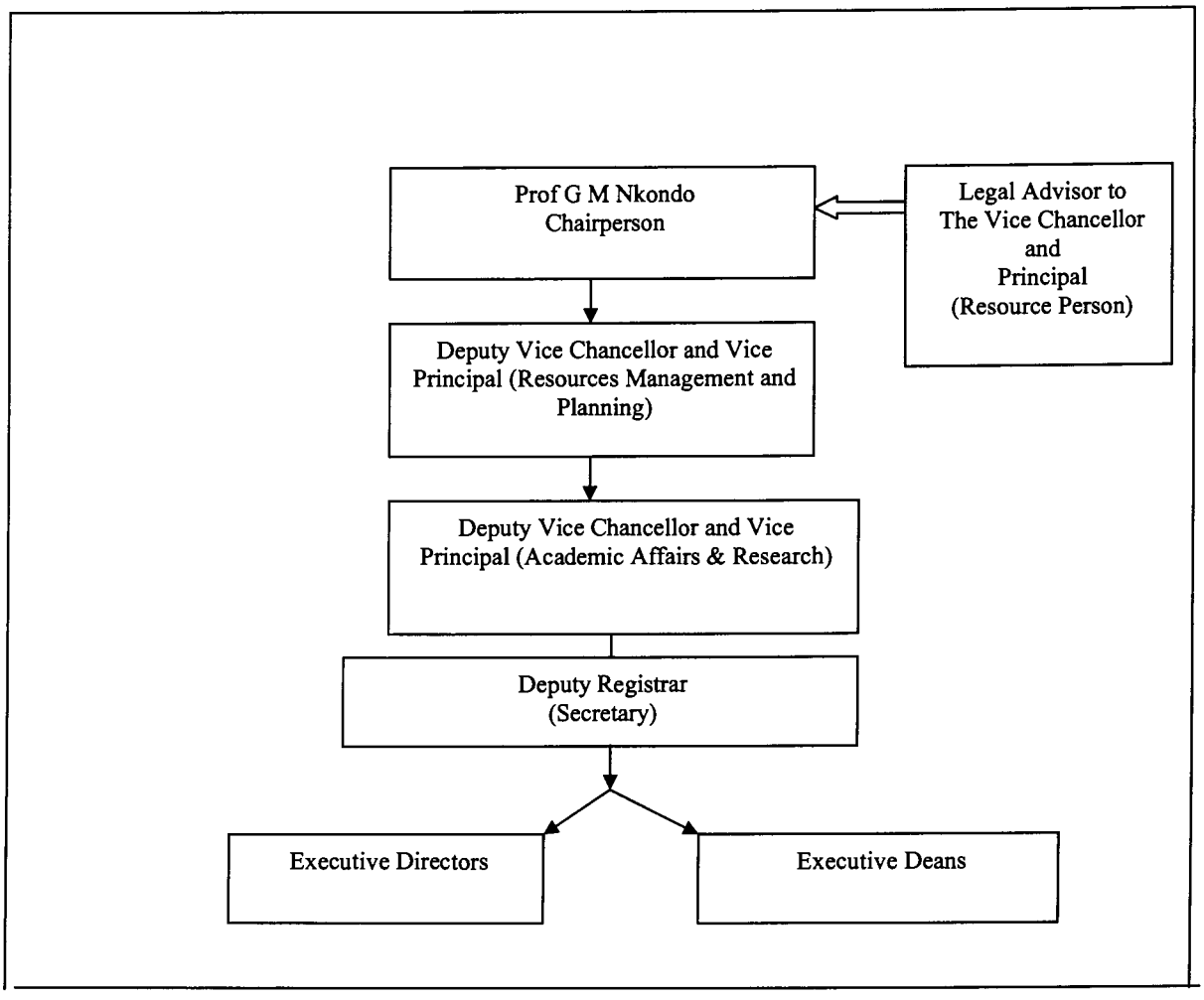
(d) The improvement of gender equity in top management positions by an endeavour to appoint an equal number of males and females.

(e) An effort to strengthen and harmonise information technology, and University Communication Systems by appointing two executive deans for the two portfolios respectively."

The primary objectives of the Strategic Plan (2003 – 2008) were *inter alia* to consolidate the existing university - wide curriculum into school - wide core curricula, an improvement of efficiency and effectiveness in the governance and management of all functions of the University as well as a sustenance and enhancement of existing research capacity and other knowledge outputs required for the development of excellence and expertise in line with the University mission statement.

After the appointment of Executive Directors and Executive Deans, the Vice Chancellor and Principal's Executive Management Committee took the following shape:

Figure 5 : Executive Management Committee



(Source : Nemadzivhanani, 2004)

It was in 1998, however, during the period of the initial Executive Management, that the University leadership's mettle was to be tested. The events of this period were captured in the report by the Legal Advisor to the Council of the University, entitled Status Report on the Situation on Campus : 1998 Academic Year. The report was signed by the Vice Chancellor and Principal and presented to the Council of the University by the Legal Adviser.

Problems during the 1998 academic year at the University of Venda started in 1997 when Council, after consulting the stakeholders on campus, including the outgoing SRC, raised student fees by 13%. On 27 January 1998, the SRC executive issued a notice calling upon the student body not to pay the increased fees, thereby interfering with the registration process. Class boycotts and the subsequent damage to property that followed is well captured in the status report. (See annexure marked "6").

The student uprising of 1998 at the University of Venda was a wake up call, to both management and Council. In essence, the University was called upon to examine their leadership style, with a view to either improving or changing it. Specific areas that were to be reconsidered were communication and consultation. Management should know when and how to consult, when crucial decisions are to be taken.

It is interesting that University Management, after the events of 1998, shifted student authority from the SRC to a Student Representative Assembly, where all organisations are represented on a proportional basis. This is like a real national parliament, with the Speaker of the Assembly. It is hoped this will indeed bring a semblance of stability and transparency on how decisions are taken and implemented.

It is ironic that even as late as 2003, student perceptions were still that in adequate consultations were being carried out by management on crucial issues. Tshisevhe (2003), who in 2003 was Deputy Chairperson : Sports Council in the Student Representative Assembly at the University, was concerned about the

lack of consultation by management on issues affecting students. He cites as an example a case on 21 July 2003, where fifty eight (58) students were arrested for protesting against Management's dictatorial style of leadership in imposing a new pattern of payment of fees. This is corroborated by another student leader, Mahada (2003), who is also of the view that even when students are consulted, which rarely happens, their inputs are completely ignored by management.

Sikhwivhilu (2003) who was a student at the University of Venda also alludes to inadequate consultation at the University of Venda by management on governance issues that affect students. She however admits that the Student Representative Assembly was sometimes consulted but the consultation was in sufficient.

Another area where managements' leadership skills were tested is the area of dispute resolution. A leader who refuses to face problems head-on and deal with them, often hides behind the mask of punishment. It is common cause that there will always be indolent staff members who are not willing or are negligent in carrying out their duties at the work place. It is however crucial that the institution be seen to be fostering discipline in a consistent way. Thakhathi (2002) who was then Deputy Vice Chancellor and Vice Principal : Resource Management and Planning, and has since left the institution, was of the view that the University of Venda uses only the disciplinary code of conduct to correct wrong behaviour, instead of other processes like counseling, mediation and conciliation which should preferably be used.

The above averments by Thakhathi (2002) are not supported by practical events on the ground. A case in point is that of the Deputy Director : Centre for Quality of Life. The Deputy Director lodged a grievance against the Vice Chancellor and Principal with Council, in February 2005 (See Annexure marked "7"). On 7 March 2005 her grievance was discussed by the Staff Affairs Committee, a Committee of Council. A letter was written to her on 10 March 2005 by the Secretary of the Staff Affairs Committee, advising her that an independent person would be appointed to investigate the grievance and report back to the Committee (See Annexure "8"). On the same date that the grievance was discussed at the Staff Affairs Committee, the Vice Chancellor and Principal suspended the Deputy Director from her duties, pending finalisation of her disciplinary enquiry, on charges of insubordination (See Annexure marked "9").

The report by the Legal Adviser to the Vice Chancellor and Principal commissioned by the Chairperson of Council clearly shows that disciplinary enquiries had become the order of the day at the University of Venda (See Annexure marked "10").

A soul searching case is that of Fhumulani Ratshitanga / University of Venda (2002). Mr Ratshitanga was employed by the University and his employment was terminated without a disciplinary hearing. The Legal Adviser to the Vice Chancellor and Principal wrote an opinion advising that the procedure followed was not in accordance with the law. The advice was ignored and Ratshitanga took the case to the Commission for Conciliation, Mediation and Arbitration. The case was handed to University attorneys to proceed with arbitration. The University conceded defeat at the last moment, and the matter was settled. The

dismissed employee was paid R88 389.55 and University attorneys were paid R40 707.45 in fees.

Another case was that of Thinandavha John Nnzeru / University of Venda (2003). This is a case where a staff member was charged at the instructions of the Vice Chancellor and Principal. The Legal Adviser's opinion was not even welcome. Mr Nnzeru appealed to the Council of the University after he was found guilty by the committee appointed by the Vice Chancellor and Principal. The University Council reversed the conviction and the staff member was acquitted. University resources were needlessly wasted in this case.

One other case in the report is that of the University of Venda / Mrs F E M Olivier (2003). In this case Mrs F E M Olivier, whilst attending a School Board meeting on 9 April 2003, allegedly "got furious when called to order, and stormed out of the meeting in full view of other members of the Board". The matter was brought to the attention of the Legal Adviser to the Vice Chancellor and Principal, and he recommended that the staff member not be charged, especially because she submitted a letter from the doctor indicating she had a bladder infection, the reason she left the meeting. On 25 June 2003, the Vice Chancellor and Principal rejected his Legal Adviser's advice and instead opted for a second opinion from a staff member in the School of Management Sciences and Law. The original staff member was brought to an enquiry where she was found not guilty. Again, university resources were wasted.

It is clear from the above cases and also others reflected in the report to the Chairperson of Council, that disciplinary enquiries are often used to mask a lack

of appropriate leadership qualities. The Council of the University resolved after the report was discussed, to instruct the Vice Chancellor and Principal to comply with the opinions of his Legal Adviser on all University matters. It is unfortunate that the Vice Chancellor and Principal continued to defy Council in this regard (See Annexure marked "11" and "12").

The above report to the Chairperson of Council by the Legal Adviser to the Vice Chancellor and Principal (2004) also contained two disturbing scenarios that reflect very badly on the leadership within the University. These events relate to the Statute of the University of Venda as well as Senate elections.

The Legal Adviser was on sabbatical leave in 2001 and 2002 when he learned that the private Acts of Universities, including the University of Venda, had been repealed by the Higher Education Amendment Act of 2001 (Act 23 of 2001). He alerted the office of the Vice Chancellor and Principal immediately after returning from long leave in 2002, and he also initiated a process of amending the University Statute. He had already incorporated the provisions of the repealed Act into a revised draft Statute and called for inputs from University structures when the Principal told him to stop, instructing that the Legal Services Committee, chaired by a staff member in the School of Management Sciences and Law, should deal with the revision of the Statute.

The Legal Adviser was surprised by this sudden move by the Principal. The Legal Adviser was earlier responsible for driving the process that led to the promulgation of the repealed University of Venda Act of 1996 (Act 89 of 1996), as well as the University of Venda Statute of 1998 (No 18659 of 1998).

On 3 March 2003, the Legal Adviser went to the Principal's office with a view to persuading him to allow his office to drive the revision of the University Statute, as he was of the opinion that it was urgent. This failed to move the Vice Chancellor and Principal.

It should be noted that the Legal Services Committee was a committee of men and women, some of whom had no legal knowledge or background, appointed by the Principal to advise him on matters of interest. A year elapsed and nothing had been done on the Statute by the committee, until the Principal returned the responsibility back to the office of the Legal Adviser. It was unfortunate that by this time, the two years grace period allowed by the Higher Education Amendment Act, had lapsed.

It meant that, after the lapse of the two year grace period, the University of Venda Act of 1996, was no longer in operation and the University of Venda was operating in a vacuum. The Legal Adviser's worst fears were realised when the term of the Senate members of the University expired, and there was a need to reconstitute it. This could not legally be done, as the composition of Senate was regulated in the repealed Act, and the new Statute wherein the composition of Senate has to be incorporated, was not finalised.

The Vice Chancellor and Principal insisted, despite legal advice to the contrary,from his Legal Adviser, that elections for the reconstitution of Senate be held in terms of the repealed Act. A private company was hired for this job and was paid an amount of R35 000-00.

The legal implications of this laxity on the part of the University leadership are too ghastly to contemplate. It might mean that all decisions taken by the Senate after the expiry date of its members' terms of office in December 2003 are *void ab initio*. It might also mean that all decisions taken by the newly elected "Senate" are also invalid, since the new body was constituted in terms of an invalid (repealed) Act of Parliament. The above posed a serious crisis for the University. All the above could have been avoided, had the Vice Chancellor and Principal been a rational actor in the circumstances.

In December 2002, the National Department of Education gave the University of Venda a new mandate, namely, that it transforms itself into a comprehensive institution with technikon type programmes and a limited number of degree courses (See Annexure marked "13").

The University decided to formulate a Business Plan derived from the Strategic Plan 2003 – 2008, which strategic plan is located within the context of the objectives of the national framework for the transformation of Higher Education. The task of formulating the Business Plan (2005 – 2010) became an arduous and costly one, with the University paying outside consultants an astronomical figure. Consultants were hurriedly brought into the campus by management without the latter having done their ground work. The consultants ended up producing a working plan which could not be accepted by the Council of the University. University management had to hire an outside senior counsel to approach the consultants for a reduction of their fees. The outside senior legal counsel also came at a fee. After this debacle University management resorted

to using internal resources to produce what became Business Plan (2005 – 2010). The plan has been submitted to the National Department of Education for approval (Nemadzivhanani : 2005).

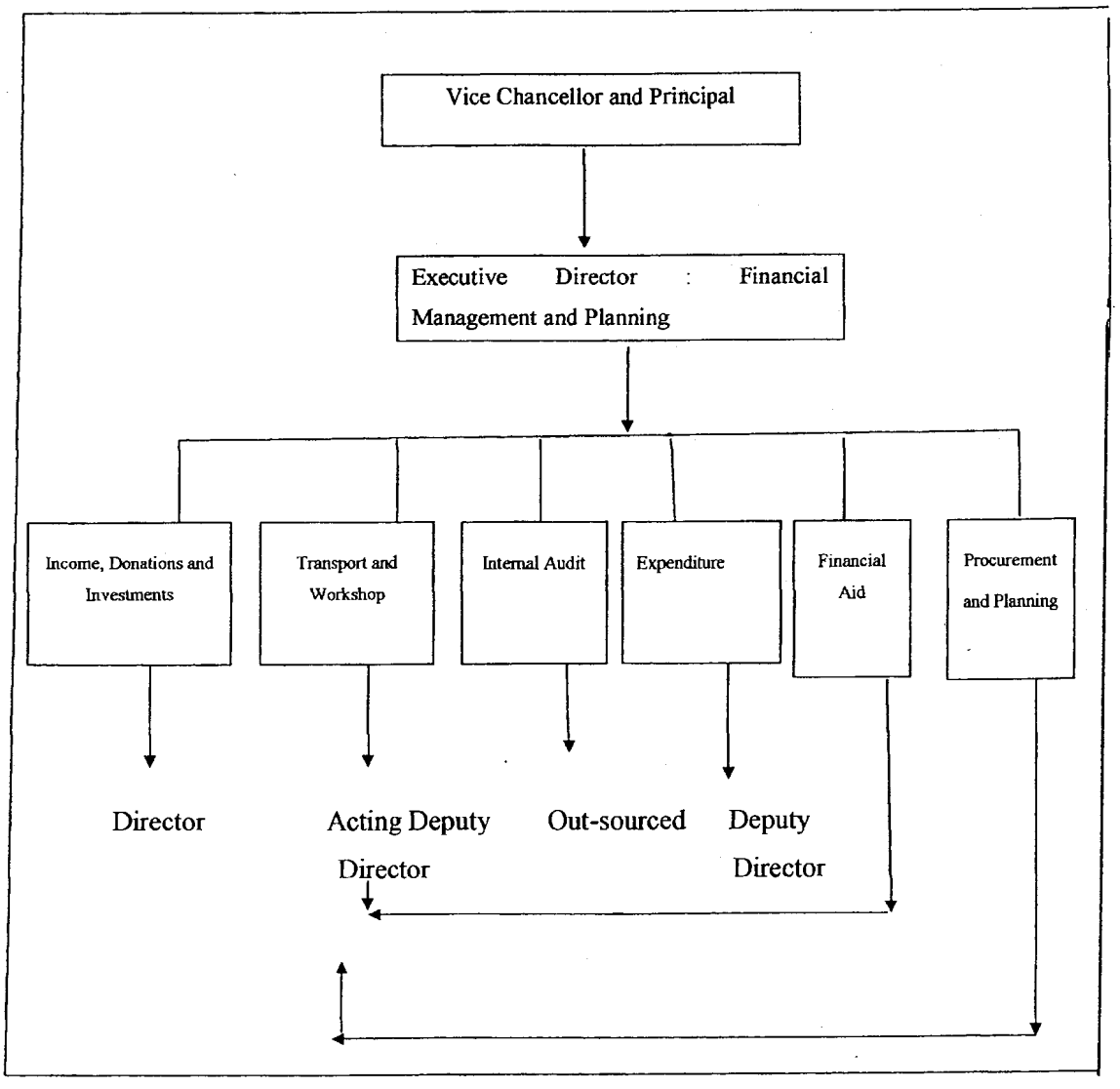
The total estimated resources, planning and management costs for the five year circle of the Business Plan is R313 239 256 (Business Plan 2005 – 2010). The University expects the National Department of Education to fund the transformation, and the question which arises is whether the current leadership of the University has the required financial discipline and capacity to manage the proposed funding. The next section will attempt to answer this question.

5.4. Financial Management at the University of Venda

One area of national interest within the University of Venda has been financial management. The area of financial management at a tertiary institution affects all managers alike, academic or non-academic. It is, however, the Vice Chancellor and Principal, as the Chief Executive Officer, who is ultimately accountable to Council on all aspects of financial management.

The structure of the Financial Management and Planning Department at the University of Venda is as follows:-

Figure 6 : Organogram : Financial Management and Planning



Source : (University of Venda Calendar : 2005)

The Financial Management and Planning Department at the University is headed by an Executive Director who reports directly to the Vice Chancellor and Principal. Then follow six main sections, namely, Income, Donations and Investments; Internal Audit; Expenditure; Financial Aid; Procurement and Planning; and Transport and Workshop.

The Income, Donations and Investment section is headed by a director who reports directly to the Executive Director. The Expenditure section is headed by a Deputy Director, who also reports to the Executive Director. The Financial Aid, Procurement and Planning, and Transport sections are headed by an Acting Deputy Director. The Internal Audit function is outsourced (University of Venda Calendar : 2005).

5.4.1. Analysis of the role of the Finance Department at the University of Venda

The Higher Education Act of 1997 (Act 101 of 1997) prescribes *inter alia* what the funds of the public higher education institute consist of, namely funds allocated by the minister, any donations or contributions received by the institution, monies raised by the institution, money raised by means of loans and overdrafts, income derived from investments, money received for services rendered to any other institution or person, money payable by students for higher education programmes and other receipts from whatever source.

There is no doubt that conditions confronting higher education institutions have become more demanding of good management over the past two decades.

Constant dividing of resources and increasing competition among public and private higher education institutions are examples of causes that have contributed to this challenging situation.

The pressure on higher education institutions to adopt the best financial management practices under their increasingly difficult economic conditions is to a large extent dependent on the availability of the most qualified staff who act in accordance with best financial practices. The University of Venda has an attractive policy on recruitment and appointment which, if followed to the letter, could set the institution on the road to excellence and efficiency. The policy demands experience and qualifications as a basis for appointments at all levels (University of Venda Council Policy (1996, Policy No Cos/22/11)).

The promotion of economy, efficiency and effectiveness depends on adequate management measures for *inter alia*, planning, budgeting, authorisation, control and evaluation of procurement processes and utilisation of resources. The Higher Education Act of 1997 requires the University to report on its financial condition in compliance, as far as possible, with national and international standards of financial reporting, as codified in the South African Statements of Generally Accepted Accounting Practice (GAAP).

Financial management basically concerns two distinct functions : financial accounting and management accounting. Financial accounting is primarily concerned with the recording of all transactions that make up the income and expenditure account and the related matter of payment of creditors as well as collection of income from debtors. Management accounting is primarily concerned with the key areas of budgeting and forecasting, the reporting of

financial information to budget holders, and the related financial support to budget managers.

Sobti (1987 : 9 – 31) provides general principles of financial management and control. The author gives as the main functions of the Finance Department, receipt of money, expenditure and payment of monies, ordering and accounting for supplies, maintenance of accounts, contracts, defalcation and losses, financial concurrence, financial and budgetary control, as well as the audit function.

Accordingly, the administration of a university, including its financial management, is geared towards serving the core areas of teaching, community outreach and research. It is crucial that this purpose is always remembered in all institutional dealings. Co-ordinated co-operation by all component units of a university will lead to efficiency in financial management.

An officer required by internal (legal) instruments of the university, or any other authorised person must be responsible for the proper collection and application of funds at the disposal of the institution. In exercising this duty, rules of procedure in the finance manual or code should always be complied with. All transactions that involve the taking and disbursement of cash, stores, other properties, rights, privileges and concessions with monetary value, should be brought to account at once under an appropriate heading. Every employee within the university is personally accountable for the money which passes through his hands and for the proper recording of receipts and payments in the necessary accounts (Sobti, 1987: 9 – 31).

The financial records and accounts of the university shall always be maintained. This maintenance should be done separately for each accounting year in the prescribed registers and forms. The Vice Chancellor of the institution should be the only person who can approve any addition, alteration or modification of any register or form prescribed in the financial code, subject to the approval of Council through its executive committee.

Benjamin (1996: 1 - 200) posits that the main functions within the finance department *inter alia* involve financial accounting, treasury management, purchasing, costing and pricing in research and consultancy, management accounting (devolved budgeting) as well as information technology budgeting. According to Benjamin (1996), financial accounting comprises the preparation of annual accounts, the maintenance of a nominal ledger, which comprises details of all transactions that have taken place, the maintenance of an accounts receivable ledger, which records all debts owed to the institution, the maintenance of an accounts payable ledger, which records details of all payments made to suppliers of goods and services, the maintenance of a fixed assets register, the provision of a payroll facility, VAT and taxation records, the investment of surplus cash funds through adequate treasury management, the provision of cashier and audit functions, the undertaking of purchasing and maintenance of all procedures pertaining to marketing and lastly the maintenance of the institution's financial regulations.

Treasury management basically manages cash, to ensure that the university maximises its cash resources, whilst subsequently minimising its payments on

interest. This involves making sure that funds are acquired at the least possible rate, whilst the return on surplus cash is enhanced. This improves liquidity by bringing money into the university quickly, while paying suppliers at the last possible moment. Surplus cash is then invested immediately (Benjamin, 1996 : 1 - 200).

Purchasing is a further area of concern to higher education institutions, since it is important to ensure value for money. This offers a very real opportunity to reduce operating costs of the university, through the negotiation of lower prices for the goods and services purchased. In most institutions, the purchase of goods come second to salaries as the highest element of expenditure.

It is crucial therefore that purchasing needs to be coordinated across the institution to maximise purchasing power and curtail duplication. Only skilled staff should be employed and the items purchased should be necessary for the institution. It is of utmost importance to have purchasing or procurement procedures documented in a manual, and also proper controls to enforce compliance with the manual. Purchasing information should be made freely available and the staff dealing with procurement should be given support through appropriate training, effective performance management as well as career development.

Centralised purchasing appears to be the norm. In this case acquisitions are received at a central point and orders are made by the central purchasing department. It becomes easy to enforce agreements with approved suppliers and also to ensure that tenders are placed and that purchasing power is maximised.

This is achieved *inter alia* by negotiating discounts for bulk purchases, thereby getting value for money.

In cases where devolution is strong, the purchasing function is a combination of both centralised and departmental purchasing. It is absolutely vital in this kind of environment that clear communication of all purchasing arrangements is made to all those who are responsible for purchasing. This can be done through a purchasing code.

Costing and pricing in research and consultancy are also crucial for a higher education institution, especially in institutions that are research oriented. There is encouragement from government for institutions to increase their funding base from non-governmental sources. The University of Venda should therefore be encouraged to increase their funding from both research and consultancy. In determining the amount to be charged for contracts of research and other consulting services, the University must have due regard for the need for a cost benefit analysis with a view to recover all costs, unless the institution considers it appropriate to do otherwise, depending on prevailing circumstances. The University is obliged to ensure that in the latter case, it is aware of the extent to which it will be providing its own resources towards the cost of the project. The dilemma in higher education institutions is that academic staff tend to be driven by academic excellence rather than financial considerations (Benjamin,1996 : 1 - 200).

Budgeting has been discussed in detail above, but Benjamin (1996: 75) analyses devolved or delegated budgeting as a very important factor. A major

development within universities today has been the evolution of delegated budgeting. Executive managers have come to the realisation that bureaucratic and hierarchical budgeting is not yielding positive results for their institutions. They have come to realize that decisions and effective responses are achieved better through decentralised financial administration. Delegated budgeting, however, needs to be implemented within the context of the broad mission statement of the university, as school or faculties cannot be considered to be autonomous institutions. All budget holders need to work within the framework of a well defined plan, otherwise sub-optimisation will occur, whereby a function maximises its own agenda or goals for an objective whose impact on the overall running of the institution is negligible. Managers have to exercise their discretion to determine the use of their budgets for purposes of achieving pre-determined objectives agreed with senior institutional managers. At the end of the financial year, they need to account for the fulfillment of these objectives within the overall, budgetary limitations. Delegated budgets can, if well implemented, be a means of securing the most efficient and effective use of resources, by empowering those who are most directly involved in the delivery of core and support activities. But poor management of delegated budgets can sometimes lead to over-expenditure and financial disasters.

The dilemma for senior institutional managers is where to place the professional financial support for budget managers, for which there are two available options. The first is the provision of professional financial support within the budget managers' area of responsibility. The second is to provide professional financial support by the centre to individual budget managers. Under the former option, the centre's role is reduced to setting standards and consolidating

information received from individual budget holders. The lurking dangers with this method are fragmentation, inconsistency in approach, huge operating costs and negligible cost-benefit. The Finance Department at the University of Venda is also required to comply with the South African statements of Generally Accepted Accounting Practice (GAAP). This is a requirement in the Financial Manual for higher education institutions (2000).

The University of Venda has not been spared from the impact of new technology. Accounting systems are available to produce annual accounts to control the University's finances and to provide crucial information for major stakeholders. This information might be lacking in many respects. The role of management accounting is to adapt the information contained within the financial accounts through access to information, and to use the information in a fruitful way. Modern accounting software packages are useful in this regard. In setting up the system, attention should be paid to the coding structure to be adopted, to avoid more frustrations for users in the form of complicated access to data.

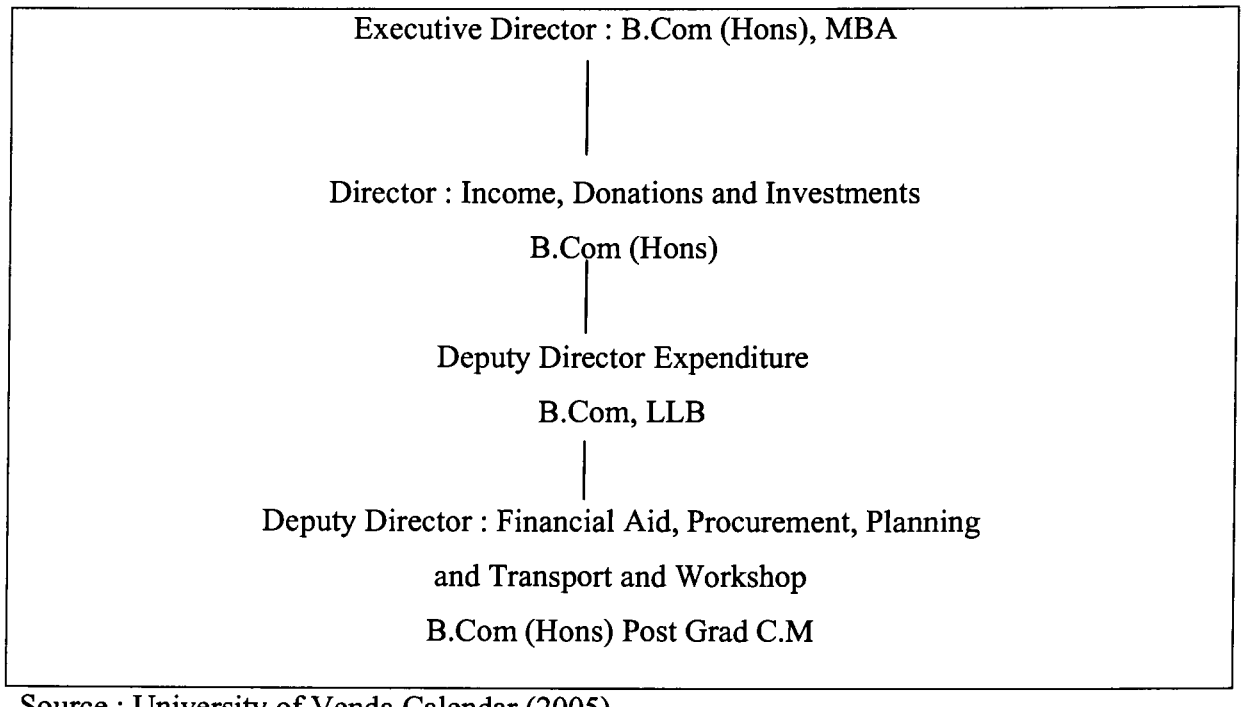
It is clear from the above analysis that the Department of Finance is the engine room of any tertiary institution. It is crucial therefore that staff members operating in this department be qualified to fulfill the required roles of such a department.

5.4.2. Staff Competencies within the Finance Department at the University of Venda

The qualifications of staff members within the Financial Management and Planning Department at the University of Venda are as follows : The Executive Director has B.Com (Hons) and MBA degrees. The Income, Donations and

Investments section is headed by a Director with B.Com and B.Com (Hons) degrees. The expenditure section is headed by a Deputy Director with B.Com and LLB degrees. The Financial Aid, Procurement and Planning and Transport sections are headed by an Acting Deputy Director with a B.Com(Hons) degree. The audit function is outsourced (University of Venda Calender : 2005).

Figure 7 : Qualifications of Senior Personnel : Financial Management and Planning



Source : University of Venda Calendar (2005)

Maphwanya (2002) the Deputy Director: Expenditure at the University stated that there is not an adequate staff complement in the Financial Management and Planning Department. According to him, there is a dire lack of incentives within the institution and the morale of employees is at its lowest.

It is equally clear from the question relating to adequacy of funds and liquidity within the University, that this institution is walking a tight rope. According to Malima (2002) the Director of Income, Donations and Investments, close to two thirds of the institution's revenue derives from government grants and the rest from student fees. It became clear during the interview that besides the two forms of revenue, no other alternative forms of funding such as investments, commercial activities or gifts and endowments were mentioned, even though one believes they happen, albeit on a low scale. This scenario calls for a reduction in expenditure by everybody, especially top management. It is clear that there can be no room for wastage of resources under such circumstances.

It is crucial that aggressive student debt collection measures be exercised. The University appears to be experiencing difficulties in recovering student debt, which stood at R49 million at the end of February 2006 (Student debtors report : 2006). It is a common sense understanding that the University should be seen to be using resources optimally. This in turn encourages parents and students to do their part in paying tuition and accommodation fees. Not only does this encourage parents and guardians of students to pay fees, but it is another way of attracting sponsors and private investors to invest at the University.

The problem with the University of Venda is that the institution appears to attract negative perceptions, due to financial irregularities and mismanagement. No sooner had the Vice Chancellor and Principal settled down in his first term, than allegations emerged that he was abusing a University credit card.

These allegations prompted President Thabo Mbeki to authorise an investigation by the Special Investigating Unit, established in terms of an Act of Parliament (Act 74 of 1996). The Special Investigating Unit was headed at that time by Judge W H Heath.

The finding of the Investigating Unit was "that irregular use had been made by the Vice Chancellor and Principal of his credit card". The Vice Chancellor and Principal had to pay back an amount of R161 723.83 (one hundred and sixty one thousand seven hundred and twenty three rands eighty three cents) to the Investigating Unit in instalments. The final payment was to be made at the end of the year 2000. (See Annexure marked "14"). The Vice Chancellor effected the payments to the unit and the money was thereafter deposited into University coffers.

It is situations like the above, where leaders fail to lead by example, that affect the credibility of the institution. It thus becomes impossible to market the institution to the outside world as the perception is that the institution lacks the moral high ground and the capability to manage funds.

After the report of the Special Investigating Unit was published, the Council of the University of Venda, established a Special Committee to investigate the use by the Vice Chancellor and Principal, of a Master Card credit card issued to him in April 1995 (See Annexure marked "15").

The findings of the Special Committee, as reflected in their report to Council, were:

"(a) That the Vice Chancellor did not use the card outside the terms and conditions laid down by the Council of the University

(b) That the Vice Chancellor did not act outside the agreement entered into with the Council

(c) That there were no accounting irregularities by the Vice Chancellor

(d) That the Vice Chancellor did not use the credit card in an unauthorised manner, and

(e) That the Vice Chancellor did not use the credit card in an improper and/or irregular way."

It will be observed that the findings of the Council Committee contradict the findings of the Special Investigating Unit appointed by the President of the country, in all material terms. The arguments by the Council Committee were that Council had given the Vice Chancellor permission to use the card as he pleased, provided he refunded the University for all private purchases made. No time limit was given and no interest was to be charged.

The above irregularity cannot be compared to irregular payments made to a catering company between April 1999 and May 2003. The details of the latter irregularity are contained in a memo written by the Legal Adviser, to the Chairperson of Council at the latter's request (See Annexure marked "16"). The Executive Committee of Council came to know about this matter through a whistleblower and wanted to know more, in order to compel the Vice Chancellor and Principal to have the

matter investigated. The facts of the matter as they appear on the memorandum by the Legal Adviser are as follows:-

In 1996, the University of Venda entered into an agreement with a catering company, in terms of which the University had *inter alia* to pay a monthly operational fee of R65 143-00 (sixty five thousand one hundred and forty three rands).

The initial agreement was for a period of three years, and was re-negotiated in 1999. The Legal Adviser to the Vice Chancellor and Principal was the principal negotiator , and on 5 May 1999 a new agreement was entered into with the service provider, without an operational fee.

The second contract ran its course until 2002 when a renewal agreement had to again be negotiated with the service provider. It was during this period that the Legal Adviser noticed that the University had been paying the monthly operational fee to the company despite the fact that the fee was not part of the second catering agreement. The total amount paid in this respect was R4 423 058.64. On 2 May 2003 the Legal Adviser wrote a memorandum to the Vice Chancellor and Principal alerting him of these irregular payments, also advising him that the new agreement should not be signed until after the irregular operational fee, had been investigated.
On 2 May 2003, the Vice Chancellor and Principal referred the Legal Adviser's memorandum to the Executive Director Financial Management and Planning to "please advise me". On 23 May 2003, the Vice

Chancellor and Principal received a memorandum from the Executive Director, recommending that the University should accept and continue to pay the operational fee.

On 1 June 2003 the Vice Chancellor and Principal convened a meeting attended by his two Deputy Vice Chancellors, the Executive Director Financial Management and Planning and the Legal Adviser, where a decision was taken that the irregular payments to the catering company should be stopped with immediate effect. The above decision was communicated to the company. The catering company has since terminated its contract with the University and a new company has taken over. It was surprising however, to see the original company tendering for the same contract they terminated, when a new tender was advertised (Mukwevho : 2005).

It is interesting to note the following observation/developments since 2 May 2003, when the Legal Adviser alerted the office of the Vice Chancellor and Principal about these irregular payments:-

(a) These irregularities were never investigated by the office of the Vice Chancellor and Principal, as is normally the procedure with other cases, even where negligible amounts are involved.
(b) On 6 September 2004, the Executive Director: Financial Management and Planning, as a reaction to the Legal Adviser's persistence on this matter, suddenly came up with allegations

against him, relating to his travel and subsistence claims. This was an attempt to distract his focus and attention.

It was at the meeting of Council that the Vice Chancellor and Principal was confronted about the matter. The Vice Chancellor and Principal told Council that the matter was being investigated by Senior Counsel, which was not true. Senior Counsel was only conducting litigation on behalf of the University. It was only after the Council meeting that the Vice Chancellor hurriedly wrote a letter to Senior Counsel to investigate the matter (Ramogale : 2005).

Senior Counsel investigated the matter and found that the irregular payments made to the catering company were in fact R1 200 000-00 (one million two hundred thousand rand zero cents). The report served at the Council meeting of the University on 22 April 2005, and the Vice Chancellor and Principal was instructed to initiate disciplinary proceedings against those implicated (Nemadzivhanani : 2005).

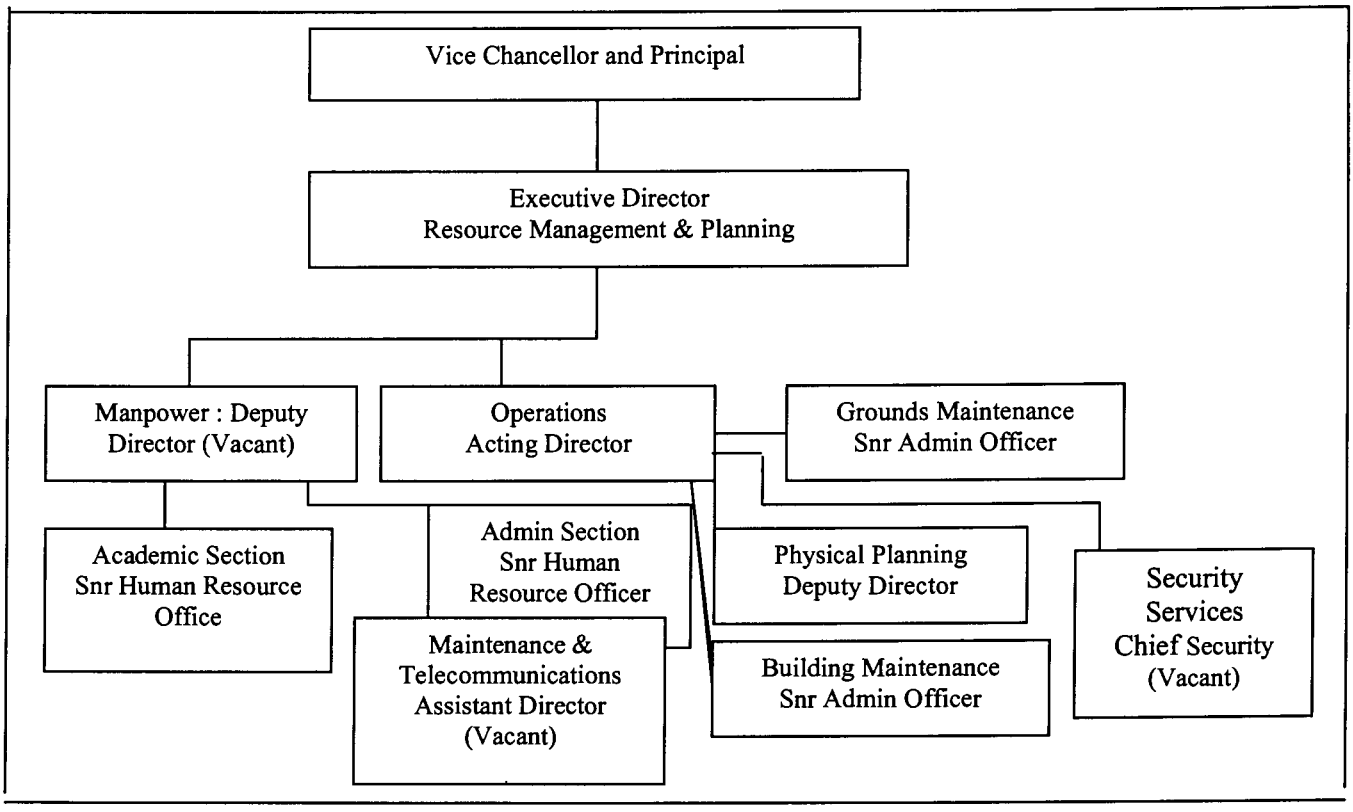
It is clear from the above that the Vice Chancellor, as the Chief Accounting Officer, failed to set an appropriate example. The Vice Chancellor and Principal should have been the first to respond to the allegations when they were first brought to his attention, but instead he procrastinated until he was pressurised by the Council to act. A leader should set an example for others, as his strong commitment to ethical principles sets the tone for an institution.

5.5. Human Resources Management at the University of Venda

Human resources are, without doubt, the engine room of any organisation. It is therefore crucial that the University should have an appropriate structure and proper personnel to be able to deliver in terms of their mandate, which is recruitment, selection, appointment and the management of day-to-day issues involving staff. The University of Venda is located in the rural far north of the Limpopo Province, in the district of Vhembe. Whereas the University's unique geographical location may serve as an advantage in establishing centres or institutes of rural agricultural development and forestry, it serves as a disincentive in attracting highly profiled and qualified staff members, who might prefer city life to rural life. Again its location might also be disadvantageous to donors and investors, who may think they would not get returns for their investments. These and many other factors put an additional burden on an already over-stretched department. The Resource Management and Planning department therefore requires men and women who are prepared to enhance efficiency, against all odds.

The structure of the Resource Management and Planning Department at the University of Venda is as follows:

Figure 8 : Organogram : Resources Management and Planning



Source : University of Venda Calendar (2005)

Viewing the above structure reveals a shortage of personnel in very critical areas. It appears from the above structure, that the University dispensed untimely with the services of the Vice Principal : Resource Management and Planning, when his contract came to an end in 2003.

The number of sections reporting to the Acting Director : Operations unmanageable, and there is no way he could be effective and efficient under such circumstances. The Executive Director : Resource Management and Planning should not be reporting directly to the Vice Chancellor and Principal, but to a Vice Principal. This would release the Principal to exercise his leadership role without delving into operational matters. The Executive Director in the Department should

also not be dealing full time with day-to-day management of the department. His duty should be to concentrate more on policy formulation and implementation.

The department has a policy on recruitment selection and appointments, which is not followed. According to Manenzhe (2002) the Vice Chancellor and Principal ignores this policy, especially when it comes to contract employees. Contract employees' contracts are renewed at random as the Vice Chancellor wishes. It could be however, that the University of Venda, as a developing institution, needs to implement Council policies incrementally. The University is remotely situated, and this could create a problem in recruiting competent staff. A rigid or strict application of Council policy could, in a way, bring stagnation to the development of the institution.

Indeed, if the policy had been followed, the University would not have been embarrassed as it was by the case of the Executive Director : Communication, Marketing and International Relations. The Executive Director was appointed, and within two years of her appointment she was suspended and was to face a disciplinary enquiry on charges of failure to perform her duties and indolence. (See Annexure Marked "18").

The University of Venda has no performance management system (Manenzhe, 2002). This means that salary increments are effected at randomly without regard to staff members level of performance. Mr Manenzhe (2002) also confirms that the institution has no human resources development policy and also has no policy on executive recruitments. Manenzhe (2002) attributes the problem of inadequate staffing to lack of funds.

5.6. Conclusion

This chapter discussed the events that took place at the University of Venda between the years 1995 and 2005. This is the period when Prof G M Nkondo was appointed the first black Vice Chancellor and Principal of the University. It was during this period that the University of Venda Act of 1996 (Act 89 of 1996) was promulgated by Parliament. This Act provided for the composition of the Council and Senate, the Senate having elected representatives. The failure of the Act to recognise traditional leaders upon whose land the University was situated, would later create difficulties for the University when it sought to register the land in its name. The Legal Adviser to the Vice Chancellor and Principal advised Management on the legal route that should have been followed to facilitate the registration process. The University Management appeared to be undecided on the way forward.

The other important statutory body that was discussed in the chapter is the Institutional Forum which since its formation, appears to lay dormant and only take to action when new senior appointments have to be made. The Executive Management Committee is a non-statutory body appointed by the Vice Chancellor and Principal to assist him/her in certain matters.

The student unrest of 1995 became a wakeup call for the University. This led to a shift from the Student Representative Council to the Student Representative Assembly. This body is representative of all students structures on a proportional basis. This shift will only work if Management consults with

students before taking decisions. The perception of students remained that Management does not consult with them, and if they do, it is done in bad faith.

It has also been shown that disciplinary enquiries against staff members are more often used at the University of Venda to make up for lack of appropriate leadership qualities. One other area of concern, discussed in the chapter, is the refusal by Management to accept legal advice from the Legal Adviser to the Vice Chancellor and Principal. This has cost the University huge amounts of money in legal fees.

The chapter also dealt comprehensively with financial management at the University of Venda. It became clear that the Department of Financial Management and Planning is understaffed. This makes it difficult for the Department to execute its mandate. The abuse of financial resources by the office of the Vice Chancellor and Principal and irregular payments to service providers create a very negative image of the institution.

The chapter finally dealt with Human Resources Management at the University. It became clear during the research that the University still has a long way to go before resolving the issue of gender equality and tribalism. A cursory look at the structure of the Department of Human Resources and Planning, revealed a serious shortage of personnel. The University has a policy on recruitment, selection and appointments, but it is not often followed when making appointments. The University has also failed to establish a performance management system. Merit salary increments are given to everyone within the institution without assessing their levels of commitment and performance.

CHAPTER 6

CRITICAL PERSPECTIVES FOR DIALOGUE

6.1. Introduction

The new democratic era has brought new challenges and new opportunities for South African universities. The Department of Education has formulated new policies that aim to uplift the standard of teaching and research in previously marginalised tertiary institutions. However, the implementation of the system largely depends on the internal capacity and quality of leadership within the institutions themselves, especially the administrative leadership. Without effective leadership, it will be impossible for universities to market themselves to their sponsors and clients whose support they so desperately need.

It is for the above reasons that knowledge and skills are needed in areas of governance, leadership, financial management and human resource management. This chapter includes a literature review on the above fields. A thorough understanding of the areas of these focal areas will provide a sound basis for recommendations on how to remedy the situation.

The literature review also provides an understanding of different theories and models of governance and leadership. This understanding will prove valuable in the next chapter, where informed recommendations are made as to how to improve the situation in which the University of Venda currently finds itself.

6.2. Review of Related Literature in Recruitment, Selection and Development of human resources

Human beings are the life blood of any university - they are literally the university's most valuable assets. Recruitment is the most important aspect of any personnel department. Indeed, inefficient recruitment can lead to formidable financial losses. The indirect consequences are more difficult to quantify, but are probably even more costly to tax payers.

The terms 'selection' and 'recruitment' are often used interchangeably, but a distinction between the two is drawn in this study. Recruitment is used as a broad term to communicate the notion of appointing someone at a university. It therefore covers processes beginning with advertising to the induction of the appointee. One can therefore refer to a recruitment drive, but not a selection drive. Selection, for the purpose of this study, refers to the point where a decision is made about who to employ. As such it is more concerned with the processes and methods used to assess candidates who are being considered for appointment.

'Development' is used interchangeably with 'training' in the rest of the study. This is generally approached as an attempt to improve employee performance through imparting skills and knowledge. Definitions that are more focused appear later in the analysis.

6.2.1. An International Perspective on Recruitment and Selection

Recruitment is an important part of human resources planning. Burchill and Casey (1996: 133) posit that the main objective of recruitment is to secure a suitably qualified group of applicants who fit the requirements of the organisation.

Rynes *et al.* (1990: 249) define recruitment as "***all organisational practices and decisions that affect either the number, or types of individuals who are willing to apply for, or to accept, a given vacancy***". It is clear that the recruitment process indicates whether or not candidates will be considered for appointment It is therefore important that the process be conducted proficiently.

Wood and Payne (1998: 2) aver that selection is a process involving a decision on who to appoint. An assessment of possible candidates has to take place at this stage, to establish skills and other required qualities.

6.2.2. Themes Impacting on Recruitment and Selection

Wood and Payne (1998: 1) offer seven themes that impact on recruitment and selection. The themes are organisational, job, personal, societal, legislative, technological and marketing changes. These seven themes are discussed individually in the following paragraphs.

Organisational Changes

The authors attempt to answer the question of how organisational changes affect the way recruitment and selection are carried out.

It is evident that both public sector and government institutions are streamlining their functions. The result of this exercise is rightsising, which invariably leads to job losses. The government□s macro economic strategy, the Growth Employment and Redistribution policy, has been blamed for increasing job losses on a short term basis.

Wood and Payne (1998: 2) aver that there is pressure from organisations and from government to embrace globalisation. The first advantage of this is identifying their core business, and outsourcing the rest. This is evident in the South African Government where a decision has been taken to privatise public entities. It is said that this will enable the government to concentrate on its core business, which is justice, safety and security, education, foreign affairs and the delivery of basic services. The second advantage of organisational change is that the government is now required to organise its activities in relation to key processes and areas, and not primarily by departmental lines. A need has been identified to downsize the public service and thus decrease the number of personnel.

Job Changes

The second theme that impacts on recruitment and selection is job changes. When an organisation restructures, the nature of the jobs also have to change. This spells the demise of traditional, well defined jobs with clear tasks and

accountabilities. There is a move towards client focused processes and cross functional teams. This means roles are aligned to the process rather than to the function. By matching the individuals' knowledge, skills and attitudes to the required tasks, as well as the context in which they are to be done, people will be responsible for the sections of work to which they are best suited (Wood & Payne, 1998: 5).

Personal Changes

There are also personal changes. What both parties are looking for in recruitment and selection, is also bound to change. Employers, including the government, are looking for personnel who are able to produce quick returns and skilled employees are looking for an employer (including the government) who will reward them for their skills. At the moment South Africa is suffering from a skills drain. More and more people are leaving the government for the private sector, where they are paid higher salaries than government can afford (Wood & Payne, 1998: 8).

Legilaslative Changes

Legislative changes also impact on recruitment and selection in a fundamental way. Since 1994, South Africa, has had a litany of labour legislation such as the Labour Relations Act (1997), the Basic Conditions of Employment Act (1995) and the Employment Equity Act (1998). These laws are in addition to the provisions and requirements of the national constitution to which they are all subject.

Societal Changes

Societal changes result *inter alia* in an increasing proportion of female workers and dual income families, as well as a growing proportion of the majority of black employees demanding their rightful place in the workforce. The South African government has adopted an affirmative action policy to enforce diversity in the public sector. South Africa has now become a pluralistic society and employers will have to adapt to survive (Wood & Payne, 1998: 10).

Technological Changes

Technological changes impact on recruitment and selection in a profound way. Conventional methods of assessing competence are falling away. Electronic versions of assessment devices can deliver outstanding results. Computers enable adaptive testing, i.e. the possibility of varying the administered items to an individual according to a provisional estimate of the individual's ability. The higher the estimate, the more difficult the next item administered (Wood & Payne, 1998: 11).

Marketing Changes

The last change to be mentioned relates to marketing. Recruitment and selection today is an industry in itself. This includes consultants, test publishers, the information technology system developers, recruitment agencies, headhunters etc. This means that change is here, and will continue to be an influence for a long time (Wood & Payne, 1998: 13).

It is clear that with all the changes discussed above, recruitment and selection processes are bound to change. Universities will have to compete with the private sector to attract prospective applicants. Traditional selection methods will change according to developments in the Information Technology industry. The fact that what is being assessed will also change is important. There should be a shift from competencies to abilities, traits, integrity, innovation and creativity. The focus of assessment might shift to prominent and talented recruits. Lastly, fairness and diversity issues are being increasingly emphasised. This is happening through volition or as imposed by legislation.

6.2.3. Developing an effective policy

For an effective recruitment and selection process one needs to establish an employment policy and be able to manage it. In order to do this, Cloete and Wissink (2000: 120) suggest five variables, namely, policy content, policy context, personal commitment, clients and coalitions of interest groups and communication. According to the authors, these five variables are likely to act together, often at the same time and in perfect harmony. Any weakness in one produces changes in the other. The challenge facing the programme manager is to see that these variables are interconnected. The five variables are discussed in more detail below.

The content refers to whether or not the policy can be implemented. The policy should be formulated in such a way that it is implementable. This begs the question of what the aim of the policy document is. The organisational problem being addressed as well as possible solutions should appear.

The context of the policy refers to networking. A policy cannot be formulated and implemented in isolation. Experts in the field of policy should be consulted in order to formulate a policy within an appropriate context.

One also needs committed personnel, and it is therefore crucial to create an environment within the department that is conducive to commitment e.g. by paying competitive salaries etc. The necessary capacity and resources, that is, skilled people and adequate financial resources, are also required. Skills are generated through training and financial resources should be secured through budgeting. It is a futile exercise to develop a huge policy document which cannot be afforded by available resources.

Clients and coalitions are related to the context. There is a need to find out who is on the receiving end of the policy. The people whom the policy affects need to be consulted as they are major role players in the process. One needs coalition partners and it is important to use one's persuasive skills to muster all role players and garner support.

The policy also needs to be communicated successfully within the organisation. Communication is a two-way process and is not the imposition of ideas on others, which would be counter productive. To communicate effectively, one should be prepared to listen to opposing views.

All the above variables need to be applied in a balanced way. A deficiency in one can be compensated by an excess of the other. It is more important to strive

to develop a successful policy, than an efficient or effective one. Those for whom the policy is meant should be satisfied that it is successful.

The policy, once formulated, needs to be monitored and evaluated. It is incumbent upon the manager to set up a monitoring, reporting and evaluation mechanism. This helps to assess the success or failure of the policy. The policy needs to be effectively managed to avoid what Weimer and Vinning (1992: 137) refer to as "redundancy and slack". Prerequisites for evaluation need to be built into policies.

In addition to evaluation requirements, it is sometimes desirable to build reporting requirements into policy designs. This helps to spot anomalous or weak points in the policy and take corrective action. Reporting requirements may also have educational value as they inform the programme director of factors that require attention by overseers.

6.2.4. Recruitment and Selection Process

Recruitment and selection is in essence a matching process. The capacities and inclinations of the candidates have to be matched against the demands and rewards inherent in a given job or career pattern. It follows that anyone undertaking recruitment must first acquire a clear understanding of the job to be filled. Purposeful steps must be taken to attract the interest of people possessing the attributes demanded by the job. Recruitment and selection can therefore be seen as being made up of four complementary stages, each being crucial in its own right. The stages occur in the following sequence: assessing the job, attracting a field of candidates, assessing the candidates and then placement in

the job and subsequent follow-ups. Each stage is discussed in more detail in the subsections which follow.

6.2.4.1. Establishing basic facts (Assessing the job)

According to Burchill and Casey (1996: 139) the first step in the process is to establish a vacancy. Then there is a need to establish an accurate description of the actual work and an understanding of this work in relation to other jobs within the organisation.

The job description may be broken down into the purpose of the job, the position in the organisation, the specific tasks and the working relationships. The understanding of the job demands an interpretation of organisational factors, personal factors, training and manpower utilisation, as well as salary and wage structures. A proper job analysis will give rise to a job specification (Plumbley, 1974: 1-4).

ertain things need to be determined before recruitment begins, such as the purpose of the job, its necessity and whether it fulfils its purpose. It is also important to determine whether any lessons can be learned from similar jobs or previous incumbents and whether anyone in the organisation can be trained to fill the vacancy. Other issues such as whether the candidate can be recruited locally and how to maximise the number of candidates should also be considered.

6.2.4.2. Attracting candidates

The second stage in filling a post is attracting a field of candidates. An organisation's ability to recruit new employees depends to a large degree upon its ability in making known the opportunities it has to offer. Interviews and other assessment techniques are unlikely to produce high calibre employees out of indifferent candidates. It is crucial therefore that an organisation should set about the task of attracting candidates in a systematic and well informed way.

As a long term policy, it is sensible for universities and public sector organisations to maintain close personal links with local schools, colleges and employment agencies, in order to keep them fully informed of opportunities for employment, training and promotion, and to encourage them to visit departments and acquire an understanding of the type of work and the working environment.

External sources of candidates include department of labour branches, university appointment boards, local employment agencies, management consultants and numerous journals and newspapers in which recruitment information can be published.

A major way of attracting candidates is through press advertising. In planning an advertisement, the personnel manager should aim to achieve three objectives in order to produce a compact field of candidates equipped to do the job and motivated to accept it. Firstly, a conscious effort should be made to minimise the number of unsuitable applicants. Secondly, the manager should aim to

secure the optimum balance between coverage and cost in the process of communicating with an outside audience. Lastly, the manager should enhance future recruitment rather than prejudice it, since all advertising has some side effects on the advertiser's public image (Plumbley 1974: 7-14).

An effective advertisement is expected to attract responses from suitable applicants while deterring unsuitable ones, and to create a favourable impression of the institution and department. It is expected to give a clear job title as a heading, contain selling points, for example, flexible hours and training opportunities, and contain essential requirements such as required qualifications and salary package. It must also state the closing date for applications. The particulars of the employer should be clearly indicated (Burchill & Casey, 1996: 140).

Some institutions use recruitment consultants for executive positions. A good recruitment consultant will visit the institution wishing to make an executive appointment for the purpose of understanding the culture and the environment within which the appointed incumbent will work.

Consultants will be required to recommend the appropriate and effective media for the advertisement of the position. They will thereafter give advice on the placing, timing and wording of the advertisement. The net should be cast as wide as possible not only to entice those who are not employed, but also to attract those employed in similar positions elsewhere.

Consultants will collate information on the institution, the post, the required qualifications and the benefits. This information is made available to those who

make inquiries after reading the advertisement. Consultants promote the institution and the post to the public and are required to be sufficiently sensitive to recognise when strong candidates are losing interest on any aspect of the job. They are also required to make an assessment of all the applicants and write a report to management. Lastly, consultants are able to make appropriate recommendations on the format of the interviews and the process of selecting an appropriate candidate who suit the requirements of the institution (Ellis, 1995: 86).

6.2.4.3. Selection (Assessing the candidates)

Having assessed the demands of the job, and defined the job specification, the next stage is to use that specification to assess the suitability of the candidates. Selection techniques that are commonly used in industry are an application form, an interview, group selection methods and psychological tests. The range of technologies to be used for a particular job depends in the first place on the professional competence of the selector. The judgment about the combination of techniques to be used takes into account the attributes to be assessed and the degree of accuracy required, the type and level of appointment, the age distribution of candidates, the probable acceptability of the different methods, the time available and the cost factors (Plumbley, 1974: 125).

Assessing candidates does not start with the interview - it begins with the short-listing based on application forms. Short-listing is the first stage of selection in which applicants without the appropriate qualifications and experience are eliminated. The next stage is based on a three fold classification of the

remaining applicants into suitable, marginal and unsuitable. Whether or not marginal cases are invited for interviews depends on the number of suitable applicants as well as the number of posts to be filled. References of those short-listed will be sought for various reasons, including validation of character, performance and attitude in the previous work environment (Burchill & Casey, 1996: 41).

The problem with references is that they may be misleading or unreliable. It might be advisable in some instances to obtain references after a preliminary decision on the appointment has been taken.

It is essential to subject the applicants to occupational health screening before the interviews. A form to be completed is sent to candidates, of which the purpose is to relate medical conditions to inherent requirements of the job. It is not to discriminate on the grounds of health, as that is against the law. Health screening also helps to initiate health promotion exercises in respect of groups of employees once appointed e.g. immunisation or inoculation.

The next step in the process is the main interview, which might focus on cognitive tests and personality tests, as well as educational and other related issues like work sample tests. Meta-analysis tests have shown that general cognitive ability is a far higher predictor of performance than any other known performance predictor during an interview (Makin, 1989: 531-534).

The line of questioning during interviews may follow two basic selection criteria : organisational and individual job criteria. Individual job criteria refer

to those attributes that may guarantee the satisfactory performance of the applicant on the job. Organisational criteria on the other hand, refers to attributes that may be valuable for the candidate's success within the organisation e.g. flexibility and compatibility (Terrington & Hall, 1991: 50).

Stephen (1999: 241) argues that competency is one of the main predictors during an interview and categorises competency into three types: The first is technical competence, which is the knowledge and skill to achieve the agreed results, the ability to think through problems and look for new alternatives. The second is conceptual competence, which is the ability to see a wider picture, to examine assumptions and shift perspectives. The third is interdependent competence, which is the ability to interact effectively with others including the ability to listen, communicate, suggest alternatives, create win-win agreements and work towards synergetistic solutions, the ability to operate effectively and co-operatively in complete organisations and systems.

The interview process needs to be well structured in order to deliver the expected outcomes. Structured interviews are effective, although they require more in the way of development and preparation. Unstructured interviews offer little help as they may be characterised by bias and prejudice.

6.2.4.4. Placement and post selection procedures

Candidates need to be informed of the result of their application as soon as possible. The successful candidate should be given a letter of appointment with full particulars regarding the duties attached to the post, the conditions of

service and when, where and to whom to report for duty. It is only when a candidate agrees to the terms of appointment, or signs a copy of the letter of appointment, that a contract of employment is entered into (Du Plessis *et al.*, 1994: 12).

Post selection procedures include placement, follow up and validation studies. After selection, the appointed candidate is placed in the job, but the responsibility of the personnel manager does not end there. The appointee needs to be assisted in settling in more quickly through various induction programmes. He/she will normally be placed on probation as this enables the supervisor to monitor their performance.

Validation studies are done as feedback to employers on how effective their selection processes are in terms of predicting future employee performance. The information yielded by validation studies allows managers to choose and use the most predictive techniques. This in turn results in more accurate selection decisions and high performing employees (Wills, 1993: 201). Such studies have a long term impact on performance and productivity, even though they may be expensive.

6.2.5. Training and Development of Human Resources: An International Perspective

Many writers no longer use the word 'training', but instead advocate the idea of human resource development. Human resource development involves training employees in some manner in order to increase their skill and knowledge

capacities. The words 'training' and 'human resource development' are therefore used interchangeably in this section.

Camp *et al.* (1986: 3) define employee training and development as ***"any attempt to improve current or future employee performance by increasing, through learning, an employee's ability to perform, usually by changing the employee's attitude or increasing his or her skills and knowledge".***

The overall purpose of a training policy is to provide advice, opportunities, facilities and financial support to enable employees of an organisation to acquire the skills, knowledge and related qualifications needed to perform effectively the tasks and functions for which they have been appointed. As second to develop their potential to meet future manpower needs of the organisation, and lastly, in exceptional cases, to develop individuals beyond the immediate and foreseeable needs of the organisation (Van Dyk *et al.,* 1992: 70).

Human resource development (HRD) is increasingly being viewed as the responsibility of an entire organisation. At least, most institutions today call upon their HRD managers to identify the training needs of their personnel. In some departments, the responsibility for the design, delivery and evaluation of the actual training is done by an in-house training manager, sometimes through the Human Resources department.

Van Dyk *et al.*, (1998: 4) give five macro issues which impact directly or indirectly on the formation of training policies in the public sector. These include changing work environment, productivity and flexibility, effective investments in training, effective policy options and government intervention. The changing work environment refers to the effect of globalisation and the

attendant impact of economic, technological, social and political factors, that are all transforming the workplace in a fundamental way. According to Van Dyke *et al.* (1998), the liberalisation of trade as well as the development and universal availability of rapidly evolving information technology, are among the driving forces of globalisation. Governments are being restructured to meet the challenges of competitiveness. These factors, as well as the redeployment of workers and changes in job content, work processes and organisation, eventually require new skills and knowledge.

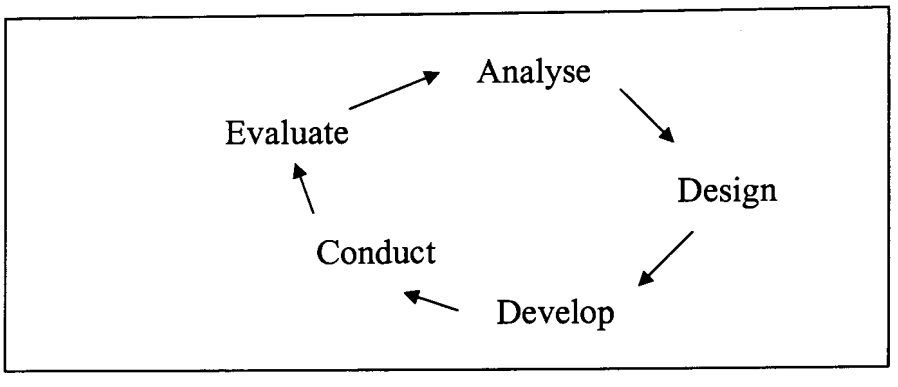
It is common cause that the quality of a nation's workforce depends to a large extent on labour productivity and factors such as the level of capital investment, the technology of production and the quality of management. The above factors in turn depend on the skills of workers at all levels. It is therefore important for organisations to invest resources in training. Training policies are more effective if adapted to the nature of the economy and if they change when the economy changes. Universities also have a role in training through vocational and technical education, and this can be made more dynamic through proper planning.

6.2.6. The Training Cycle

Training is a total system, and gaining more knowledge of its many aspects helps one to determine its place in helping the institution to grow. Goud (1982: 11) and Sloman (1994: 73) provide key aspects of training, and Goud presents a training cycle with interrelated phases. The five phases of training are: an analysis to determine training requirements, the design of the training approach,

the development of the training approach, development of the training plan and materials, the conduct of the training and an evaluation and update of the training and its methods. The last phase feeds back to the first phase, making it a closed loop and continuous system (see Figure 9).

Figure 9. Training Cycle



Source: Goud & Sloman (1982: 11)

The key training aspects presented by Goud and Sloman (1982) can be described as follows. An analysis to determine training needs has two primary purposes, which are to determine that there is actually a need for training and to ensure that the training is based on proper requirements. One approaches this by identifying the problem and determining if training is a possible solution. This is popularly known as needs assessment. Secondly, one analyses the tasks and skills needed for the job or function for which the training is to be conducted, and lastly one identifies and characterises the learners to be trained. Training on an individual basis includes three key areas, namely knowledge, skills and attitudes.

In designing the training approach, one should have clear, sound objectives, which will distinguish between good training and time wasting. One needs therefore to quantify the training objectives by setting specific targets to fulfil the organisation's training mission. One thereafter determines the best or the most appropriate methods of training, selects the best media for the training exercise, identifies test items, determines prerequisites for those who are to receive the training and finally organises the logistics of the training exercise.

The development of the training plan and materials involves various aspects. The plan should state how training will achieve the set objectives and must specify the focus of the training activities within the organisation. The plan should indicate which staff members are to be trained, why, how and using what materials. It is important to determine the cost and which training methods will be appropriate. The most suitable method will depend on the overall training objectives, and the skills, experience and expertise of the trainees. Training is of two different types i.e. that controlled by the instructor and that controlled by the learner. An example of the former is a formal lecture and an example of the latter is a home study course. Different types of training are be discussed later in this chapter.

The next step is conducting the training programme itself. The role of the trainer is basically to instruct and facilitate the process. The trainer will in addition need to take care of logistics, keep records of the learners' progress, evaluate the training as it evolves, evaluate the trainee's performance and make immediate adjustments where necessary.

The last step in the process is evaluation of the training process. It is easy to consider only the transfer of knowledge, skills and attitudes from an individual training programme to the work place. This approach has been criticised as it implicitly assumes that the training programme is independent of other events and activities within the organisation. A more holistic approach to evaluation takes a systems perspective and views change as a focal point of evaluation. A systems perspective highlights the interconnectedness of the various subsystems in the organisation and how those subsystems may help or hinder efforts to apply training to the job. In addition, a systems perspective forces one to evaluate the unintended as well as the intended consequences of training on the other subsystems within the organisation. The holistic perspective on training evaluation moves from an individual level to the organisational level. Evaluation efforts identify the organisational subsystems that may be the root cause of the lack of transfer to the job as well as the unintended consequences of training on daily operations and various operations across the subsystems in the organisation (Ford & Fisher, 1996: 172).

6.2.7. Different approaches to training

Training techniques or methods of instruction are considered critical in affecting the way that people learn. Two different kinds of training are discussed in this section, namely, non experiential training techniques and experiential training techniques, as described by Camp (1986: 178-211). Non experiential training techniques refer to more cognitive than behavioural techniques. They attempt to stimulate learning through their impact on thought processes, rather than as a result of the trainee's behavioural actions. Such techniques include the lecture, audio-visual media, e-learning and computer-mediated communication.

A lecture is best suited to problems that arise in the work place due to the lack of knowledge. Audio-visual media can be helpful in resolving performance deficiencies that are due to a lack of skills and/or knowledge. Programmed instruction is a self instruction method that uses the basic principles of re-enforcement. It can come the form of a book, machine, record or any other format. Computer based instruction can be categorised as follows: tutorials - new information is presented to the trainee, managed - the trainee's strengths and weaknesses are evaluated and instruction is designed to enhance the former and correct the latter, simulation - the trainee learns through the use of models that simulate aspects of social and physical reality, and lastly programming - the trainee learns through programming computers to solve problems in particular area (Camp 1986: 178-200).

Experiential training techniques refer to an authentic learning process, in which programmes that focus on concrete experiences are designed. The trainer shares with the trainee the responsibility for and control over the learning process. In other words, the trainer orchestrates an opportunity for the trainees to have the relevant experience. Should the training needs assessment indicate that a skill deficiency exists, then experiential training techniques might be the answer to the problem. Experiential training techniques include equipment simulators, business games, the in-basket technique, the case study method, role playing, behaviour role modelling and T groups. The above methods provide trainees with a safe opportunity to develop and learn (Camp, 1986: 211). Each method is described in more detail in the following paragraphs.

Equipment simulators - involve the use of machinery that requires trainees to use the same procedures and movements that they will have to use in order to operate the actual machinery assigned to them in the workplace. Business games and functional simulations refer to a system that attempts to represent the real functioning e.g. economic functioning, of an organisation based on a set of relationships, rules, principles derived from theory and/or research. A new employee attempting certain behaviours or applying certain theories on the actual job may make costly mistakes. The cost of developing the simulation may therefore be worth it.

In-basket technique - provides trainees with a range of memos, phone messages and other written requests to simulate the types of written stimuli that managers or administrators receive from time to time, and have to address. The main purpose is to assess and/or develop the participant's decision making skills. Typical procedures include describing the managerial role the trainees are to play, providing trainees with packets of written materials to which they should respond within a specified period, discussing the process, the trainees' responses to the materials and how to employ the gained knowledge in the real workplace (Camp, 1986 : 213).

Case study method - is a system of instruction built on the premise that people are most likely to retain and use what they learn if they reach an understanding through guided discovery. Trainees are provided with a written description of the case history's key elements and problems of a real or imaginary organisational situation that they have to solve.

The incident method- involves not only searching for with a solution to a problem, but also obtaining information relating to the problem from the instructor.

Role playing - is an educational and therapeutic technique in which some problem involving human interaction, real or imaginary, is presented and then spontaneously acted out. The enactment is usually followed by a discussion and/or analysis to determine what happened and why and if necessary, how the problem could be better handled in the future (Camp, 1986 : 216).

Behaviour model training - is premised on the notion that we learn most of our behaviour by observing models, practising our imitation of those models and then repeating those behaviours. This is an improvement on role playing, because it goes further in suggesting the correct way to handle a situation. It stresses the key learning points that the trainee is required to recall about the theory. The steps of behaviour modelling are: define the key skill deficiencies, provide a brief overview of the relevant theory, specify key learning points, model or demonstrate the appropriate behavioural approach through guided role playing. The trainer and other trainees provide social reinforcement for appropriate attempts to imitate the model's behaviour and the supervisor reinforces attempts to apply critical behavioural steps on the job. 'T groups' refers to training groups. This kind of training is an intensive effort at interpersonal study and an attempt to learn from the raw experience of participating in a group such as how to improve interpersonal skills and to understand the phenomenon of group dynamics (Camp, 1986 : 225).

Other approaches to training include orientation, induction, mentoring, fast tracking, career management, capacity building and multi skilling.

6.2.8. Employment law in South African Universities

Employment in South African universities is regulated by the Labour Relations Act 1995 (Act 66 of 1995), and the Employment Equity Act 1998 (Act 55 of 1998). These laws prohibit unfair discrimination in labour practices. The only exceptions are if discrimination is as a result of the inherent requirements of the job or as a result of affirmative action policies.

Discrimination is considered fair if the employer is able to prove that the discriminatory conduct reasonably and justifiably differentiates between persons according to objectively determinable criteria intrinsic to the job or activity *[see Etam Plc vs Rowan (1989) IRLR 150 Eat].*

In terms of section 6 of the Employment Equity Act 1998 (Act 55 of 1998)

> ***"No persons may unfairly discriminate, directly or indirectly, against an employee in any employment policy or practice, or on or more grounds, including race, gender, sex, pregnancy, marital status, family responsibility, religion, HIV status, conscience, belief, political opinion, culture, language and birth."***

It is not unfair to:

> ***" a. take affirmative action measures consistent with the purpose of the Employment Equity Act; or***
>
> ***b. distinguish, exclude or prefer any person on the basis of the inherent requirement of their job".***

In the case cited, the court held that the fact that the employer did not intend the existing gender disparity to be regarded as an unfair labour practice, is irrelevant. Discrimination need not be intentional.*[Association of Professional Teachers & Another vs Minister of Education & Others (1995) 16 ILJ 1048 IC]*. Seady A J, held that the onus is on the employer to provide an explanation that discrimination, once proven, is legitimate. The onus of proving unfair discrimination is therefore on the employee or the person alleging it. It was further held that given that consideration of legitimacy and rationality must be measured in testing fairness, it is the employer or some other respondent who can and should provide this explanation. The employer must show that the object of the practice or policy is legitimate and that the means used to achieve it are rational and proportional. *[Leonard Dingler Employee Representative Council vs Leonard Dingler (Pty) Ltd (1998) 19 ILJ 285 LC]*.

The first line of enquiry is to establish the existence of discrimination, secondly whether or not such discrimination is unfair. Whether an act is discriminatory is a relative question: it does not necessarily involve actual prejudice to the individual concerned, but is measured in terms of the treatment accorded to others. To discriminate is to assign to individuals characteristics which are generalised assumptions about groups or people *[Leonard Dingler Employee Representative Council vs Leonard Dingler (Pty) Ltd (1998) 19 ILJ 285 LC]*.

Landman J ruled that discrimination must affect the individual but must do so against the backdrop of the individual being a member, or supposedly a member, of a group *[Kadiaka vs Amalgamated Beverage Industries (1999) 20 ILJ 373 LC]*.

The correct approach to cases in which there is alleged to be an infringement of a right to equality or a right not to be unfairly discriminated against, but the differentiation is based on unspecified grounds, is the following:-

> ***" a. the first enquiry is whether there is a rational relationship between the differentiation and a legitimate government purpose. If there is no rational relationship, the differentiation in question amounts to an infringement of a right;***
>
> ***b. the issue as to whether there is unfair discrimination in terms of the constitution would ordinarily arise only if there is such a rationale relationship. If so, the party challenging the constitutionality of the differentiation must establish that the differentiation amounts to unfair discrimination;***
>
> ***c. if unfair discrimination is established, the party seeking to support the disputed measure attracts a duty to establish that the measure passes the test for limitation laid down in the Constitution".***
> ***[see Jooste vs Score Supermarket Trading (Pty) ltd (1999) 20 ILJ 525 CC].***

According to the Leonard Dingler case, discrimination is unfair if it is reprehensible in terms of the society's prevailing norms. The enquiry involves a balance of policy factors and competing values.

6.2.9. Defences of unfair discrimination

In terms of the Labour Relations Act, 1995 and the Employment Equity Act, 1998, discrimination would be justifiable if the inherent requirements of the job

justify an act of discrimination or it is an affirmative action measure designed to address the inequalities of the past.

In one case Eskom, an employer, appointed an employee from the designated groups instead of an employee who was recommended by the selection committee. According to the employer, the appointed employee was the suitable candidate in terms of the company's affirmative action policy. In dealing with the unfairness of a discrimination, Landman J held that it is not necessary to decide first whether the discrimination was unfair and then to decide if it was unjustifiable. The inquiry was "sing-staged". The court found that the arbitrator examined Eskom's affirmative action policy and concluded that it was not an affirmative action policy as contemplated by the Labour Relations Act, 1995. The policy expressly required further detailed and specific amplification and there were no individual plans for each operating division. It was left to the managers to decide what they believed was good policy. *[see Eskom vs Heimstra & Others, labour Court Judgement under case number J2091/98].*

In another case the Court overruled the court *aquo's* decision that registration is a pre-condition for implementation of an affirmative action policy. In this matter, the policy was negotiated and agreed upon but was not registered with the Bargaining Council. The court ruled that the commissioner's decision not to appoint the respondent did not derogate from the collective agreement, all that it did was to anticipate the application of the policy in particular cases *[Department of Correctional Services vs E van Vuuren case no. PA6/98 Labour Appeal Court].*

The Court held that for affirmative action to service judicial scrutiny the following is relevant:-

There must be a policy or programme through which affirmative action is to be effected. The policy or programme must be designed to achieve the advancement or protection of certain categories or persons or groups previously disadvantaged by unfair discrimination. In the absence of an affirmative action programme specifically designed in terms of the collective agreement, any appointment on purported affirmative action grounds is illegitimate. For affirmative action to succeed and help achieve the desired objective, merit and experience should remain relevant insofar as the applicants previously disadvantaged by unfair discrimination are concerned within their own group. *[Independent Municipal and Allied Worker's Union vs Greater Louis Trichardt Transitional Local Council case number J644/97]*

6.3. Review of Related Literature in Financial Management

One way to measure the financial astuteness of an institution is to measure its endowment and reserves. Whilst it is easy for large tertiary institutions to achieve this maturity, it is not easy for small institutions like the University of Venda.

As the institution develops, it is encouraging to find that its efforts are not going unnoticed by benefactors, who in the past may have limited their endowments to large historically advantaged tertiary institutions. Smaller institutions are gearing up development efforts to reclaim their fair share of gift and grant

income from private donors, foundations and alumni. The most important employee in this regard is the Development Officer who needs to develop aggressive measures to open doors to resources heretofore closed.

Whilst much emphasis is put on obtaining the resources, the other crucial aspect is how these resources are managed. Every institution deserves 'mature' financial management - leadership that takes seriously the stewardship of the funds in its charge. 'Financially matured' institutions have enough funds to be able to hire specialists to manage their assets. Small institutions will always rely on their internal financial director for leadership in managing their finances. This director cannot do it alone however, he needs to surround himself with competent and experienced people who will be able to take the cudgels of financial management under his direction. The role of the finance department, will be considered, together with the necessary functions and competencies required to carry out the required duties.

In Dickens' David Copperfield, Mr Micawber expounded his first principle of financial management as follows: ***"Annual income twenty pounds, annual expenditure nineteen and six, result : happiness. Annual income twenty pounds, annual expenditure twenty pounds nought and six, result : misery".*** The message in simple terms is don't spend more than you earn. As stated already, financial management is concerned with two separate functions. The first is financial accounting, which is primarily concerned with the recording of all the transactions that make up the income and expenditure account, and also the related matters of payment of creditors and collection of income and debts. The second is management accounting, which is primarily concerned with the

key areas of budgeting, forecasting, reporting financial information to budget holders and the related financial support to budget managers.

There have been allegations that the finances at the historically disadvantaged institutions are not on a sound footing due to lack of mechanisms in several key areas like budgeting, risk management, fraud prevention, asset verification, tender systems and ethics. An attempt will be made here to analyse each of these aspects. An understanding of these aspects will assist in researching them

with a view to forward creative inputs that will assist the university in correcting its shortfalls, should research find that they exist.

6.3.1. Budgeting

The budgeting process is vital for any tertiary institution in that it serves as a window through which the provision of various services is determined i.e. how the services will be supplied, delivered and at what costs.

Budgeting is concerned with making financial provision for future activities and requirements. It is important that key objectives remain a guiding tool for the realisation of goals, and as Erasmus and Visser (1997: 161) describe it, it provides a basis for determining policies, it forms a basis for the exercise of financial control and it serves as a financial programme for reconciling expenditure and revenue.

According to Abedian (1997: 70) the objectives of the budget process are four-fold, namely: to enable institutions to achieve their fixed goals and to promote co-ordination, to help achieve efficiency and equity in service delivery through

prioritisation, to enable departments to meet their expenditure priorities and lastly to promote transparency and accountability.

Budgetary principles include allocation, expenditure as well as the budget framework. Allocation is concerned with the allocation of funds in a budgetary system in view of departmental needs and the institution's ability to provide them. In view of this, a university should have a budgetary system that will enhance its decisions on the allocation of limited resources, based on its goals and priorities. In an effort to ensure sound public financial practices, expenditure levels should be determined for every financial year. The budget framework is the most important tool for planning public finances. It concerns four aspects: expenditure, revenue, budget deficit and financing.

A general perception held by the public seems to be that university spending is out of control, and it would appear that budgeting is at the centre of this problem. An institution's operating budget is an annual budget through which institutional decisions for the allocation of resources are made. From the operating budget, emerges a capital budget with long term implications (Drury, 1996).

The process for compiling the capital budget within existing policy requires attention. This unavoidable tendency then impacts on the policy forecasts due to the fact that some of the preferred future choices are overridden by the policy alternatives in place.

Aberdian *et al.* (1997) indicate that reprioritisation, and the need to provide for expenditure on projects, spanning different financial years, means that a long term planning process needs to work in tandem with an annual budget process.

For example, special projects such as building a chemistry lab, are not projects that can be completed in one year.

Coombs and Jenkins (1995: 208) provide the following as main objectives of capital budgeting, namely it expresses in financial terms the capital works necessary to meet the organisations expressed or implied goals and objectives, it sets out agreed priorities for the commencement of capital schemes and it facilitates the co-ordination of plans and resources.

In a report published by the Organisation for Economic Co-operation and Development (1997: 1 – 70), international public sector reformers recognised the significance of 'performance governance' strategies designed to establish frameworks for managing the work of government. Whereas criteria such as turnover, assets and profit are frequently used to measure performance in the private sector, it is difficult to measure performance in tertiary institutions. The latter relates to the quality of teaching, research and community outreach programmes.

In a synthesis of performance management literature. Spangeberg (1994: 14) defines performance management as a set of techniques used by a manager to plan, direct and improve the performance of subordinates, in line with achieving the overall objectives of the organisation. This definition leaves much to be desired, as it does not explain what performance is. It only emphasises the importance of achieving the objectives of an organisation.

In universities, the concept of profit does not necessarily exist. Nevertheless it is essential to ensure that resources are allocated effectively. Evaluation of this

kind relies upon a range of performance measures. Without such information, managers at tertiary institutions are in danger of making uninformed decisions about allocating resources.

With a view to enhancing performance at universities, government has proposed a formula which recognises performance in core areas of university activities such as research publications and postgraduate enrolment. This, however, is skewed in favour of more developed historically advantaged institutions.

An important reason for the introduction of performance management at institutional level is the inefficiency of the current system, which does not base rewards on performance, but on entitlements. A performance measurement system will begin to measure current and expected output and be able to identify performance gaps.

With a performance management system, value for money may be realised, in qualitative dimensions, such as the quality of education that is offered. For managers, the notion of value for money encompasses decisions on the type of service to be provided as well as the sourcing of inputs.

According to Sorber and Schild (1987: 6) efficiency and effectiveness are the two most commonly used criteria for assessing organisational performance. Flinn (1986: 389) is of the view that efficiency is measured by the ratio of inputs to outputs e.g. the gross cost per university student. Efficiency may be aimed at minimising inputs, maximizing outputs or both.

Effectiveness is a more problematic concept than efficiency and definitions vary considerably. A widely accepted definition is that effectiveness equates with the degree of success of activities or services in meeting their objectives. In determining effectiveness, it is necessary to specify clearly that stakeholders should be recognised and what their objectives are. And again 'economy' can be added to the two concepts of efficiency and effectiveness – meaning – "ensuring that the assets and services purchased, are procured and maintained at the lowest possible cost consistent with a specified quality and quantity" (Boyle, 1989 : 74).

Other performance measures besides economy, efficiency and effectiveness are availability, awareness, extensiveness and acceptability. Performance is therefore a broadly based concept. One particularly important aspect of performance worthy of mention in the public sector is quality of service.

Quality of service refers to the provision of a fault free service to the client. The important point about quality of service is that it evaluates performance from the consumer's point of view (Pollit, 1987: 6).

6.3.2. Risk

A dictionary definition (1996: 438, 304) describes risk as being exposed to 'the chance of injury or loss' and to manage risk as to 'have control over', 'deal with' or 'operate effectively'. The concept of controlling, dealing with or operating effectively to reduce the chance of injury or loss emerged from the insurance industry (risk assessment) and operational management (risk management). Both were primarily aimed at statistical calculations of the probability of risk and at developing corrective actions to minimise impact from

process failures. Objectively, risk is the variability of outcomes around an expectation, while subjectively, risk is an attitude towards our perception of risk. The latter is influenced by uncertainty, personal, social, and cultural factors, as well as the risk's relationship to the larger environment (its context). An important concept is that risk is not 'absolute'. The degree of uncertainty is influenced by attitude to risk (Fone & Young, 2000 : xix).

6.3.2.1. Risk Management and the Public Sector

Vincent (1996: 57) found public sector risk management to be focused on constitutional issues, considered mainly in reference to the accountability of public servants and public servants' organisations. This includes acting in the public interest, protecting rights, balancing interests and being fully accountable for all forms of public spending and reporting. Certainly this type of analysis would focus strongly on the avoidance of waste, consumption and bribery. However, Vincent finds this an incomplete analysis, especially in respect of post-modern public services provision.

Vincent draws on the experience of the McCandless and Wright (1993: 116) who describe the risk challenge in new public sector management as – "we gradually remove compliance requirements, thereby increasing autonomy, we raise the potential for achieving results (economy, efficiency, service quality and effectiveness) while simultaneously increasing the risk to public values (prudence, probity, consistency and equality of treatment)". In addition, greater public demands for transparency (exposing public managers to increased scrutiny) and the move towards models where they lose direct control of service provision (outsourcing of services, public finance initiatives etc), show that risk

management is becoming increasingly important as a component of public management.

Dowlen (1995: 10) suggests four learning methodologies that can be applied to help public managers learn about risk. They are self-managed learning, workshops programme learning, individual consultancy and evaluation or audit.

He defines risk qualification as evaluating both single risks and the interaction of risks to assess the range of possible outcomes, and suggests the inputs to risk qualification as being stakeholder risk tolerance, sources of risk, potential risk events, cost estimates and activity duration estimates. Dowlen suggests that tools and techniques for risk qualification comprise statistical sums, simulations and decision trees. Especially with respect to qualitative evaluation (in the public sector, for example, political risk) an additional tool is expert judgment.

6.3.2.2. Risk Assessment

According to Fone and Young (2000: 69) "risk assessment is the systematic and ongoing process by which a public body's risks are identified, analysed and measured ... in effect, collections of contracts, obligations, commitments and agreements between the body and resource holders. These arrangements serve as a means by which the public body becomes exposed to risk. Those risks, in turn, arise from the physical, social, political, economic, legal, operational and cognitive environments. Broadly speaking, there are five general exposure areas: physical assets, financial assets, human assets, legal assets and moral/ethical responsibilities". They go on to point out that "an effective assessment process will produce not only a clear understanding of the risks themselves, but also a sophisticated understanding of the organisation's specific exposure to these risks".

6.3.2.3. Risk Management

While 'risk management' is used as a generic term, it more properly applies to the processes of response planning and risk mitigation.

The process of managing risk involves forward planning against all of the outcomes of the risk assessment process to eliminate them or mitigate them. In terms of routine administrative functions, this is likely to involve ensuring the effectiveness of key processes and that the personnel carrying out the processes are correctly selected, trained and developed to ensure that they can do so as intended. It would also involve ensuring adequate checks and balances at critical points in the process e.g. to avoid fraud in a tendering process.

However, with certain risks, the outcome of the risk assessment could indicate that it is wise to more actively mitigate risk. Examples of this would include:-

- ***Recommending rejection of the risk, e.g. recommending to the elected body that a particular programme/project is not implemented or, indeed, is cancelled because it constitutes an unacceptably high level or risk,***
- ***Sharing (pooling) or passing the risk on. This would apply particularly where the department concerned lacked expertise or experience in service/project delivery. Examples here would include, for example, the outsourcing of an IT development project, and***
- ***Insuring the risk, for example, liability insurance.***

It should be noted, however, that the peculiarly political context of the public sector means that to some extent, elected officials and public servants always remain in some way accountable for the occurrence of an unwanted event, even if it is an error in the selection of a partner to share that risk with them. It is

particularly pertinent in post-modern or 'new' public management, that commissioning managers are particularly sensitized to risk of programme / project failure and given the training they need in contract management, so that they can continue to manage the residual risk element of public sector activities.

6.3.3. Ethics in Financial Management

Andrews (1988: 35) defines ethics as "***the standards which judge behaviour and actions of personnel in public institutions, and which may be referred to as moral laws***".

Ethics can therefore have a different meaning to different people. Ethics are relative and not absolute. It usually refers to behaviour that conforms to generally accepted social norms.

Ethics in the public sector context is about the application of moral standards in the course of official work. The practical dimension of ethics in the public sector is that area of conduct in which public servants are not simply carrying out specific instructions from higher authority, but are making discretions and value judgments that have implications for their professional standing.

According to Du Toit *et al.* (1998: 112) there are various values of ethical governance, namely constitutionalism, democratic values, economic values and others.

6.3.3.1. Reasons for Unethical Conduct

If public managers fail to establish high moral standards in public institutions, a situation may arise in which unethical conduct by public officials becomes the

order of the day. According to Van der Walt and Helmbold (1995), there are different opinions about the causes of unethical behaviour by public officials e.g. deficient control and accountability, complex legislation, inadequate procedures and manuals, deficient management and organisation, psychological factors as well as deliberate abuse of power and authority.

6.3.3.2. Possible Remedies for Unethical Conduct

To ensure excellence in public sector management, certain measures should be taken to prevent the causes of unethical behaviour. A few examples of the remedies or solutions for unethical behaviour are *inter alia* an establishment of a code of ethics, legislation and judiciary, training and guidance, exemplary leadership and pressure from the media.

The code of ethics must be compiled in such a way that it meets with the approval of the community. De Barros (1990: 7) is of the view that a code should address different aspects, including the relationship between officials, financial and other private interests, official information, secrecy, just decisions, industrial actions and personal conduct.

6.3.4. Tender System

The tender process is a means of regulating the procurement of supplies and services, the disposal of property, the hiring and letting of anything or the acquisition or granting or any right for or on behalf of the institution.

Sobti (1987: 215) provides the following set of procedures to be complied with in the execution of works through a public tender system, when the amount of the services or equipment purchased exceeds a certain minimal amount.

According to Sobti, (1987: 230) the following particulars shall invariably be furnished in a tender notice: name project or service, the amount of the estimate; the time to be allowed for the completion of the work; the class of contractors from whom tenders are invited; when and where the tender forms with schedules of quantities and specifications will be supplied and at what price; when and where the tenders should be submitted; the amount of deposit to accompany the tender; where and by whom the tenders will be opened; the amount and nature of security required in case the tender is accepted; with whom the acceptance of tender will rest; and that the power to reject any tender should be reserved.

The time for allowing the tenders should be stated, and the contractors must date and initial any corrections in the schedule of quantities of materials to be issued and specifications or other essential parts of tender documents before submission. All tenders should be opened by the university engineer or the authorized official in the presence of such of the intending contractors or their agents as may choose to attend.

All tenders received shall immediately be initiated and put into the tender register. If more than one tender is received, a comparative statement shall be prepared giving recommendations. The final orders of the accepting authority shall be recorded.

No conditional tender should be accepted unless the conditions mentioned in the letter have no financial implications or where the tender remains the lowest, even after allowing for the financial implications of the conditions. Usually the lowest tender should be accepted, unless the capability of the contractor is doubted, there are objections to the security offered, or his former work is not satisfactory. The contractor has the right to be informed why his tender is not accepted, in terms of the rules of just administrative act (Burns, 1998).

6.3.5. Fraud Prevention

Section 38 of the Public Finance Management Act of 1999 (Act 1 of 1999) requires accounting officers of departments to be responsible for the effective, efficient, economical and transparent use of the resources of the department. Treasury Regulations (2001 section 3.2.2) provide that the accounting officer must provide a certificate to the relevant treasury by a specific date indicating, amongst other things, that the departmental fraud prevention plan is fully operational.

Fraud is a criminal offence, and is defined as "the unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another" (Hosten *et al.*, 1995: 1125).

6.3.5.1. Environment for fraud to occur

For fraud to occur there must be the following basic conditions: intent and opportunity. Intent may arise from different causes, be it from within the individual or from their environment. Behind intentions lie motivations which if recognised in time, indicate the likelihood of fraud and may prevent it from

occurring. Motivations are complex and are usually easier to recognise after the fact than before the occurrence of the event. They however provide a useful warning signal. The most common motivations are: personal financial problems, disgruntlement and malice e.g. officers who feel they have been faulted try to settle the score; ego e.g. beating the computer system might represent a challenge to some officers; a corporate ethos conducive to corruption e.g. if everyone else is doing it; and ideological i.e. political or religious e.g. some people believe it is right to take from the rich to give to the poor.

For fraud to continue undetected, officers often hide the evidence directly by concealment, or indirectly by falsifying entries in the books, and in some extreme cases even falsifying documents. Reconciliations may be faked, stock records may remain unchecked for a considerable period of time or contain falsified entries, inferior items may be replaced for genuine ones and important documents may even disappear without trace.

For an auditor to be able to expose fraud, an 'audit trail' is required. Such a trail may include written authorisations, definition of responsibilities, allocation of performance targets, computer codes and passwords etc. It is incumbent upon the head of department who exercises an overall responsibility, to be able to help by explaining all the line functions and responsibilities within the department. It is important to have an operational fraud policy within the department as the public sector, and government in particular, is wholly funded by taxpayers.

6.3.5.2. Content of Fraud Policy

Jones (1993: 8) is of the view that certain key features are generally applicable to policies or regulations framed to guard against fraud. These are classified as content, responsibility, unforseen events, style, regulations required under higher authority, arbitration and relevance. These issues are discussed in the paragraphs that follow.

The content of the policy must include all financial and related routine procedures e.g cash collection procedures, budgetary controls and financial planning, salaries and wages payments, appointment of consultants, ordering and procurement procedures pensions and superannuation etc. The list will vary depending on the nature and size of the department.

Still following the classification of Jones (1993), responsibilities and accountabilities should be clearly set out. Delegation of duties and functions of committees should be specified to avoid confusion. Wherever necessary and possible, contingency should be made for unforseen events, especially those that render it impossible for a policy to be pursued without a clash with higher regulations or running against the interests of the department. The style of the policy or regulations should be familiar to people within the department. The provisions should be clearly numbered and be as short as possible.

Further according to Jones (1993) whenever internal regulations are enabled by a higher authority, these should be made clear and noted with a suitable reference provided. There should also be an agreed authority or tribunal for arbitration of disputes arising from conflicting interpretations of the policy regulations. Regulations should be kept under constant review by the head of

department or those responsible for their drafting. They should be updated on a continuous basis to maintain their relevance to operational circumstances and systems. The recipients of the changes should be consulted and kept informed in writing, quoting the precise amendments made.

Jones (1993: 12) further highlights the need for 'desk' instructions and other specialised regulations, investigations and interviews. Important internal controls are often written into desk instructions e.g. requirements for cheques to be countersigned. Sloppy or completely absent desk instructions can prove to be a serious area of weakness in the system. These instructions are often overlooked in a fraud policy because they deal with only a particular area of government and not with government as a whole. They also do not get the consideration they deserve because they are probably drafted at a junior level within government. It is recommended here that desk instructions be included in the overall policy document and also be reviewable like any other finance instructions.

It is the opinion of this researcher that responsibilities for investigating fraud should, be placed on the shoulder of management, and not auditors, even though the case of possible fraud can be reported or detected by the auditor. It may not be necessary to report a case of possible fraud to the police, or to attorneys to institute a claim action, if the policy regulations allow for interviews and gathering evidence. This may solicit a confession and ways of repayment can be negotiated out of court.

6.3.6. Asset Verification

Asset verification is a process whereby all the assets belonging to an organisation or department are recorded and their replacement values are reviewed. Section 38(1)(d) of the Public Finance Management Act of 1999 (Act 1 of 1999) assigns the responsibility for the management, safeguarding and maintenance of assets to the department's accounting officer, who may be the head of department.

Section 10.1 of Treasury Regulations (2001) requires the accounting officer to take full responsibility and ensure that a proper control system exists for assets, in particular to ensure that preventative mechanisms are in place to eliminate theft, losses, wastage and misuse. The accounting officer has the added responsibility of ensuring that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of institutional assets. The subsection of the regulations in fact assigns responsibility for asset management to Public Finance.

Departments are required to hold only those assets that are necessary for the efficient, effective and economical delivery of their programmes. Fixed assets are items such as buildings and machinery, which are investments to be used for delivery of services for a prolonged period. They are investments in the delivery of future community services, and generally affect the departmental operating budget. Fixed assets comprise both moveable and immovable items. Accounting officers are required to plan properly for the acquisition of assets, and also to consider alternative strategies such as leasing, sharing or contracting

out delivery of specific programmes that require expensive assets and specialised skills (National Treasury 2000:37).

Asset verification is a crucial element of asset management, but not much is done about it in the public sector. There were reports, when the new democratic government took over, that many government assets, especially those in foreign countries were lost to government, mainly because there was no asset register where they were routinely recorded.

6.4. Review of Related Literature in Governance and Leadership Imperatives

The concept of leadership is very complex and also one of the most controversial management areas. A leader is required to lead and guide the employees of any enterprise. This task involves bridging the gap between policy formulation and successful implementation of such policies. It is not easy to define leadership but it involves elements such as giving instructions, motivating people, influence, handling people, conflict management and effective communication. In short, taking up a leadership position is a duty that involves taking charge of the activities of others. It is the relationship and interaction between superior and subordinates. Components like authority, power, influence, delegation, responsibility and accountability emerge from the task of leadership. All these components are discussed in full later in this thesis.

The concept of leadership is a fairly novel one in the context of South African higher education. The apartheid government was very paternalistic in terms of its supervision of higher education, which ranged from weak supervision of

historically white institutions to authoritarian state control of historically black institutions. No strategic leadership was visible and managers in these institutions were reduced to mere administrative operators. It is only after the new political dispensation in 1994 that higher education institutions face broader challenges of globalisation and their leaders are called upon to face challenges that they never faced before.

The concept and practice of governance will be discussed within the specific context of universities as organisations. A distinction between governance and leadership will be made clear in the sections that follow.

Historically disadvantaged universities, like other institutions in the public sector, have not been immune from wider changes in the external environment, which have impacted directly or indirectly on all higher education institutions. A period of rapid reduction in the number of students in the system and the mergers of institutions have brought about major changes in the contours of the system of higher education. At the same time, a sense of uncertainty and volatility has been introduced by the use of a funding arrangement that disadvantages previously marginalised institutions, thus leading to declining resources from government.

6.4.1. Governance

Major shifts in the political environment have also occurred. The ascendancy of new ideologies, driven in the main by government intent on reconfiguring the higher education system, has attracted a new set of values and imperatives to the notion of higher education and its governance. Such reforms are often pushed

through without adequate consultation with the policy communities affected by radical reform and frequently in spite of protests about the effect of changes on those involved. Underpinning these policy reforms is, it appears, a pervasive government - led belief in the power of better management to effect change.

A call is being made here for the efficient and disciplined use of resources, the achievement of value for money and the production of graduates for employment. This is to be achieved through systematic planning, organisation and control, the measurement of achievement against declared objectives, and in most cases in the light of comparisons across universities. Universities have to adopt corporate management techniques in line with the demand that higher education be linked more explicitly to the needs of the economy and its labour market. Any attempt to understand governance as a policy preoccupation has to be seen in terms of the above challenges to existing arrangements.

Governance has been defined as "a structure and process of decision making within a college or university about purposes, policies, programs and procedures" (Weiss, 1980: 146). University governance comprises general governance and academic governance. Although ultimately vested by an Act or Statute in councils or the Ministry of Education, many of the powers of university governance are delegated powers. Powers of general governance are delegated to the Chairperson of Council, Chancellor, Vice Chancellor and Principal, Deputy Vice Chancellor and Vice Principal and their subordinate officers. Academic matters are delegated to Senate as well as to schools or faculties.

There are four main theories or models that attempt to explain the process of governance in higher education. The validity of these theories remains very subjective, but it is evident that in each of them there is a thread, albeit very thin, of validity and it is likely that any existing system of governance will reflect elements of these theories in some way.

6.4.1.1. The Collegial or Professional Model

In this model, groups of academics preserve maximum individual freedom to pursue the search for knowledge according to their own values and the demands of their various disciplines. Professional structures are minimal arrangements for ensuring that standards of entry are maintained and to enable distribution of resources amongst their members. This model assumes that resources can be secured with a minimum of conditions, either from endowments or from a generous government that assumes that what is good for academics is also good for the community. Professional values are often realised in research universities where research and scholarship provide meaning and status to individuals. There, leadership emerges from committee activities as well as autonomous academic activities. This kind of model has hardly ever existed in its pure form in terms of the internal governance of institutions (Berguist, 1992).

The extent to which institutions are self-governing is an indication of their status. Systems vary in the degree of central government control over the university as a whole, and this determines the degree of control applied by the faculty or school. In the South African system, schools or faculties exercise power over academic matters through Senates.

6.4.1.2. Management Model

The collegial model operates in parallel with the management model. Here the objectives of higher education are set by the State, the system or the institution, through varying degrees of negotiation with academia, and they constitute the frame within which academic direction is exercised. State power may be felt, directly, e.g. through formal control over the curriculum or over academic appointments. Sometimes State control is exercised in an indirect manner through the assertion of outcome measures and other forms of evaluation.

The managerial culture values competence in managing people and finance, accountability and evaluation. Individual autonomy is more restricted and individual work more easily supervised (Weiss, 1980: 151).

6.4.1.3. The Market Model

In the market model, several modes of operation are conflated. Higher education is increasingly involved in a real market in as much as it offers priced services in competition with other institutions or private firms e.g. consultancy work. Institutions also operate in the market for students, the labour market employing graduates and the market for faculty recruitment. Another kind of market is the competitive systems set up by funding bodies in which universities compete for funds and status. It is also evident that academic integrity and reputation is often translated into a kind of currency. Reputational currency also affects institutions' capacity to compete for real money. Institutions compete for assessment of their competence, which affects their level of funding. (Kogan *et al.*, 1994: 22).

6.4.1.4. The Social Utility Model

This model assumes that higher education enhances individual life chances and as such, should be an important agent of policies for equality. Higher education institutions should contribute to the life of their local communities and economies and in doing so, assist in social cohesion. This approach advances values such as citizens' rights, participation, equality and social usefulness. This model forms a basis for policies and practices on access criteria and also on the nature of curricula and research agendas that might be in conflict with the collegial model, which emphasizes the specialist nature of higher education (Kogan *et al.,* 1994: 23).

All the above models affect missions and priorities and have an impact on the working lives of administrative and academic personnel who have to locate their activities within the fields of force created by these models, which may be in tension with each other. The collegial model emphasises that decision making may be collective because academic personnel can, at their will, undertake teaching and research and also play their role in administration. This was appropriate when both resources and demands were conducive to non-directive forms of management. Assumptions of social utility, on the other hand, were prominent in the period of expansion. We are currently living in a world dominated by market and management considerations. Within both the management and market models, decisions are shifted from the self-motivated individual acting in circumstances of equal decision making, to managing a conglomeration of tasks in response to external public policy or market pressures and reduced resources. Such decisions are now the prerogative of managers and are often taken in response to customer demands. The managerial and market models are better suited to the performance of a wider range of tasks

which demand the setting of priorities and accountability in the use of resources. It is nevertheless crucial for good quality work to continue unhindered, and for higher education to retain the good features of the collegial model, together with self-initiative and the notion of intellectual freedom.

6.4.2. Leadership

Leadership was been briefly discussed in Chapter 2. In this section the concept of leadership is discussed in detail, with special focus on leadership in higher education institutions.

Today, many people appear to be experts on leadership. Public sector managers, chief executive officers, management theorists, politicians, self-help gurus, spiritual advisers and even sportsmen and women are all publishing their own personal knowledge and experiences on leadership. University managers are left to their own devices to decide which experts can best help them solve their workplace problems. One thing that all the writers seem to agree upon is that a leader has to be an animator, creator of culture, sustainer of culture and change agent (Schein, 1992 : 42). Others are of the view that leaders simply need a belief in themselves, passion for the job and a love of people (Handy in Hesselbein, 1996). There are so many views that in the end, university managers might agree with Peter Drucker – "the only definition of a leader is someone who has followers" (in Hesselbein, 1996: 84).

It is clear however that beyond the rhetoric, there are two somewhat complementary views that require special attention. Georgiades and Mcdonell (1998: 52) describe leadership as part of a larger system or process. These

authors are concerned with what good leaders do, and not with personal qualities or traits. According to them, a leader's job is three fold: to establish a vision, to align the culture in the organisation and to design a set of management practices based on that culture. Creating a vision means linking everyday events to a broader set of values. It implies making employees feel a sense of purpose at work. An effective leader must be able to create a common culture in the organisation. The writers believe that all organisations have a culture or set of traditions beliefs, values, norms and patterns of behaviour that make them unique. The leader's role is to make sure that this culture includes a set of core values such as open and trusting relationships, a commitment to people and teamwork, as well as a commitment to change and innovation.

Lastly a leader is responsible for change management. Georgiades and Mcdonnel (1998) de-emphasize administrative tasks like planning and organizing, and focus more on what leaders can do to motivate people to accept the core values in an organisation. Their aim is to bring humanity back into the field of management. Leadership, according to them, should be understood in terms of our own behaviour.

The second complementary view is that of Vrba and de Klerk (1997). These authors define leadership as influencing and directing the behaviour of individuals and groups in such a way that they work willingly to pursue the objectives and goals of the organisation. Leadership is viewed here as dynamic and as an activity that infuses energy into the organisation to activate its members and resources to get things moving and keep them in motion. Rather than define a leader's task in terms of vision, culture and management, these authors suggest that leadership is based on certain traditional management

components, namely authority, power, influence, delegation, responsibility and accountability. Leadership is viewed as a function of management, and power in particular, is an important facet of management. They suggest that managers have many types of power: legitimate power, the power of reward, coercive power, referent power (or the power of personality) and exertion of power. The manager who possesses all these types of power is, in fact, a strong leader.

It can be concluded from the above analysis that a fundamental part of leadership is motivating people to work together towards common organisational goals and objectives. Consensus building and balancing various personal and organisational aspects are part of the process of leadership and most importantly, leadership is central to the effective functioning of any organisation, including a university.

This leads to the question whether there is any difference between a leader and a manager. Both Brevis *et al.,* (1997 : 48) and Georgiades and Mcdonnell (1998: 82) argue that there is indeed a difference between the two. The first difference is that leaders focus on behavioural aspects (e.g. motivating and energising people), and managers focus on non-behavioural aspects of management (e.g. selection of goals and objectives, development of strategies and control of activities required to accomplish those goals).

The second difference between leaders and managers is linked to their role in the change process. Kolter (1997: 120) posits that "leadership involves bringing about change, envisioning a new future for the organization and impassioning people to commit and dedicate themselves to the new direction". Managers, on the other hand, are more directed at maintaining the *status quo*, albeit very

effectively and also availing the sustained effect needed to maintain new directions. Management has a flavour of system and procedure, as well as bureaucracy.

Kolter (1992: 128) also suggests that managers control complexity through planning and budgeting, while leaders focus on creating constructive change and aligning people to a vision, so that they are committed to contribute to it. Kolter's view helps to define what effective leadership is. Whilst management is about dealing with day-to-day realities in the workplace, leadership is about anticipating and planning for the future. Regardless of differences in definition, management and leadership remain complementary for the effectiveness of any institution.

6.4.2.1. Leadership Theories

A discussion about leadership may become confused because of the wide usage of the term. Many different theories on leadership have been established based on different assumptions. Some leadership theories that have been developed through time are discussed in the following subsections.

6.4.2.1.1. The Motivation or Mutual Reward Theory

According to the motivation or mutual reward theory, the leader and follower can easily reward each other with more conviction e.g. the employer provides a happy working environment, development opportunities and safe working conditions, and the employee in turn rewards the employer with a high level of productivity and loyalty. A trade-off is created where a natural reward exchange between employee and employer takes place (Chapman, 1996: 255).

6.4.2.1.2. Leadership Trait Theory

One of the earliest views on leadership was based on the assumption that great leaders are 'born not made'. According to this theory, there are considerable variations in the ability, capability, personality and skills of leaders who were a success (Wissink, 1991: 100). This theory can however be criticized, in that positive correlations between the traits and successful leadership are low, and further that positive correlations do not provide the necessary causal relationship.

6.4.2.1.3. Situational Leadership Theory

This theory was formulated by Hersey and Blanchard (1997: 162) and was originally referred to as the "Life Cycle theory of Leadership". It involves two broad categories of leadership behaviour, namely, task behaviour and relationship behaviour.

Task behaviour refers to the extent to which leaders are likely to organise and define the roles of the members of their group and to explain the activities that each must do at a point in time. The leaders must also explain the location and how the tasks are to be done. This theory is characterized by endeavours to establish well defined patterns of organisation, channels of communication and ways of getting the work accomplished.

Relationship behaviour is the extent to which leaders are likely to maintain personal relationships between themselves and the members of their group, by opening up channels of communication and providing socio-emotional support.

The situational leadership theory deals with only one situational moderator variable called 'follower maturity'. According to this theory, follower maturity involves two related components namely, job maturity and psychological maturity. A 'high maturity' subordinate is able to perform a particular task, and a 'low maturity' subordinate lacks ability, as well as effectiveness.

The situational leadership theory holds that as the level of subordinate maturity increases, the leader should make use of more relationship orientated behaviour and less task oriented behaviour, up to the point where subordinates have a moderate level of maturity.

Another situational leadership theory is the Path-Goal theory of leadership, which was developed by House (1971: 321 – 339). This theory explains how the behaviour of a leader influences the subordinates. According to House, a leader has to motivate his/her personnel by increasing personal pay-offs to subordinates for achieving set goals, and making the path to these pay-offs easier to travel by giving clarity, reducing stumbling blocks and increasing benefits for personal satisfaction along the way. The leader should provide subordinates with the necessary coaching, mentorship and performance incentives that are not necessarily provided by the organisation.

House's path-goal theory includes four categories of leader behaviour: Supportive leadership considers the needs of subordinates, shows concern for their welfare and provides a friendly work environment. Directive leadership allows subordinates to familiarise themselves with what is expected of them, provides guidance and instructs subordinates to follow rules and procedures. Participative leadership consults with subordinates and takes into account their

suggestions and opinions when decisions are taken. Achievement oriented leadership sets challenging goals, seeks performance improvements, stresses excellence in performance and expresses confidence that subordinates will achieve the goals set (House, 1971 : 321 – 339).

6.4.2.1.4. The Behavioural Approach Theory

The behavioural approach theory is in many ways similar to the situational theory and is premised on what successful leaders do i.e. how they delegate, communicate and motivate their subordinates. Unlike inherent traits, behaviour is something that can be acquired. Thus managers who are trained in the 'right' behaviour variables become more effective leaders (Kan & Katz, 1960).

Whilst the theories discussed above are general in scope and content, those theories that are predominant in university management are the congenital, management and followership models (Paisey: 1984: 180). According to Paisey, in the congenital theory, people are born leaders and are not shaped by environmental factors. This theory is similar to the leadership trait theory discussed above. It allows the energies of society to focus on finding the necessary leaders rather than creating them. A leader's credibility lies in the attributes conferred at birth, rather than personal effect. The weakness of this theory is that it is impossible in this era of specialization, to find a ready-made leader in any field due to innate superlative qualities alone.

The above author describes the management model as that which identifies leadership with the formal positions held by individuals within an institution. Here leadership does not depend on the person's attributes at birth like in the congenital model, nor does it depends on the person's appointment to a

particular position. Leadership in this model is supported by the guarantees and resources placed in the hands of an individual incumbent of a management position. This is in turn sanctioned by expectations and rites associated with the particular field of engagement. This model creates leadership where the congenital or situational models fail to supply any leaders. Society's role is to appoint someone in a specific position and thereafter avail him/her with the necessary resources and guarantees to perform as a leader.

According to Paisey (1984), the followership theory puts the follower on centre stage. The leader does not always know that he/she is a leader until he/she is followed. Even where leadership is desired and sought, there is still no assurance that it will be exercised. Sovereignty lies with the follower. Followers can follow for various reasons, some rational, others bizarre, others fully explicit. Leadership is regarded here as the product of triangulation. An individual perceives that a second is prone to acknowledge leadership in a third. This is an important observation to be able to make accurately if the first individual happens to be the head of the institution. It enables him/her to structure and modify the organisational structure to the best advantage of all. This model however, runs counter to the management model, where a leader is followed by virtue of his office or appointment

6.4.2.2. What makes effective leadership

There are three models of higher education decision making that are also crucial for a better understanding of the frameworks within which leadership is to

sustain itself, such as the bureaucratic or rational model, the political model and the anarchistic model (File; 2000: 28).

In the bureaucratic or rational model there is clarity on organisational goals and how they are to be achieved. Even implementation tools are available, for the purposes of achieving the said goals, e.g. technology, expertise and knowledge.

In the political model, there is a lack of common goals, and interests within the institution are diverse. Resource allocations and the authority to take decisions are not evenly distributed. Problems within the institution are solved through compromises and deals.

In the anarchistic model, goals are not well defined, there is no understanding of how technology functions and there is no stable precedence in decision making. The 'garbage can' is a metaphor for organisational choice – problems, solutions, participants and opportunities are thrown together and shaken about until they adhere to each other, but nobody is quite sure why a particular problem was attached to a particular solution or a particular person, with the result that at a next round of committee meetings, or at the next stage of the process, the players shake it about again (File 2000: 32).

The importance of leadership in the process of change and innovation within a tertiary institution has never been doubted. What has been at the centre of debate from time to time has been which type of leadership style is most effective.

Sadler (1970: 112) is of the opinion that there are four main different styles of leadership, namely the 'tells', 'sells', 'consults' and the 'joins' style. In the

'tells' style, the leader issues instructions expecting those below him to obey. In the 'sells' style, the leader goes out of his way to convince and persuade those under him of the wisdom of his decision. He uses his leadership tactics to make them see the benefits of his decision. In the 'consults' style, the leader only comes to a decision after extensive consultations conducted with his colleagues. In the 'joins' style, the leader sees his task in terms of enabling his/her staff to look into a problem that needs action and to make sure that his/her colleagues, given the constraints under which the organisation operates, will reach a decision that is acceptable to the majority of those involved.

According to (Sadler, 1970), most people are able to describe their own managers in terms of one of the above four styles. It is clear that different styles of management create very different kinds of institutions. To emphasise that different styles of leadership can lead to different types of organisations, Bates (1974: 28) identifies three kinds of organisations that are yielded by particular leadership styles, namely hierarchical and formal organisations, hierarchical and informal organizations, and diffuse and informal organisations. In hierarchical and formal organizations, 'top-down' management decisions are handed down like the ten commandments and enforced by middle management acting as mercenaries for the manager. In hierarchical and informal organizations, different kinds of hierarchy exist for different kind of purposes, and in diffuse and informal organisations, participation by all staff is maximised - the so called 'bottom-up' type of management.

Murgatroyd and Gray (1984: 40) are of the view that the individual plays a central role in any effective leadership within an institution. These authors are

of the view that four qualities are a *sine qua non* for effective relationships within institutions. These are empathy, warmth, genuineness and concreteness.

According to the authors, empathy is the ability to see another person's problem as if it were one's own without losing the 'as if' quality. Warmth is essentially the vitality of sharing. Genuineness is the acceptance of another person's right to their attitude, values, beliefs and assumptions and to be true and accepting in dealing with other people. Concreteness is the quality to focus on present issues rather than constantly looking back or to the future.

Murgatroy and Gray (1984: 45) also give the findings of an investigation conducted by a school advisory team on effective leadership. A summary of the findings as they relate to leadership and interpersonal qualities within an institution are visibility, communication, acceptance, openness and genuineness, declaration of intent, head-on facing of problems, as well as appropriate responses to different circumstances and problems.

Visibility means leaders need to come out into the open and be seen. Ineffective leaders usually hide and remain unobserved. Communication refers to the ability to communicate thoughts and feelings including the ability to describe behaviours to others. Ineffective leaders generally have poor communications skills i.e. the quality of their communication, whether oral or written, leaves much to be desired. Most of it is downward, and the appropriate machinery for effective communication is absent.

Acceptance of others includes acceptance of their views. Meetings should be held in a cordial atmosphere without patronage, since the latter tends to

discourage honest participation and reduce feelings of ownership of the decisions taken.

Openness and genuineness refer to avoidance of secrecy on matters that members of staff have a right to know about. A leader should not present a façade of democracy when in most cases making autocratic decisions.

Declaration of ideas and intentions means making one's followers aware of what it is that they are following. Major policy changes need to be explained to staff, including the rationale or motives for such changes. Failure to do this leads to low morale and a feeling of abandonment, where staff come to believe they are facing problems on their own. Staff may then decide to walk away from problems instead of facing them head-on.

Effective leaders face problems head-on and do not seek to avoid them. They share the problems and seek to learn from them. Monitoring procedures need to be put in place to enable a speedy discussion of major issues taking place within the institution (Murgatroy & Gray: 1984: 46).

Effective leaders do not resolve issues in a punitive style, but seek appropriate measures that fit the circumstances. Other alternative dispute resolution mechanisms are employed e.g. positive, constructive use of counseling (Murgatroy & Gray (1984: 46). Other dispute resolution strategies like mediation, conciliation and arbitration can also be employed.

6.4.2.3. Leadership movements

For the purposes of reviewing the conflicting movements of thoughts and experiences concerning leadership in educational institutions, Paisey (1984: 89) identifies four movements, namely leadership has no appeal, there should be a return to leadership, leadership has never been absent and lastly leadership should be shifted from individuals to groups. Each of these movements is discussed below in turn.

6.4.2.3.1. 'Leadership has no appeal' movement

This relates to those who are opposed to the idea of having leadership in educational institutions. This has much to do with preferences for an existential approach to organisational life. In education there is a strong tradition of teacher autonomy. This autonomy is defined in terms of freedom to take decisions and also in terms of freedom to apply available resources.

Hornsby (1983: 112) is of the view that this autonomy may also be defined in terms of independence from, at worst, colleague domination and, at best, colleague leadership. This movements seeks to restore to the individual his freedom of thought and action, freed from the bondage of custom, obligation and leadership.

6.4.2.3.2. 'There should be a return to leadership' movement

This movement moves away from the perception that educational institutions never needed a leader. It restores humanity to the teaching world by seeking to remove the myth that teachers are in practice somehow removed from the real world. The movement, through its proponents, seeks to encourage the

recurrence of leadership among teachers, both inside and outside the school. This is a bold kind of leadership which is creative, directive, committed, controlling and audacious. The feeling however, is that executive leadership and professional leadership need to be adjusted from time to time.

6.4.2.3.3. 'Leadership has never been absent' movement

This movement emphasises that the majority of heads and senior staff within an institution believe in strong leadership and find it crucial to employ it. The argument here is that an individual with prescribed responsibilities of leadership should not continually be asking others what should be done by forever consulting and deferring. Since heads of school and other senior staff have been appointed *inter alia* because of their special qualities, they should get on with the job of leading, and they may indeed be doing. The leadership that exists today and which has never left educational institutions, is assertive, achievement oriented, and directed towards a purposeful, orderly and peaceful institutional climate.

6.4.2.3.4. 'Leadership should be shifted from individuals to groups' movement

This movement seeks to shift leadership authority away from an individual to a group. The feeling is that there is a big gap between the demands of an institution and the capacity or abilities of one single individual. The idea of a management team has thus grown from a serious attempt to maintain the viability of an institution. This team may take the form of an executive group led by the head of the institution. It may also be the name for the senior staff members as a group. The deliberate composition of a group to provide widely based and consummate collective leadership is seen by this movement as the most important constitutional act in the life of the institution. The purpose of

such a team is to supply effective leadership, and its members might therefore best be chosen according to the critical contribution each can make. Particular knowledge, skills and energy are important in this regard.

6.5. Conclusion

This chapter has presented a detailed literature review on the four areas of focus, which are human resources management, financial management, governance and leadership. A thorough understanding of these areas of focus through research provides a basis for making informed suggestions and recommendations to remedy the errors where they are found to exist.

The review of literature also assisted, in a fundamental way, in locating the study within the paradigm of Public Administration, in addition to the positioning that was done in Chapter two. The review has also provided definitions of concepts that are used in this study. The review discussed in detail different theories of leadership and governance as well as some models of leadership. These imperatives for dialogue provide a good foundation for the next chapter on the findings and recommendations of the study.

CHAPTER 7

RECOMMENDATIONS, CONCLUSION AND AREAS FOR FURTHER RESEARCH

7.1. Introduction

This chapter discusses the findings, the recommendations and the conclusion of the research. Each finding is followed by the necessary recommendation which makes it easy for the reader to follow.

The findings are based on responses by interviewees and perusal of several official documents offered in the body of research. Other unofficial documents are also referred to where necessary. The sequence of the findings has been determined in no particular order of priority.

Recommendations in this chapter are based on the vast knowledge that the researcher has gained through extensive reading on the subject, his experience gained by his association with the University and also his creativity in synthesizing new knowledge in the field of Public Administration.

The conclusion in this chapter covers all the areas of research specified in the research work. The conclusion reflects the philosophy of the researcher and the gains that have been achieved by the study. The verification or falsification of the hypothesis is also covered.

7.2. Human Resources Management

It is imperative that an institution like the University of Venda should be guided by policies and regulations in its operations. The University of Venda has a Policy on Appointments (1996), which contains guidelines for appointments. The policy demands experience and qualifications as a basis for appointments at all levels. The policy is, however, couched in broad terms, and lacks specificity.

It is clear that the University of Venda is faced with enormous challenges in the recruitment and selection spheres. Themes that impact on recruitment and selection, like globalisation, job, legislative, societal, technological and marketing changes, mean that the whole recruitment and selection process at the University should be adapted. The institution will have to compete with the private sector to attract prospective job applicants.

Issue 1 : It has been established that the University of Venda has a policy on recruitment, selection and appointments which is not followed.

Recommendation 1 : It is therefore important for the University of Venda to establish a comprehensive recruitment and selection policy with appropriate content, formulated within this competitive context. The policy does not only need to appear on paper, but to be applied forcefully by committed officials with neither fear nor favour.

The policy once formulated, needs to be monitored and evaluated on a constant basis. The policy should give guidelines on how new candidates are to be attracted in the new challenging environment. It should also deal with the

selection process, providing for different selection techniques. It should always be remembered that selection does not only relate to interviews, but is a long process beginning with shortlisting.

During interviews, competency should not be the only predictor in the selection process. Current international trends appear to emphasize ability, integrity and innovation, especially in executive appointments.

It is also important for the recruitment, selection and appointment policy to include post selection procedures, namely induction and validation studies. An induction programme helps the employee to settle down in the workplace, whereas validation studies are crucial as feedback to the employer on how effective the selection process is, in terms of predicting employees' future performance.

Issue 2 : The University of Venda has an affirmative action policy, which is not adequately implemented (Manenzhe, 2002).

Recommendation 2 : It is important for the University to implement this policy. This obviates the need for courts to intervene on an ad hoc basis to give guidelines on how affirmative action should be applied. The intervention of the courts, especially the Labour Court, has already given the framers of the policy a body of precedent to work on. It is in fact, against the law not to implement affirmative action in the workplace.

Issue 3 : It is encouraging to note that the selection panel is inclusive of different stakeholders within the University (Manenzhe, 2002). This goes a long

way to obviating nepotism and corruption in the selection process. The area that needs improvement is shortlisting. It would appear this is left to the heads of departments and one or two senior staff members within the particular department. If not improved, this could defeat the purpose of the whole exercise.

Recommendation 3 : It is recommended that the shortlisting be inclusive and an elected shortlising committee serves to enhance the credibility of the process in a fundamental way. Shortlisting should not be the domain of one individual, no matter how senior that individual might be.

Issue 4 : The University of Venda has no separate policy on executive recruitments.

Recommendation 4 : There is a need for the University of Venda to have a separate policy on executive recruitments. Executive posts include those of Executive Directors and in some instances those of directors who are immediate heads of departments. The University has a separate procedure contained in the University Statute (2005), on the appointment of the Principal and his deputies, but this is not enough. A separate policy is recommended. Depending on the availability of resources, it is sometimes crucial to hire the services of consultants to guide and facilitate executive appointments. This will enable the institution to appoint appropriate senior personnel to guide the institution through existing difficult times.

Issue 5 : The University has neither a staff appraisal system nor a performance management system in place (Manenzhe, 2002). This would go a long way

towards evaluating the quality of staff available, as well as their performance towards fulfilling the mission of the institution within the context of its public mandate.

Recommendation 5 : It is therefore recommended that the University should implement a staff appraisal and performance management system. Performance management metrics for academics would be excellence in teaching, research output as well as student class attendance and pass rate. Performance management metrics for administrative staff members would be meeting deadlines and accepted standards, which relate to efficiency and effectiveness in rendering academic support services.

Issue 6 : It has been seen in the literature review how training serves as an enabling strategy. It enables an institution to improve the shortcomings of its human resource potential. It is clear that human resource development must address the development of human capabilities, abilities and knowledge and be prepared to meet the institution's ever growing needs. The University of Venda has no policy on human resource development.

Recommendation 6 : There is a need for an appropriate separate policy on human resource development. The latter should be based on certain assumptions and principles which manifest themselves in the form of a philosophy, as explained in the earlier literature review. It is important that the University base its training and development philosophy on an integration of job content training as well as management skills and leadership training in accordance with career levels.

Issue 7 : The problem of attracting sufficient and competent staff in the Department of Resources Management and Planning is often attributed to lack of funding.

Recommendation 7 : The Executive Director in the department should also be responsible for marketing the University, thereby attracting funding for his/her department. The fundraising function cannot be left to the Vice Chancellor and Principal alone. It is only through decentralized funding initiatives that all the vacancies in the existing departmental organogram can be filled.

Issue 8 : The University of Venda, as a developing institution, might not be able to afford to follow the prescriptions of Council policies on recruitment in a rigid manner, without regard to its environment and the institutional context.

Recommendation 8 : The implementation of recruitment policies should be done in an incremental way. There is no doubt that this new era is being characterised by a rejection of orthodox ways of operating in the spheres of employment and training. It has brought to the surface a multitude of different perspectives on the universities and an appreciation of new ideas. It has highlighted globalisation on the one hand and localisation on the other, the celebration of difference and the continuous search for common ground, as people march on.

7.3. Leadership

Issue 1 : An institution of higher learning prides itself on excellence and integrity of its leadership. This also serves to market the University to the

outside world, and the Vice Chancellor and Principal becomes a window through which outsiders view the University, and vice versa.

Another spectre is the term of office of the Vice Chancellor and Principal and other top managers. The University of Venda has the Vice Chancellor, his deputies, Executive Deans and some Executive Directors on renewable short-term contracts. Other directors of departments at the University are on a permanent contracts. It can be argued that a 5 year contract might not be enough for a Vice Chancellor to plan, strategise and implement his/her vision. The problem is that the Vice Chancellor's contract may be renewed for as long as he/she wishes, provided the Council deems it fit. It should be noted here that Council membership is not permanent, as their term expires and new members are elected/appointed in terms of section 16 of the University of Venda Statute of 2005 (No. 27558 of 2005).

Recommendation 1 : It is clear that there is a need to improve on a number of aspects pertaining to leadership, at the institution, beginning with careful appointment of the Vice Chancellor and Principal and also limiting the period on his/her tenure in office. The contract of the Vice Chancellor and Principal should be renewable only once.

Issue 2 : *It has been shown in the research that the University of Venda is crisis ridden. The students disruptions and boycott of 1998 should have been a rude-awakening for the management of the institution, and important lessons should have been learned. The view of students is that the management does not consult, and if it does, such consultation is just a window dressing exercise. It is interesting in this regard to note the views of Thakhathi (2002) who was then*

Deputy Vice Chancellor and Vice Principal. According to him, the University of Venda applies a diverse management style, including top down, bottom up and diffuse systems of leadership. Stakeholders are consulted before crucial decisions are taken by the institution.

The important thing, which management appears to be missing, is whom to consult with, and the timing thereof. It is clear that management consulted with the outgoing Student Representative Council in 1997, before increasing the fees. The increased fees came into operation the following year when there was a new Student Representative Council. This is a lesson which has not been learned, as the same process is still adopted year after year. It is clear that students campaign for positions in the Student Representative Council or Assembly along political lines. The outgoing South African Student Congress (SASCO) - aligned Student Council may give way for the Azanian Student Congress (AZASCO) - aligned Student Council, as happened in the 1997 – 1998 academic year. A new organisation taking over student leadership has its own agenda, which may include inter alia no fee increament. This is bound to cause conflict when the next year begins.

Recommendation 2 : University management therefore needs to change this approach by either having elections for the student assembly earlier, to enable the incoming leadership to participate in the negotiations, or delay the negotiations until the new student leadership is in office, whichever causes limited disruptions to other University programmes.

Issue 3 : The University of Venda appears to be lagging behind on the question of gender equity, even though attempts are being made to address this critical

area. According to the University of Venda Strategic Plan (2003 – 2008), the number of female deans has increased from one in eight to an equal number of males and females. Two of the three Faculty Executive Deans and three of the seven School Deputy Deans are female. The University acknowledges in the Strategic Plan that efforts towards gender equity have been relatively slow on the administrative side. There is only one female Executive Director and the Rectorate is constituted only by males.

Recommendation 3 : There is therefore a need to improve the balance of males and females at all levels within the institution.

Issue 4 : The University Business Plan (2005 – 2010) promotes non tribalism as one of the principles informing university business at all times and levels. Indeed tribalism has emerged as an 'ugly monster' that often rears its head at tertiary institutions, even though management appears to be wishing the problem away. Thakhathi (2002) states that the University of Venda has never experienced a problem of tribalism. This is doubtful in view of the fact that the University's staff component includes foreign nationals, especially in academia". It would seem there are people of some tribes that can never work together.

Recommendation 4 : The situation can therefore not be as simple as the then Vice Principal : Administration put it. It is only when leaders acknowledge the existence of ethnic tensions and tribalism, that the problem can be dealt with. Continuous denials only serve as a panacea for administrative chaos. It is crucial for leaders at the University of Venda to constantly look for a tribal combination that works, the so-called 'portability of leadership'.

Issue 5 : It is clear from the interview with students that management at the University still employs a top down management approach when dealing with student issues. This is despite the existence of the Student Representative Assembly where student issues are debated, and which provides a forum for management to consult adequately with students. It is unfortunate that even when these structure exists, student views are often ignored.

It is an interesting development to see that students are represented at Council, the highest governing body of the institution.This shows a considerable move from the top down management style towards the 'consults' or infused approach.

Recommendation 5 : It is clear that leadership does not exist in a vacuum. It should take into consideration all factors related to the leader, those being led, as well as other environmental factors. Leadership at the University should therefore be viewed as a function of the leader, group members and other situational variables.

Issue 6 : There is no doubt we are living in a world dominated by market and management considerations. Within both the market and management models decisions are shifted from the self-motivated individual acting in circumstances of equal decision making, to managing a conglomeration of tasks in response to external public policy or market pressures and reduced resources. Management takes decisions in response to public demands. There is a need for the University to adopt a suitable model of decision-making.

Recommendation 6 : The managerial and market models are recommended for the University as they are better suited for tasks which demand the setting of priorities and accountability in the use of resources. It is also recommended for good quality work to go on unhindered, that the University of Venda also retain the positive features of the collegial model, self-initiative and a notion of intellectual freedom.

Issue 7 : The debacle that arose when outside consultants hired to do the Business Plan and financial resources were needlessly wasted reflects very badly on the leadership of the Vice Chancellor and Principal.

Recommendation 7 : This could have been avoided if proper planning was done before the consultants were contracted.

Issue 8 : The fact that the University has been operating for close to three years without the necessary Statute, as well as the elections of the Senate on the basis of an invalid and repealed Act of Parliament were embarrassing developments, especially when the Legal Adviser had tried to intervene by way of opinions on the way forward, and his opinions were ignored. Not only does the Vice Chancellor ignore the opinions of his own Legal Adviser, but also defies Council by continuing to obtain legal opinions from the Deputy Dean : School of Management Sciences and Law, after Council has instructed him to desist from doing so.

Recommendation 8 : The Vice Chancellor and Principal should respect the advise of his in-house Legal Advisor and also comply with the instructions of Council.

Issue 9 : The Vice Chancellor and Principal appears to be a man who uses disciplinary enquiries to settle scores against those who disagree with him or those he does not like. To insist on proceeding with disciplinary enquiries against the opinions of his Legal Adviser, thereby wasting limited University financial resources, is outrageously out of order.

Recommendation 9 : It is recommended that alternative dispute resolution mechanisms like counseling, conciliation and mediation should be preferred to a formal disciplinary enquiry when disputes arise on campus. Conciliation and mediation are well established processes of resolving conflict, in which an outside neutral person is engaged in an attempt to bring the feuding parties together.

7.4. Governance

There are many definitions of governance, but there is a common thread in all of them in that they all concern the exercise of power in a particular organisational setting. The definition that was adopted at the beginning of this research work and has been found to be useful, is that governance refers to the systems, structures and processes by which organisations make decisions. Good governance occurs when those decisions are made in a transparent, accountable and effective way.

Issue 1 : The problem of ownership of the land on which the University of Venda is situated has been debated for a long time now. The claim that King Kennedy Tshivhase is making through his Territorial Council cannot, unfortunately, be wished away and it appears this will haunt the University for

many years to come, if not attended to. There is no doubt, and the University does not dispute that the land that was allocated to Dimani Agricultural High School for educational purposes in 1972 is Trust land, belonging to the Tshivhase Territorial Council. Dimani High School relocated to another area, and the University of Venda was established on the property, taking over the limited infrastructure that existed at the time. It is also common cause, and it has been shown in the research, that the transfer of land to the University was not complete, in the sense that only ministerial approval was given and there is no Deed of Grant or Title Deed which would constitute real security over the land. The management of the University of Venda has until today been fighting a diplomatic war with the Tshivhase Territorial Council, to no avail. The University has been cautious by not adopting a legal route to secure ownership of the land. Firstly, that it could be a long and bitter battle, and most importantly, it would put further strain on an already fragile relationship.

Good governance is always accompanied by good strategy. The link between the two is very important because if the principles of good governance are not in place, then any strategy that is used is bound to disintergrate. The University in pampering and overly acknowledging the leadership of King Mphephu over King Tshivhase, committed a serious tactical error, even though the Ralushai Commission appears to have confirmed the Mphephu House as the rightful house to the throne as Kings of the Vhavenda people, but then there is a double bind to it. The outcome of the Ralushai Commission of enquiry was never made public, nor supported by the Limpopo Provincial Government. The report was instead embargoed and sent to the National Government to be included as a piece of evidence in a further, now Nhlapo Commission on disputes in traditional leadership in the country. This left the University in a difficult

position as it has alienated itself from King Kennedy Tshivhase who still remains the de facto 'owner' of the land. The question here is: what should be done about the dilemma in which the University finds itself?

An attempt will be made to proffer a solution that is based on practical realities and an African perspective. This solution will serve to shape management's perception on this pertinent issue, especially in the area of governance. An attempt will be made to infuse an africanist vision on a prevailing eurocentric way of doing and seeing things, with a view to solving the double bind, in which the University finds itself.

The University of Venda was established in 1981 to cater for the then Venda Homeland. Things have since changed, beginning with the advent of democracy in 1994, and the institution now finds itself in the scenic Vhembe District of the Limpopo Province of South Africa. The Vhembe district has several municipalities and the University is situated in the Thulamela Municipality

Demographics of the Limpopo Province from which the University largely draws its students complement, show that the region has the lowest level of activity of all nine provinces in the Republic of South Africa, that it has the weakest infrastructure, and that people development is at its lowest within the borders of South Africa (Pretorius, 1995: 1). The above goes a long way to show that Vhembe district is a rural setting, with most of its people still proudly attached to their customs and traditions. The role of the king and headmen therefore still plays a dominant role in the community's life and practices. This rural community has its own customs and laws, which have been termed African Law and Tradition.

In South Africa we have two separate systems of law running alongside and not necessarily parallel to each other. Both these two systems are taught in law faculties in South African universities. There is the so-called African law, which is the law of the indigenous black people of South Africa. There are several black ethnic groups in South Africa and this law differs from group to group, even though the basic principles are essentially very similar. Only one ethnic group has succeeded in codifying this law, that is, the Zulus. This group (the largest black ethnic group in South Africa) has succeeded in reproducing its ethnic laws in the so-called "Natal Code of Zulu law". This code has the force of law and its provisions are legally binding. The other ethnic groups have only succeeded in preserving their laws by way of restatement, publication of books and social comments in articles and periodicals.

The so-called law of the land, the common law of the country, is a mixture of Roman and Dutch laws which was brought to South Africa by the first white settlers who stopped at the Cape to refresh en route to the east. The above background explanation is of importance here because people often find themselves faced with these two different systems, which are both equally valid in South Africa. Section 10 of the South African Black Administration Act of 1977 (Act 38 of 1977) provides that in all cases where the dispute between the parties appearing before the court is based on traditional law and custom, indigenous traditional law should apply.

It should therefore be emphasized here that the perspective presented in this section is that of a black South African, much influenced by the indigenous African law and custom. As an indigenous black South African, one notes with interest the composition of the governing structures of the institution, especially

at the level of Council, where standards are set and the guiding principles of governance are determined. It has been stated elsewhere in this work that the establishment of the Council was long and arduous, in that all stakeholders within the University and outside the institution had to be consulted. Outside stakeholders include Convocation as well as parents' organisations.

At no stage was the Tshivhase Territorial Council, upon whose land the University is situated, consulted. Furthermore, not even the three headmen, namely, Sikhwivhilu, Mahwasane and Masiagwala whose areas surround the University, were consulted. The 'University land' is in fact, trust land, held by the three headmen for their people. The three headmen owe their allegiance to King Kennedy Tshivhase.

The University, after failing to consult with the King and the traditional leadership around the area, went ahead and constituted the governing Council of the University, excluding the traditional leadership from this governing body. The only headman who is on the Council of the University is headman T Makumbane, who was elected by virtue of being Mayor of Thulamela Municipality. Section 16(4)(m) of the University of Venda Statute of 2005 (No 27558 of 2005) provides for representation on Council of "one person designated by the Thulamela Municipality".

It is clear that the Tshivhase Territorial Council saw this exclusion from the process as a snubbing and marginalisation, hence their attitude towards University processes. Their concerns first emerged when the then University of Venda Deputy Vice Chancellor and Vice Principal : Administration and the Legal Adviser to the Vice Chancellor and Principal visited the Territorial

Council to garner their support for the process of registering the land. The relationship between the Territorial Council and the University had deteriorated to the extent that even assurances that some buildings within the University would be named after King Tshivhase could not soften their resistant attitude.

It is necessary to give an in-depth analysis of the role of traditional leaders in their communities. This will give the reader an understanding of how grievous this lapse is on the part of the University.

It is in the nature of an African to believe that law comes from a higher God; and is revealed to man through the rulers (that is, kings, chiefs and headmen) who are assisted in coming to the right decision by the elders of a particular indigenous community. These laws are considered to be the laws of nature because they are practised by all subjects as the peoples' customs and/or traditions. The traditional leader is therefore the custodian of the peoples customs/traditions made by the representative of the people for the people. This is similar to a present time national parliament, with the President and his Cabinet proclaiming laws to be adopted by Parliament, the latter being made up of the representatives of the people. In African law, the elders of the community represent the people in the area of jurisdiction of a particular traditional leader.

African law is an established system of immemorial rules which evolved from the way of life and natural wants of the people, the general context of which was a matter of common knowledge. Precedents applying to special cases were retained in the memories of the chief and his counsellors, their sons and their grandsons, until forgotten, or until they became part of the immemorial rules. It is a system of law of ancient origin. At the present time African law and custom

is still unwritten, although the main principles and numerous details are recorded in reported case law. Whenever a new question of African law or custom arises in an action, African assessors or expert witnesses may be called to give the Court the benefit of their knowledge and experience.

African law, just like the so-called common law of the land was divided into criminal and civil law. Subject to the spirit of communal interest and responsibility which pervaded African thought, life and action, and which in matters of governance were expressed by the influence possessed by the headman of the tribe, the counsellors of the chief assisted and advised him in all his political, administrative and judicial decision making. The chief was the ruler of his tribe and the father of his people; each and every member of the tribe was his subject under his protection.

Criminal law dealt with wrongs against the chief in his capacity as 'father' of the tribe, such as injuries to the person or reputation of tribal members like killing, rape, bodily injury or slander. Civil law recognised the rights of individuals amongst themselves and covered areas like status, marriage, contracts and property.

The law of property covered *inter alia* areas pertaining to land holding and allocation. There was no concept of land ownership in traditional law and custom. A family group could, however, acquire collectively and occupy communally a piece of land. Land otherwise is held in trust by the chief for his people. It should be noted here that not even the king or chief owns the land. He holds the land in trust for the people.

The concept of the University having exclusive ownership of several hectares of land in the Tshivhase Territorial Council (TTC) area could therefore have been considered by the TTC as being far fetched and opportunistic. This is despite the fact that King Tshivhase himself is a modern educated man, who could be expected to understand the prevailing law of the land. It is important to understand that decisions are not taken by him but by his counsellors, who are elders in the community. He is therefore the King in Counsel. The recommended approach to solving this issue of land and also other governance issue is to involve the traditional leaders whole heartedly in the governance of the University, the so called '*trado governance*'. The King and his subjects should be made to feel that the University belongs to them, and this should manifest itself in various ways.

Recommendation 1 : The first concession would be to name the University after the King. This would not be the first such case, as we already have the Nelson Mandela University of Technology.

Recommendation 2 : The second manifestation, should the above not be feasible, is to name the main administration building after the King.

Recommendation 3 : The third and most important of all manifestations would be to include the traditional leadership in the main governance structure of the University, which is the University Council. There are three houses of traditional leaders in Venda that are contesting to be the sole king of the Vhavenda people, namely Tshivhase, Mphephu and Mphaphuli. The latter has lately joined the contestation. All three houses can be represented on the University Council. This could be done by amending the University of

Venda Statute of 2005 (No 27558 of 2005) to include the three houses. Another way is to include the three houses under section 16(4)(n) of the Statute which provides for "other persons, not exceeding six in number, designated by such bodies as may be determined by the Council".

7.5. Financial Management

The University of Venda deserves credit for its accounting and treasury functions, especially the recording and analysis of information and data of a financial nature, as well as ensuring prompt and correct payments. The Universitys ITS system ensures that the entire function is completely computerised, and almost all transactions are done on the system. The system generates transaction reports upon request and provides for viewing daily, weekly or monthly reports in all areas of accounting activity (Maphwanya : 2002).

Issue 1 : The importance of technology cannot be underestimated. Institutional managers require an efficient and effective information supply in the context of their managerial activities. The requirements are to ensure that the right information is available at the right time, in the right place. Additionally, those responsible for the provision of information need to avoid the temptation to deliver as much information as possible, but rather select and filter information, so that it is manageable and comprehensive to the user. Managers only have a limited time to digest the flow of information available. It is essential that information is presented in a form through which a manager can monitor specific activities.

Recommendation 1 : It is therefore recommended that qualified and competent staff members in financial management be appointed to deal effectively with available technology.

Issue 2 : It is important that the University is able to make a fair presentation of its financial possession, financial performance and the cash flow of the institution.

Recommendation 2 : It is also crucial that the university complies with the South African Statements of Generally Accepted Accounting Practice (GAAP) as required by the Finance Manual for higher education institutions.

Issue 3 : The University of Venda's Department of Financial Management and Planning, does not have a code of ethics (Malima : 2002). It would also appear from the interview that there is no proper understanding of possible causes of unethical behaviour, such as deficient control and accountability, inadequate procedure and manuals, psychological factors as well as deficient management and organisation.

Recommendation 3 : A code of ethics is recommended for the University of Venda Finance Department to address the relationship between officials, financial and other private interests, official information, secrecy and confidentiality, personal conduct as well as abuse of power and authority.

The irregular use of the University credit card by the Vice Chancellor and Principal, and the irregular payment of R1.2 million to a catering company would have been avoided if there were strict controls on the finances of the

institution, as well as a code of ethical behaviour. The Council of the University should enforce the prevention of corruption and unacceptable behaviour by staff.

Issue 4 : Corruption in the tender system is rife in the public sector. The University of Venda appears to have a tight tender system chaired by a member of Council who is not a member of staff of the University (Mukwevho : 2002).

Recommendation 4 : It is recommended that there should be standing rules on tender procedures, to be complied with at all times. The rules should cover calling for tenders, or quotations, the notice of tenders, opening of tenders, as well as the acceptance thereof. Such committees should be chaired by people of integrity who are not staff members.

Issue 5 : The University of Venda applies zero budgeting (Malima : 2002), the reason for which is lack of a performance management tool that can be utilised to evaluate performance of departments and schools.

Recommendation 5 : Although profit is not bottom line at universities as it is in the private sector, efficiency, effectiveness and economy are recommended criteria for assessing organisational performance. The attendance and pass rate of students within a department can be utilized as a measuring tool of student success. Research output can be used to measure the performance of an academic staff member within a school or department. Even a balance of student success and research output could be negotiated.

In the administrative department 'economy' can imply that assets and services are procured and maintained at the least possible cost consistent with a specified quality and quantity. Where there are no purchases, the quality of service measured at the point of consumer satisfaction should be used as a performance tool.

Issue 6 : It is clear from the above analysis that staff recruitment still needs to be done at the institution to enable staff members to adequately discharge their responsibilities within the Finance Department.

Recommendation 6 : The University of Venda should raise funds to attract competent staff and discourage resignations by experienced personnel who wish to take up employment elsewhere.

Issue 7 : The University of Venda has no separate Risk Management Policy. Reference is made to booklets on risk management that have been issued to staff and students (Malima: 2002). This is a very important issue in financial management. Financial Risk Management has become a tool essential to the survival of both the public and the private sector. Financial risks are many e.g. market risks, management risks, credit risks, liquidity risks, legal risks and operational risks.

Recommendation 7 : The University should formulate policies and procedures that deal effectively with the management of financial risks. The policies should begin with risk identification, then go on to show how these risks can be controlled, if not eliminated altogether. Risks that cannot be eliminated should be managed and controlled. It is also recommended in view of the enormity of the job that a Risk Management Officer be appointed within the

Finance Department of the University, for purposes of developing a risk management plan as follows:

There are many definitions of risk, the most commonly being related to business. Business risk affects profits, so shareholders want to minimize risk as much as possible. In big companies managers are appointed to deal specifically with risk. Risk can be defined as the threat or action that will adversely affect an organisation's ability to achieve its business objectives and execute its strategies successfully. One can describe risk as anything which prevents an organisation from achieving its objectives.

The above definition suggests that risk is a very serious phenomenon to be left unattended. Nowadays universities in general are exposed to risk in their daily operations. There is risk that the policies that universities have developed and implemented might not bring the required results. Should the results not be positive as envisaged, the costs incurred might not be recovered.

With the benefit of hindsight, critics often believe that major risks and their consequences should have been anticipated, better managed, or avoided altogether. Typical questions that are asked are: Why didn't somebody do something to prevent this? Where was the attention of management, the audit committee and the internal auditors?

In developing a risk management plan there are a number of considerations that have to be borne in mind. These are best done through a business risk assessment process as described below:-

- Set business objectives
- Identify key business risks

- Assess potential impact and likelihood of occurrence
- Choose a course of action for each identified business risk
- Monitor the internal and external environments for changes in conditions and compliance with controls

Each of these aspects is discussed in more detail below.

7.5.1. Setting Business Objectives

Business objectives are opportunities that the university chooses to pursue in delivering its services to its clients. They define a university philosophy and mission and present the institution's core strategies that define products and services, as well as fundamental relationships with employees, the public, service providers, government departments, etc.

Management is responsible for setting objectives that often flow from a mission statement or strategic plan. Well stated objectives lead to significant future positive working conditions, with risks being effectively controlled. Conversely, poorly formulated objectives jeopardise a university's best efforts to achieve success.

University crises of recent years have put the spotlight on the role and performance of audit committees. Audit committees' responsibilities include reviewing and approving management's strategies and business plan, developing a depth of knowledge of the functions of the University, understanding and questioning the assumptions upon which the plans are based and reaching an independent judgment on the probability that the plans can be realised.

7.5.2. Identify Key Business Risks

Historically, the focus for managing risk was on financial matters that related mainly to uncollectable receivables, obsolete inventories and equipment, liabilities arising from fraudulent acts, etc. More recently, the focus has shifted to cover all threats or actions that could prevent a university from achieving its objectives. In developing any framework for risk management, it is helpful to identify the following being the most common risks:

- Strategic risks which relate to doing the wrong things.
- Operating risks which relate to doing the right things the wrong way.
- Financial risks which relate to losing financial resources or incurring unacceptable liabilities.
- Information risks which relate to inaccurate or non-relevant information, unrealistic systems and inaccurate or misleading reports.

The first thing to do in developing a risk management plan is to identify areas where there is a likelihood that internal controls are weak. This will most probably be in the areas identified above. In identifying risky areas, there has to be an indication of which risks are applicable to the university as a whole and which are applicable to specific functions only. The level of risk should also be indicated so that steps taken and resources used in addressing the risk can be differentiated. Table 6 lists the activities of departments that pose a risk to the operation of the university. The possibility of risk occurring in each of the identified areas (likelihood) as well as the effect of the risk on the university activity (impact) is also shown.

Table 6 : Risks affecting the University as a Whole

	Specific Risk	Impact	Likelihood
1	Ineffective monitoring processes of core functions and activities in the business plan to ensure actual performance meets set objectives.	H	H
2	Inadequate staff to ensure effective execution of business plan.	H	M
3	No real time information available from information systems, thereby impacting negatively on management decision making.	H	H
4	Management has no responsibility in the establishment and maintenance of internal control systems.	M	M
5	Information system is not supported by authorised documentation.	M	M
6	Management has no assurance that input and processing of data to the information systems are complete and valid.	M	M
7	Incorrect allocation of costs between programmes and or budgets.	M	M
8	Funds intended for use in key functions of directorates are allocated mainly to personnel expenses and costs.	L	L
9	Management takes on a reactive as opposed to a proactive role in controlling issues.	M	M

In order to be able to identify possible risks affecting the university, one needs to first identify and understand the structure and functions of the institution. Having done that, we then have to identify possible risks associated with these functions before suggesting any remedial actions to be taken.

The following key business risks can be identified as cutting across the entire University:

(a) Ineffective monitoring processes of core functions and activities in the business plan to ensure actual performance meets set objectives.

(b) Inadequate staff to ensure effective execution of business plan.

(c) No real time information available from information systems, thereby impacting negatively on management decision making.

(d) Management has no responsibility in the establishment and maintenance of internal control systems.

(e) Information system is not supported by authorised documentation.

(f) Management has no assurance that input and processing of data to the information systems are complete and valid.

(g) Incorrect allocation of costs between programmes and or budgets.

(h) Funds intended for use in key functions of directorates are allocated mainly to personnel expenses and costs.

(i) Management takes on a reactive as opposed to a proactive role in controlling issues.

7.5.3 Assess Potential Impact and Likelihood of Occurrence

Once a business risk is identified, management should analyse the two key dimensions of the risk, that is, its potential impact on achieving the university's objectives and its likelihood of occurrence. In many instances, these key dimensions can only be measured on a rough, order-of-magnitude basis, as described below:

Impact : Risks can be ranked as either :
H (High) which is as critical,
M (Medium) which is major, or
L (Low) which is minor.

Likelihood : This refers to the possibility of a risk happening or occurring within an activity of a department, which is described as follows:
H (High) which is highly likely,
M (Medium) which is likely, or
L (Low) which is not likely.

7.5.4. Act on University Risk Assessment

Having identified the possible risks associated with operations in the University, it is important to quantify them in terms of the impact each may have on the institution as a whole should it actually materialise as well as the likelihood of that risk occurring. This will help in addressing the problem where resources are very scarce. Minor risk areas should be allocated fewer resources and time, while major risk areas should be given more attention. The idea here is to ensure that resources are allocated to real issues that will cause problems and not just to any identified threat.

In terms of the risk identified in table 6, it is indicated that the impact of ineffectively monitoring core functions and activities in the business plan to ensure that the actual performance meets the originally set objectives, is very high. It would, of course, not make any sense to draw up business plans and identify set objectives but not evaluate performance to ensure that activities are in line to meet those objectives. Should this happen, the impact will be so high that additional costs might have to be incurred to fix any deviations. Likewise, there is a major likelihood that performance will not be monitored. This should make managers realise the importance of regular performance monitoring so as to prevent any mismanagement of resources.

Since risks are associated with business objectives, the university and the external environment, the number of strategies to deal with risks is almost infinite. However, these strategies can be grouped into three broad categories : risk avoidance, risk acceptance and control, and risk left uncontrolled, each of which is discussed below.

(a) Risk avoidance

When a risk has a high impact and a high likelihood of occurrence, it is probably too high in relation to the reward. The prudent course of action would then be to drop the opportunity from further consideration. Risk avoidance needs have to be an all or nothing proposition.

(b) Risk acceptance and control

Many institutions have effective preventive controls to avoid major business risks. but even so, some risks do materialise. Those departments that have concrete plans for crisis management are better positioned to deal with catastrophic events and mitigate losses once they occur. There are a myriad of control activities for preventing losses from identified risks. Routine maintenance is one example, while exception reporting of data outside normal parameters is another. Insurance is also a form of risk control.

(c) Risk left uncontrolled

If the combined assessment of impact and likelihood of occurrence is low, the risk may not be worth controlling at all, unless the cost of control is very low. It must, however, be stated very clearly from the outset how much risk the university can afford to absorb.

7.5.5. Monitor the Environment for Change

Monitoring the risk assessment process requires measuring actual performance and circumstances against planned objectives and assumptions. A continual risk assessment process involving a broad management group is necessary to identify changes in internal and external environments. Management needs effective information and reporting systems and processes to surface issues such as changes in community satisfaction, workplace environment, etc. Only with knowledge of these issues can management react and adapt appropriately.

Anonymous response systems can capture employee views in facilitating and allow management to gather information quickly on critical issues that employees might not otherwise be willing to discuss. These tools and techniques enhance the information and reporting systems for monitoring change in employee attitudes and satisfaction.

Issue 8 : The University of Venda has no separate policy on Asset Verification (Malima : 2002). This is a very important policy to safeguard and protect University assets. There is no doubt that Asset Verification is a crucial element of Asset Management.

Recommendation 8 : A fixed assets policy and procedures need to be established amongst department's financial policies and procedures. The function thereof is classification of fixed assets and procedures for the acquisition, ownership, custody, insurance and disposal of moveable assets.

The accounting officer of an institution must take full responsibility and ensure that proper control systems exist for assets and that:-

(a) preventative mechanisms are in place to eliminate theft, losses, wastage and

(b) stock levels are at an optimum and economical level.

The above implies that every department needs an asset register and the assets must be verified and evaluated regularly. Asset registers can be presented in various formats to serve specific information needs. The presentation options depend on the purpose and the level of detail. Universities keep a variety of assets, being movable assets, immovable assets, debtors or simply items of stock kept in stores.

Assets registers are developed for various reasons, some of which are listed below:-

(a) Financial accountability (replacement value' budgeting, cost recovery, etc)

Properly kept asset registers should contain financial information concerning the replacement value of the assets, budget requirements to run these assets, depreciation information, as well as other information like cost recovery that can be helpful in determining the state of affairs of these assets. Some university departments are very hesitant to accept assets and functions without verifying the availability of funds to run them.

(b) Operating requirements (effective operation of assets and infrastructure)

Operators of assets and items of infrastructure need to monitor their condition. For transfer purposes, it is very important that assets are offered in working order and that they have been maintained and operated effectively.

There are two types of assets that are kept in universities, namely movable and immovable assets. The details required for keeping each of these types of assets differ from each other, and are discussed below.

Movable Assets are normally assets like office furniture including computers, air conditioners, heaters, fans, motor vehicles, wall photos, books, etc. It is very easy to manage these assets because they can be seen and easily secured or controlled. These assets should be recorded in a register that could resemble the following:

Table 7. Recording of Assets in Register

					Quarterly Verification : 2001	
	Asset Type	**Serial No.**	**Date acquired**	**Cost in R**	**1st Quarter**	**Comments**
1	Table	Wa125	1/05/99	245.75	30/6/01	In good order
2	Table	Wa126	8/05/99	245.75	30/6/01	In good order
3	Table	Wa762	1/05/99	245.75	30/6/01	Broken
4	Six drawer table	Wa456	1/07/99	1 560.00	30/6/01	Second left hand drawer not working
5	Small table	Wa90	2/07/99	600.00	30/6/01	In good order
6	Heater	Wa372	1/03/00	179.00	30/6/01	Not working
7	Fan	Wa876	7/03/00	125.00	30/6/01	Not working
8	Computer table	Wa413	1/2/01	750.00	30/6/01	In working order
9	Computer	Wa124	2/02/01	4 350.00	30/6/01	In good order
10	Air conditioner	Wa122	1/03/00	2 350.00	30/6/01	In working order
11	Lantern	Wa874	4/05/01	225.00	30/6/01	In good order

This recording system can be operated either manually and by computer. Such a form can be supplied to every office or public place where University assets are being kept. It is easy to use, maintain and control. All one has to do when doing asset verification is to obtain the original master document or report and then physically check the existence and condition of each asset in the office, noting applicable comments. Every official occupying an office should be required to check the existence and condition of the assets appearing on the register on a regular basis.

A computerised system works better than a manual system because amendments concerning the value and physical movement of assets can be done without visiting the site itself. Like in government, the LOGIS system can be used for the management of movable assets. Because of its linkages with the financial management system, depreciation can be done automatically by the computer programme.

LOGIS is a provisioning, procurement and stock-control system, which is highly adaptable to the requirements of departments. The structure or primary components of the system enable it to be implemented in any institution situation. LOGIS enables the recording and tracking of each serialised item or asset within a store, thereby entrenching accountability and control. These items are often issued to a sub-division or entity within the University and should be returned to the store when they are no longer needed. LOGIS also enables asset verification, asset reporting and disposal of assets.

Apart from movable assets, the institution also keeps immovable assets. Once identified and recorded in an asset register, it becomes very easy to manage

immovable assets. Immovable assets are characterised by the fact that they are huge in size, they do not change locations, they are used for a long time, and they are expensive to acquire and maintain.

Institutions have many types of immovable assets, including buildings in the form of houses, offices, lecture halls etc. Because of their size and nature, immovable assets are not accounted for through the LOGIS system. Universities do not have a single asset management system. Each institution keeps its own internally developed system to manage immovable assets.

The infrastructure in its totality is valued in terms of replacement cost as well as its running or operating costs for immovable assets. A typical asset register at the University may be as follows:

Table 8 : Asset Register for Immovable Property at the University

Project Name	**Project Code**	**Project Type**	**Replacement Values**
Agricultural Laboratory	AL 112	Laboratory	1 625 550-00
Farm in Maungani	F 223	Agricultural Farm	531 472-00
Mvudi River Dam	MR 224	Irrigation Dam	231 482-00
Main Admin Block	MA 233	Administration Building	825 488-00

Issue 9 : *There is a need for the University to draw up an asset policy. Strategies have to be developed on issues like acquisition, maintenance or refurbishment and disposal of assets. The limited resources available will influence such decisions.*

Recommendation 9 : A policy on the acquisition of assets has to be formulated. This will assit the institution to determine the circumstances under which assets may be bought. Some assets are acquired to satisfy general needs, while some are acquired to satisfy departmental needs. It might also happen that a particular individual has developed a personal need for an asset, which asset might not be used by other individuals in the department. Depending on the policy of the department, funds will be made available and the assets acquired, depending on circumstances.

Some assets are allocated on the basis of seniority in the workplace. This is normally the case with movable assets like computers, cellular telephones and , motor vehicles. Immovable assets are normally an institutional heritage and their allocation will be based on particular departmental needs. Some assets are acquired for the purpose of replacing old ones while others are acquired in addition to existing ones.

As much as there needs to be a policy dealing with the acquisition of assets, there should also be one that directs the disposal of those assets that are no longer needed in the institution. Disposal of assets is done for a number of reasons, such as age, obsolescence, depreciation and incompatibility with new models. Assets may be disposed of by means of being transferred, sold, or auctioned. The proceeds can be used to acquire new items or deposited into the

departmental revenue account. This decision should be stated upfront so as not to cause any ambiguities or misunderstanding.

Assets need to be regularly maintained and refurbished to avoid rapid wear and tear. Where financial resources are very scarce, a decision of when to refurbish should be taken in good time. Budgets are usually prepared well in advance and the maintenance budget should be decided early. Where assets are to be transferred, the new owners would like to receive them in good working order. It also makes good business sense to keep assets in good order so as to realise a better price when selling them.

The University may decide to purchase or lease some assets like computers and photocopiers. These are the type of assets whose life span is very short as a result of new models that are introduced regularly. A decision should be taken as to which assets will be leased and the financial implications thereof. The same analysis should be done for those that will be bought.

Issue 10 : The University of Venda does not have a separate policy against fraud (Malima: 2002), despite the many allegations of mismanagement and/or embezzlement of funds by staff members. Fraud is a criminal offence by law. In almost all cases of fraudulent activity, universities should, in addition to setting their disciplinary processes in motion, also report the matter to the police for criminal prosecution. There is an incorrect perception amongst managers that an internal disciplinary process cannot be instituted parallel to court proceeding against a staff member. This needs to be corrected, for the two actions are separate and should be kept thus. The standard of proof in a

criminal case is 'beyond reasonable doubt', whereas the standard of proving administrative misconduct is 'a balance of probabilities' (Burns, 1996).

Recommendation 10 : It is therefore important to have an implementable, operational fraud policy in the University's finance department. This institution is funded by taxpayers' monies and therefore all stakeholders should be consulted during the formulation of the policy. The policy should be managed professionally and there should be provision for monitoring and evaluation. The policy should include all financial and routine procedures. Responsibilities, delegations and functions of committees should be specified. Internal regulations enacted by senior authority need also to be clarified. Management should bear the responsibility for fraud investigation, even though auditors or fellow staff members might be the ones to detect such an act of fraud. Once fraud is found to exist, the responsible staff member should be disciplined in terms of existing disciplinary processes, in addition to being reported to the police.

Fraud is normally committed where funds or activities with financial implications are involved and as such, is associated with corruption. Corruption can be described as any willful action or activity that by means of bribery or attempted bribery, extortion, intimidation, fraud, misinterpretation of facts, attempts to or succeeds in swaying the natural course of events from that which would otherwise have been possible through open, fair, transparent and equitable practices. It is also the willful disregard, for own gain, of any or all stipulations in legislation and regulations, instructions or directives in terms thereof, which are aimed at proper control over public finances and the open fair and transparent procurement of goods and services.

From this description of corruption it can be deduced that fraud is any deliberate deception, trickery or cheating, intended to gain an unfair advantage. It involves actions that fool others into providing a benefit that would normally not accrue to that person or entity. Fraud in itself is an unmanaged risk and if it is left unchecked or unchallenged, it has the potential to cause very serious damage to any institution.

There is a perception that, with a high level of probability, people who commit fraud may be identified by their changed lifestyles. This is not very often the case. The following are some tested fraud indicators which when closely observed, can help to identify fraud in its early stage:

Personnel Fraud Risks

- Autocratic management style
- Expensive lifestyles inconsistent with remuneration
- Poorly trained staff
- Low morale
- Compensation tied to performance
- Untaken annual leave

Cultural Fraud Risks

- Unrealistic short time budget pressures
- No code of business ethics
- Unquestioning obedience of staff
- Weak or non-existent internal controls
- Poor separation of duties

Structural Risks

- Complex structures
- Several firms of auditors
- Remote locations poorly supervised
- No audit committee
- Limited adherence to principles of corporate governance

Fraud lends itself to specific areas and the control and management thereof should focus on those areas. The following specific areas have been identified:

Table 9 : Specific Identified Risks for Fraud

	Specified Identified Risks	**Impact**	**Likelihood**
1	Fictitious employees on the payroll.	H	H
2	Unacceptable time delays in the payment of retrenchment packages and pensions.	H	H
3	Ineffective cost control over budget.	H	H
4	Lack of control over proceeds from service rendered as well as revenue collection.	M	M
5	Insufficient control over the use of resources and assets.	M	M
6	Possible duplicate of subsidy payments due to uncoordinated efforts between various directorates.	H	H
7	Inadequate controls in the fleet management system.	H	H
8	Inadequate control over debtors due to unavailability of age analysis, with no follow up being done.	H	H
9	Ineffective billing .	M	M

Table 9 shows management that the likelihood of having ghost workers on the payroll is very high and the effect or impact thereof on the budget of the institution is also very high. The risk here is that if it is not prevented, the possibility of a person knowingly making payments to non-existing people is imminent, which is a fraudulent activity.

It was also discovered that delays in the payment of pensions sometimes happens as a result of fraud, in that payment could have actually been made but deliberately sent to the wrong accountholder and ultimately being cashed. A mechanism should be put in place to ensure that pensions and other payments go to intended beneficiaries.

Where spending of the budget is not properly controlled, there is a high likelihood that funds will be misused. Payments could be made for non-existing firms and service providers. The impact of such fraudulent payments on the financial position of the University is also very high.

An ineffectively controlled fleet can result in vehicles being misused. It can happen that private trips are undertaken and accounted for as official use. This can only happen if proper control mechanisms are not in place, leading to fraudulent activities and a high impact on the University's finances.

Where billing for services rendered by the University is not obligatory and verified, the possibility of some clients being overlooked is highly likely. This can be done intentionally or unintentionally. The intentional omission is fraudulent and needs to be eliminated because it has the effect that the collection of revenue will be forgone. The unintentional omission needs to

be managed such that it does not repeat itself. The same can be said of inadequate control over debtors due to the unavailability of age analysis. If not properly managed, debtors can disappear from the system, causing the institution to lose big sums of money.

Having identified the above risks, management has the responsibility to develop mechanisms to address the problems. These mechanisms can be for specific risks or be generic for all related risks. The following are some mechanisms that could be put in place to deal with the identified problems.

Table 10 : Proposed Solutions for Identified Risks

	Specific Identified Risks	Possible Solution
1	Fictitious employees on the payroll.	Payrolls to be produced monthly and the existence of each person thereon to be confirmed by respective directors.
2	Unacceptable time delays in the payment of retrenchment packages and pensions.	All required information for payment of benefits to be available at least three months before the actual payment. Payment received to be communicated back to the paying division.
3	Ineffective cost control over budget.	Monthly expenditure reports to be available for evaluation by each Program Manager against projections. Any deviations should be reported to the Vice Chancellor and Principal.
4	Lack of control over proceeds from services rendered, as well as revenue collection.	Proper billing systems to be developed and service users to be invoiced monthly. A person other than the one billing to collect revenue.
5	Insufficient control over the use of resources and assets.	Proper requisitioning documents, signed by the supervisor, to be produced before assets or resources can be released. Full names and identity documents of users to be produced.
6	Possible duplicate subsidy payments due to uncoordinated efforts between various directorates	All payments to be channeled through one office in any particular area. Payment to be made on the submission of original invoice which should then be matched with a respective order.
7	Inadequate controls in the fleet management system.	Proper requisitioning documents, signed by the supervisor, to be released. Full names and identity documents of users to be produced.
8	Inadequate control over debtors due to unavailability of age analysis, with no follow up being done.	Debtors to be followed up immediately. All debts to be recorded and checked regularly for payment. Quarterly review of debtors.
9	Ineffective billing .	Proper billing systems to be developed and service users to be invoiced monthly. A person other than the one billing to collect revenue.

Additional mechanisms could be put in place to address a wider area of concern than the specific problems identified above. The following are some further examples.

- Delegate Authority and Responsibility

In the tertiary sector, most responsibilities are assigned to holders of specific positions and not to particular individuals. University Statutes assign all relevant responsibilities to the Vice Chancellor and Principal. It is up to the Vice Chancellor to delegate those responsibilities to holders of positions that will be able to manage those functions. The advantage of delegating responsibilities to other people is that work is not concentrated on only one person, but on a number of officials in terms of their ability. Responsibility and authority can be delegated but accountability is not delegated.The person who delegates the responsibilities assumes a supervisory role and is able to check that things are done correctly. This reduces the possibility of fraud.

- Separation of duties

Where functions and activities being performed have financial implications, the likelihood of fraud taking place is always very high. Duties and functions should be allocated in such a way that no one person initiates a transaction and then sees to its completion. Duties should be clearly separated between supervisor and subordinate. In situations where computers are used to effect payments or make inputs, passwords should, under no circumstances, be shared or left exposed. Should passwords be shared, it will not be possible to identify who performed any particular transaction.

- Regular performance management

It was discovered that where management of activities or subordinates is lax, the likelihood of fraudulent activities taking place is very high. Regular performance management will cause everybody to regulate their behaviour and take care not to defraud the institution.

- Monitoring and evaluation

Like performance management, regular monitoring and evaluation will ensure that irregularities are discovered in time so that corrective action can be taken.

7.6. Conclusion

The University of Venda is a public higher education institution with structures of governance, the highest of which is Council. Council is responsible for policy formulation and Executive Management is responsible for implementing policy. It is clear from the discussion that attempts have been made to separate the processes of policy making and policy implementation, but reason and practice favour the infusion of the two as a continuous process. The process of policy making does not end after the approval of the policy, as adjustments are often made during the implementation process as a result of bargaining and negotiations that take place until consensus is reached.

It has also been established that the multiplicity of participants and perspectives will carry a conflict of interests into the arena. This in turn will cause unnecessary delays in implementation. The two models of implementation, which are the 'top down' as well as the 'bottom up' approaches, have been discussed. Whilst the 'top down' approach might work to foster compliance in

participants, the 'bottom up' approach has proved to be generally successful in this respect because of its flexible, output-based character. To apply one model strictly and exclusively will however prove to be counter productive. A synthesis of the two models is therefore recommended, which is an evolutionary or incremental process. This process takes into effect the environment, the individual who is implementing the policy, as well as the institutional context.

In adopting the in-between approach, the policy giver should make sure that the policy has clear, consistent objectives, with appropriate links to effect the desired changes or modifications to existing policies. Structures must be put in place to encourage compliance by both the implementor and those that policies impact upon.

The importance of controlled discretion by the implementers has been indicated. Some element of flexibility is necessary to enable the implementers scope to make the necessary adjustments and amendments during the process. A proper socio-economic environment should prevail to enable continued support of and respect for the policy giver.

The essence of the above analysis is to foster unity of character and purpose on all the components forming links in the implementation process. It is therefore important that participants should align themselves with the objectives of the policy and be able to defend it, hence the cautionary approach is recommended when deploying 'fixers' to monitor the process.

Collaboration, negotiation and bargaining amongst all participants are therefore required to obtain compromises from non-compliers. There has to be effective

communication which will assist in connecting all the variables in the implementation process.

Further models of policy implementation were discussed, namely the Rational Actor, Organisational Process, Government Politics and the Systems Thinking Model. The Rational Actor model explains events by recounting the aims and calculations of the actors. The Organisational Process model implies that departments are viewed as institutions perceiving problems through organisational sensors. In Government Politics, leaders in organisations are viewed as individual players in their own right. In the Systems Thinking Model the system is viewed as a whole consisting of interdependent elements.

It has been established in the analysis that human resources are undoubtedly the lifeblood of any university institution. It is therefore crucial that an appropriate Human Resources Manager be employed to manage this vital asset of the institution. This qualified and experienced manager has the responsibility to formulate effective Human Resources Management Policies and in particular an effective policy on recruitment, selection and training of staff. The cost to the institution of employing a non-performing employee is enormous, especially now that there are laws protecting employees that make it difficult to dismiss an employee on account of incompetence. It is therefore important that enough groundwork be done to guard against such scenarios.

It is also important to use a third party in the recruitment and selection of staff, especially top executive positions. The advantage of using executive recruiters to assist with academic appointments are many. The institution is relieved of an

enormous burden and appropriate recruiters can also assist in selling the institution to the public.

The role of the University in training its staff cannot be overemphasised. Universities need to adopt training policies that are aimed *inter alia* at the creation of efficiency and effectiveness in line with the vision and mission of the institution. The University of Venda carries a public mandate that has to be fulfilled, in its capacity as an organ of the state. This institution is funded by public monies and the public no doubt deserve a return on their investment. It is therefore important that periodic appraisals and performance management of staff be done on a continuous basis, and proper training be given, should it be found that there are shortcomings to be corrected. It is only after training that staff members will be able to deliver in terms of their job descriptions and other legal requirements.

Alongside human resources, there is the equally important task of financial management. In providing guidelines for implementing University Financial Management Systems, one is struck by the challenge of trying to address a moving target in a diverse and changing environment. It is therefore important to always keep in mind that the goals of a university institution, namely research, teaching, learning and community outreach, should be the drivers of the institution.

It is clear that issues of leadership and governance pose a challenge for all tertiary institutions in South Africa, especially in the field of financial management. Financial managers need to shift their attention from day-to-day operations to strategic planning.

The University of Venda exists in challenging times, with diminished resources. The challenge facing financial management leadership is to manage an environment where financial codes and manuals are maintained and where monitoring and stewardship of public funds and the avoidance of fraud and corruption are sustained. At the same time high quality financial management must be ensured through timely and accurate financial reporting and professional support. Budget supervisors and finance departments have often established a political administration characterised by bureaucracy, which impedes the collective development of a university.

Organisations only survive and succeed in an environment where there is recognition of the interrelationship and interdependence of the various units involved. It is crucial to have competent financial managers who establish relationships with budget managers, focusing on the professional qualities and advice that they share. Issues such as effective purchasing and the movement towards full recovery of all direct and indirect costs of research and consultancy represent opportunities for universities to bring about significant increments in their revenue. Devolved budgeting supported by pro-active finance professionals provides universities, with modern information technology, and the opportunity to deploy effectively the resources under their control.

The University needs to investigate alternative means of raising revenue, while at the same time exercising fiscal restraint to facilitate productive usage of existing resources. To achieve this, institutional planning and self evaluation procedures are recommended. There are also different kinds of risks that need to be eliminated and managed, especially in the field of insurance and assets. The latter need to be verified using appropriate procedures to avoid fraud and

theft. There is, in fact, a need for separate policies for asset management and fraud prevention. It is incumbent on leadership of the institution to develop an ethics code, which is not only binding on junior staff, but also on top management staff. The lack of such code of ethics creates a breeding ground for corruption and fraud. University management is also called upon to introduce performance budgeting. Efficiency, effectiveness and economy can be used as criteria for assessing organisational performance.

All the above need to be achieved in an environment where appointments are made on merit, based on experience and qualifications and not on nepotism or friendships. It is also important to avoid making appointments based on political loyalty.

Leaders at universities are appointed to lead from the front, with the certain knowledge that their autonomy does not free them from accountability to government, which is by far the main shareholder. Government sets parameters as well as the public mandate for these institutions, and they are expected to govern themselves co-operatively with government. Government does not therefore, have control over their day-to-day activities, but nevertheless expects returns on its investment. Students on the other hand, strive to obtain degrees in the shortest possible time, as higher education costs are escalating at an alarming rate. Leadership of these institutions find themselves in a dilemma, with students making a claim as to how the institutions should be 'run'. It is therefore important for management to strike a balance between the interests of the public and those of students and take decisions that move the institution forward. To achieve all this requires strong leaders who have vision, the right values, integrity and passion for their jobs. What is needed are leaders who do

not walk too far ahead of their followers, but who also are not far behind their group, for in the latter case, they would not be able to see any dangers lurking ahead.

This research has shown how the department of Financial Management and Planning at the University of Venda is lacking in terms of adequate staff, and is unable to perform in terms of its mandate. The issue of the credit card involving the Vice Chancellor and Principal, the irregular payments made to a catering company, the absence of an ethics code, the absence of risk management and asset verification policies are some of the shortcomings within the department. These are indicators of inappropriate and inefficient people employed within the department.

The question of governance and leadership has also been dealt with in detail. The failure by the leadership of the University to acknowledge that the institution would not be governable without involving the traditional leaders on whose soil the University is situated, shows a lack of vision. It has been shown how the traditional leadership can be accommodated at this late stage, with a view to solving the present crisis.

The prevalence of disciplinary enquiries against staff members has been shown to be a mask by the Vice Chancellor and Principal, for his failure to confront the issues before him and deal with them directly. These inquiries are very costly to the University and are frequently done against the advice of the University Legal Adviser.

There is also the problem of consultation with stakeholders. It has been revealed that the leadership of the University does not consult in good faith, if they consult at all, before crucial decisions are taken. The student crisis of 1998 exposed the flawed consultation process that took place, when management negotiated with an outgoing Student Representative Council, well knowing that the student leadership of the following year might be very different, both in its political outlook and character. This is one blunder that cost the University a fortune, both in material terms and in reputation.

The hypothesis at the beginning of this study was that the problems at the University of Venda lie with financial mismanagement and inappropriate employment practices. All these problems can be blamed on inadequate leadership, and misdirected corporate governance at the institution. Indeed, the hypothesis has been verified by the findings of the research work.

7.7 AREAS FOR FURTHER RESEARCH

1. It has been shown in the research how influential the Student Representative Assembly is in the overall governance and leadership within the institution. The Student Representative Assembly consists of student political formations who have their own agendas regarding the direction the institution should take in terms of transformation and political alignment. These student political formations owe their allegiance to national political parties and movements, and more often attempt to impose the political agendas of these political parties. This influence is even experienced in the selection and appointment of top leadership in this institution. The students have representatives in

Council, the Institutional Forum and Senate. A study on the role and influence of student political formations in the leadership and governance of historically disadvantaged institutions will be an interesting effort.

2. Another area for further study would be a comparative analysis of leadership and governance between two historically disadvantaged institutions, and also between a historically disadvantaged institution and a historically advantaged institution. The latter will be an interesting eye opener into the disparities that exist between these institutions, and also what effort should be exerted to bring such institutions on par with each other in various areas of disadvantage.