



# **TRANSFORMATION STRATEGY**





# 9

## PROPOSED HIGHER EDUCATION TRANSFORMATION STRATEGY

### 9.1 Introduction

Responses to the *Discussion Document* on transforming the higher education system have emphasised the need to include a broad transformation strategy in the final report. This point was also raised repeatedly in the Commission's consultations with a large variety of stakeholders in higher education on the proposals in its *Discussion Document*.

While recognising the importance of including a broad transformation strategy in its final report, the Commission does not interpret its brief to include an implementation plan for its proposals. The development of such a plan is the responsibility of the Minister of Education and the Department of Education. Such a plan would include developing appropriate policies to support the Commission's proposals on the basis of analyses of the issues concerned and specific implementation mechanisms. The broad guidelines outlined in this section should thus not be interpreted as a blueprint for implementation, but only as a strategy for transforming the higher education system.

If the Commission's transformation framework is accepted, it will have to

be interpreted, negotiated and implemented at national, regional and institutional levels. Interpretation, negotiation and implementation of the complex and dynamically interrelated elements of the Commission's transformation framework for higher education are not necessarily sequential. While the Minister and national stakeholders, for example, negotiate and formalise agreements on certain national issues, institutions and constituencies could assess their transformation progress in the context of the framework and start prioritising further changes at an institutional level.

**In developing the transformation strategy it became evident that central elements involved in establishing a single and co-ordinated higher education system would be driven by the progress achieved in implementing most of the proposals on governance and funding of higher education. This means that some of the proposals on governance and funding have a higher implementation priority than some proposals concerning the establishment of a single co-ordinated higher education system.**

Many of the Commission's proposals are interlinked in the sense that they are in some way dependent on one another and must progress simultaneously in developing implementation approaches. For example, the three-year rolling plan requires the establishment of a Branch for Higher Education in the Department of Education, the establishment of the HEF and HEC, the development of the new funding formula, the development of the management information system, some regional consultations and the development of institutional missions and plans by transformed institutional governance structures. Some proposals, while also forming an indispensable part of the total transformation of the higher education system, could be seen as somewhat independent of other proposals. These proposals could include issues such as establishing Institutional Forums, Student Services Councils, an expanded NSFAS and selected forms of institutional redress funding. In any transformation strategy it will be important to identify such proposals, since progress on implementing them could be quicker and less complex than would be the case for many of the interlinked proposals. It is, however, equally important to realise that implementation of the category of 'independent' proposals alone would not be sufficient to transform the higher education system - this would require implementation of the core set of the Commission's proposals.

**A transformation strategy based on the Commission's proposals for transforming**

**higher education will require a considerable amount of appropriate human resources capacity at national and institutional level. In fact one of the major features of the proposed transformation strategy is that it establishes a vehicle for developing these capacities.**

The proposed transformation strategy is thus based on the following premises:

- In the transformation strategy a distinction can be made between proposals that are interdependent and some that appear to be more independent and which could be implemented separately and more quickly.
- The Commission's proposals do not represent a sequentially arranged set of proposals but rather a dynamic and systemically linked set of proposals that should receive attention during the same phases of transforming the higher education system.
- The complex and interwoven nature of the Commission's proposals and the large number of role players in higher education imply that any transformation strategy must be based on a high degree of consultation and co-operation.
- The scope and nature of the Commission's proposals on transforming higher education

require the development of appropriate human resource capacities at both national and institutional level.

## **9.2 Some prioritised proposals for a transformed higher education system**

This section suggests how some proposals in the sections on the nature, shape and size of the higher education system, governance arrangements and funding of higher education should be prioritised. It does not attempt to prioritise all the Commission's proposals, but only the most crucial ones in the three categories mentioned above.

First, concerning the Commission's proposals on governance relationships in higher education, a key task at national level is to strengthen the Department of Education's higher education capacity. Building capacity in the department will be aided by the establishment of a Branch of Higher Education headed by a deputy director-general and by information and recommendations arising from a Commission-initiated study entitled 'Management capacity in European Union (EU) and South African higher education systems'. This study, supported by the EU, will be completed by the end of 1996.

It is essential that the process of transforming our higher education system forms part of developing a new relationship between government and

higher education, within the framework of co-operative governance. This means that the establishment of structures to enable meaningful and systematic stakeholder participation is a priority. Similarly, the transformation process will require input from people with higher education policy research and management experience. At the national level the establishment of the HEF and HEC is therefore a priority. This would require establishing national student and staff organisations for participation in national higher education structures. At the institutional level, key tasks are the transformation of the councils of institutions, the establishment of effective Institutional Forums, Student Services Councils and the strengthening of the SRCs. These structures need to be operational to reinterpret institutional missions and goals as part of the development of new institutional strategic plans in terms of the Commission's transformation framework.

Second, the Commission's proposals on higher education funding arrangements involve a proposed new public funding framework consisting of two components: the funding formula and earmarked funding, which include institutional and individual redress funding. Individual redress earmarked funding is mainly set by the NSFAS. Student financial aid constitutes an integral part of public funding policy and only an interim NSFAS has been implemented thus far. Given the urgency of the need to provide some form of relief for students who cannot afford tuition fees, the extension of

the present interim NSFAS to a permanent NSFAS is of the utmost importance.

The establishment of an institutional redress earmarked fund is vital for maintaining and improving the quality of the higher education system. Since allocations from the redress fund will partly be based on comprehensive institutional audits, it is vital that the nature, scope and specifications of such institutional audits be developed as soon as possible and the audits carried out. Institutions that wish to access redress funds should be audited first. In addition, the nature and format of applications, the criteria for assessing the relative need of each of the applications, and the areas of activity in which applications for redress earmarked funding are to be considered have to be developed urgently.

A similar exercise should be carried out for application to all other earmarked funds. This should be for gaining access to categorical fixed asset funds and initiative earmarked funds and the allocation of incentive earmarked funds.

A substantial number of financial analyses need to be carried out to develop the funding formula in the form of the proposed funding grid. This would mean agreement will first have to be reached on the number of fields of learning and levels of learning. At the same time these analyses could lead to certain adjustments in the groupings of fields of learning and levels of learning.

To develop normative prices per student place, agreement will have to be reached on which activities typically carried out by higher education institutions are to be included in these prices and to what degree they should be catered for through the mechanism of earmarked funding. Clarity will also have to be obtained on the procedures and rules governing the calculation of FTE student places, and on any eligibility criteria to be set by the Minister. The current distribution of student places in the cells of the funding grid for the present higher education institutions should be analysed as soon as possible. This is essential in ensuring the development of a satisfactory approach with which the new funding formula can be phased in.

Third, the construction of the new single, co-ordinated system of higher education as envisaged by the Commission's proposals on its size, shape and nature will be a complex process involving the establishment of new structures, organisational rearrangements, the development of new capacities and the introduction of new planning procedures. The process will entail parallel work at national, regional and institutional levels, as well as through interministerial consultations. It is of crucial importance that this effort be well co-ordinated and that the interrelationships between the elements of the new system are clearly understood. In the initial phase of constructing the new higher education system, three major sets of proposals will need to be implemented:

- The institutional restructuring of the existing colleges of education, nursing and agriculture.
- The development of the information systems, planning procedures and guidelines underpinning the first national higher education plan.
- The establishment of the new framework for qualifications and quality assessment and its alignment with the NQF and the SAQA.

**It is vital that these three elements of the new system are developed in tandem, and not in sequence, and that they are co-ordinated with the development of the goal directed-funding system and the introduction of the new national governance structures proposed in this report.**

Institutional restructuring of the colleges of education, nursing and agriculture will require Cabinet approval of the Commission's proposed definition of higher education and its constitutional implications for managing and planning higher education programmes. Thereafter, the Minister will need to initiate discussions with the Ministers of Health and Agriculture to reach agreement on the future location of the colleges under their control, and the terms of their transfer to education. A similar process will need to occur with the provincial Ministers of Education

concerning the colleges of education. In the case of all three college sectors, consultations with stakeholder groupings at national, provincial and institutional levels will be essential, and interministerial working groups will be needed to iron out the many difficult technical issues that will arise. Once Cabinet approves the overall principles for restructuring these college sectors, a consolidated national plan should be developed for incorporating these colleges into universities and technikons, for the possible establishment of new universities and technikons, and for those colleges that will form part of the 'further education' sector.

The planning process will involve considerable preparatory work at national and institutional levels. At a national level the development of the national higher education management information system needs to proceed without delay, as well as the development of a framework for the audit of universities and technikons and the audit itself. At the institutional level, attention will need to be given to the review or development of mission statements and strategic plans in preparation for the first three-year national planning exercise. The development of planning capacity at national and institutional levels and a framework for the new national and institutional plans are priorities, and a task team must be made responsible for these tasks. The team must also assist institutions in preparing for these new planning demands. The development of planning capacity is, however, only one of many capacities

that have to be developed at national and institutional level. The need to develop a range of capacities required for transforming higher education is dealt with in more detail later in this chapter.

An urgent task regarding a new qualification and quality assessment framework is to identify the process by which higher education and the newly established SAQA board will negotiate the terms on which higher education programmes are included on the NQF, and on which terms higher education providers enter the broad quality framework to be developed by SAQA. This task is urgent because there is a divergent set of views on these matters and because agreement on the nature of a single qualifications framework for higher education programmes, and on the definition of fields and levels of learning, is essential to the development of the new funding formula and planning process. Clarity on the quality assurance process is a prerequisite for developing the HEQC and for important preliminary work that could be undertaken by SERTEC, the Quality Promotion Unit and individual institutions in preparing for the establishment of this committee.

These three elements represent the major challenges in constructing the single co-ordinated system. Other Commission proposals on the size, shape and nature of the higher education system should also be developed as soon as possible: human resource development plans, academic development strategies, and the production

of resource-based learning materials, for example, need not wait for the establishment of an HEC or the introduction of new funding and planning processes.

The priorities presented here do not constitute an exhaustive set of all that has to be done. They are merely intended to give some indication of an order of urgency. Ideally all the issues raised in this short list of priorities should receive simultaneous attention.

### **9.3 Different phases and the role of higher education structures in a transformation strategy**

A transformation strategy could be implemented in three broad phases - each phase involving the various role players and structures in higher education. The establishment of the new governance and funding structures, however, will be watershed events in the development of the new system, and must be the primary goal of the initial phase. While proceeding with the transformation strategy in three phases it will be of the utmost importance to maintain the present levels of quality and academic standards in higher education.

#### **9.3.1 Initial phase of the transformation strategy**

During the initial phase clarity on the role of the present AUT, and the proposed HEF and HEC is of crucial importance.



One approach could be that after Cabinet has accepted the report, an enabling Interim Higher Education Transformation Bill would be tabled. The Bill's aim would be to put in place an interim HEF and HEC to assist the Minister and the department in terms of content and process for preparing and enacting the new Higher Education Act. The Bill could focus only on the interim structures needed and could be tabled by the end of 1996. If it is to be more encompassing, it would require more consultation and time before it can be tabled. The Bill would have to specify clearly the composition, powers and functions of interim statutory structures. It would also have to contain a dismantling clause and a time period for these interim structures. The Interim Bill would be replaced by a new Higher Education Act in due course.

**This approach could accelerate transformation and would signal the Minister's commitment to transforming higher education rapidly. The main disadvantage of this approach is that it would require the Minister to pass two sets of legislation - the Interim Bill followed by a new Higher Education Act.**

A second approach would require an extended preparatory period in which development work would be done to establish the new HEC, HEF and provide for all other changes to be incorporated in a new Higher Education Act. These changes would include provision for the establishment of new

universities and technikons, the introduction of private universities and technikons, the incorporation of some existing colleges of education, nursing and agriculture into universities and technikons, and the restructuring of councils and senates/academic boards. Since this would require considerable consultation, certain existing structures would have to function in a 'caretaker capacity' to maintain the present higher education system and prepare for the implementation of specific changes.

Existing structures such as the AUT and SERTEC could thus continue to function in terms of present or adapted arrangements. The Minister could delegate the HEC's activities and some of the HEF's activities in an advisory capacity to structures such as the AUT. If this approach was followed it would be necessary to have an interim non-statutory consultation committee which is representative of all stakeholders since the AUT is not constituted as a representative body. The advantage of this approach is that it will require one set of legislation in tabling the new Higher Education Act. However, a disadvantage could be that this approach may indicate little immediate evidence of transformation. An impatient higher education community could then press the Minister into tabling a crucial, but rushed new Higher Education Act.

Regardless of the approach adopted, present funding arrangements and growth and expansion policies would largely remain in place during this phase to avoid unnecessary destabili-

sation of the higher education system.

The next step in this initial phase would be to link the responsibility for developing the Commission's main proposals to the different role players in higher education.

The Minister of Education and the department are ultimately responsible for developing and implementing the policies, procedures and mechanisms required to give effect to the Commission's proposals. In keeping with the central feature of increased partnerships and co-operation emphasised by the Commission, and against the background of the co-operative governance arrangements it proposed, it is accepted that the Minister and the Department of Education will co-operate with a variety of stakeholders in higher education.

During this phase the Minister would initiate the discussions required to resolve the future location of colleges of education, nursing and agriculture as proposed in Chapter 6 of this report. This should include consultations with the National Task Team on Further Education about the expansion of the further education sector. The Minister and the Department of Education would also assume responsibility for the preparatory work required to draft the White Paper on higher education. Depending on the approach that is adopted by the Minister, he/she would either have to draft the Interim Higher Education Transformation Bill to establish the interim HEF and HEC or assign additional functions to the AUT as was

explained earlier.

In addition to assisting the Minister, the Department of Education would also take steps to expand and develop the present NSFAS as proposed by the Commission. The department, through appropriate task teams, would begin developing performance indicators for higher education institutions. This would involve initiating the development of a comprehensive management information system (MIS) which would evolve from the present SAPSE information system and would include many features of the present information system. The proposed MIS should include a database on academic/research and other staff remuneration, which would form the basis of any national and institutional development of remuneration policy. These developments should lead to significant progress in the use of information technology in higher education institutions. These initiatives are prerequisites for the eventual establishment of a National Higher Education Information and Admissions Service.

The AUT would begin the preparatory analyses to establish a new public funding framework for higher education. Using appropriately constituted work groups, analyses would be undertaken to determine the initial prices of student places in the cells of the funding grid and the development of many other highly technical issues required by the proposed funding formula. Given the importance of institutional redress funding, progress with institutional audit criteria - particular-

ly for institutional redress - and with the demarcation of areas to be considered for earmarked funding is vital. During the initial phase redress funding in some areas, such as the deployment of information technology, human resource development and academic development, should preferably have been initiated already. If it is decided to table an Interim Higher Education Transformation Bill, the interim HEC and HEF would take over these development roles.

**The Commission proposes that the deployment of information technology should receive priority in 1997 for purposes of redress funding. This view is based on the report of the Commission's Working Group on Information Technology which stressed three themes:**

- Benchmarks have to be established for minimum resource levels, for historically disadvantaged institutions to overcome past deficiencies and for the entire higher education system to be globally competitive.
- Co-operation between higher education institutions is essential for an information technology system to function efficiently.
- No matter how well equipped the higher education system may be in terms of physical resources, the key is human

resource development, from senior management to user level.

The working group stressed the need for redress in this area, and believed resourcing for information technology infrastructures should be no less than the minimum required by an institution to enable it to operate effectively in the 'information age'.

Towards the end of the initial phase some of the matters raised by the Commission for further investigation, such as the place, role and nature of distance education in providing higher education and the establishment of private universities and technikons, would begin to be addressed by appropriate work groups under the auspices of the AUT or the interim HEF and HEC, depending on which of the two approaches outlined earlier is followed by the Minister of Education.

During this phase institutions would transform their councils and restructure their senates/academic boards where necessary, establish effective Institutional Forums and Student Services Councils. They would also start interpreting institutional missions in terms of the Commission's transformation framework. In particular, institutions would develop ways to strengthen institutional academic and financial planning capacity to respond to the new emphasis on planning in a single co-ordinated higher education system.

In addition to establishing and recomposing key governance structures,

institutions would prepare for participating in the new funding framework by formulating proposals for earmarked funding in areas that are expected to qualify. Such areas would include academic development, research development, staff development etc. Educational institutions would also revisit and evaluate present institutional strategic plans as well as institutional missions, goals and objectives.

Departments and faculties would need to start assessing and responding to the implications of massification, greater responsivity to the socioeconomic context, new forms of knowledge production and dissemination and the formation of new partnerships. This may affect the structure of departments and faculties and the content and format of the curriculum. It is of the utmost importance that during this initial phase institutions address the many issues raised by inhibiting or inflexible and inappropriate institutional cultures. This would include creating enabling and safe work and study environments, developing mechanisms and codes of conduct for governing relationships between institutional stakeholder groupings such as management, staff, students and alumni, etc.

Many other structures and bodies play crucial roles in higher education. Apart from participating in the task teams to be established by the Department of Education and the ongoing work of the AUT, bodies such as the CUP, the CTP and organised employees would have to devel-

op appropriate bargaining mechanisms on national and institutional levels to deal with conditions of employment and salary issues. The effective functioning of national student and employee bodies during this period would be crucial for participation in higher education structures at national level.

It is also important that bodies such as SERTEC and the proposed Quality Promotion Unit of the CUP would be instrumental in beginning to develop new quality assurance approaches towards higher education during the initial phase of transformation. These approaches would also have to include the developments contemplated by SAQA. The incorporation of higher education in the NQF and the relationship between higher education and SAQA is a particularly complex issue and would undoubtedly require extensive discussion and consultation, involving bodies such as the CUP, CTP, SAQA and the Department of Education. Existing bodies and structures in teacher education, nursing and agricultural education would have to be included in many of these task teams and discussion structures.

Funding organisations which are active in higher education would probably begin to review their funding policies and practices during this phase as the new public funding framework begins to unfold - especially with reference to the areas, criteria and procedures applicable to earmarked funding.

### **9.3.2 Second phase of the transformation strategy**

During the second phase the emphasis would fall on the establishment of the comprehensive planning approach to higher education proposed by the Commission. The Minister of Education and the department, in conjunction with appropriate role players, would have to develop a comprehensive national academic plan for higher education during this period. Higher education institutions would in turn develop institutionally based academic plans, including proposals for the various forms of earmarked funding.

Based on the new Higher Education Act, structures such as the HEC, HEF and substructures like the HEQC would start fulfilling their respective functions during this phase. The consultations between SAQA and higher education which started during the initial phase, should at this stage result in the development of a single higher education qualification framework. The new higher education public funding framework should be finalised and trial runs conducted. Some issues identified by the Commission for further investigation, such as the role of distance education and private higher education, would continue to receive attention in this phase. Institutions would develop three-year rolling plans, which would include applications for earmarked funding.

The HEC would on the basis of submitted institutional academic plans engage in some funding trial runs and

evaluate the growth and access targets contained in the national and institutional academic plans. In addition, the HEC would use these trial runs to stimulate greater regional co-operation between educational institutions and start identifying unnecessary duplication of tuition and research activities at institutions. The linkage between initiative earmarked funding for research and the research funds allocated by science councils such as the FRD, HSRC and MRC would then be established.

The end of the second phase would be characterised by the finalisation of all outstanding issues concerning the new public funding framework and the first submission by educational institutions of a three-year rolling academic plan for funding by government.

### **9.3.3 Third phase of the transformation strategy**

In the third phase, and based on the new Higher Education Act, permanent structures and higher education organisations should assume their full responsibilities, as proposed by the Commission. The first full run of the new public funding framework would take place at the beginning of this phase. The incorporation of any colleges of education, nursing or agriculture into universities and technikons would have been completed by now and consideration given to establishing private universities and technikons. The investigation into distance education would by now have been completed and the findings

would be evaluated for possible implementation. In addition, this phase would see arrangements finalised for establishing any new universities and technikons through the linking of appropriate colleges of education, nursing and agriculture to form nascent universities and technikons. For institutions it would mean implementing the first three-year rolling academic plans.

In Figure 1, an attempt is made to portray the developmental sequence of the transformation strategy. Neither the developmental sequence nor this diagram could do full justice to the enormous complexity of the transformational task suggested by the Commission. The developmental sequence and this diagram should not be seen to cover each Commission proposal. It at best represents a broad overview of the main issues raised by the proposals. In this diagram it is assumed that the AUT will play the 'caretaker' role outlined in the second of the two possible approaches mentioned earlier. If the approach of establishing an interim HEC and HEF is followed, the AUT's role in the diagram would be taken over by these interim structures.

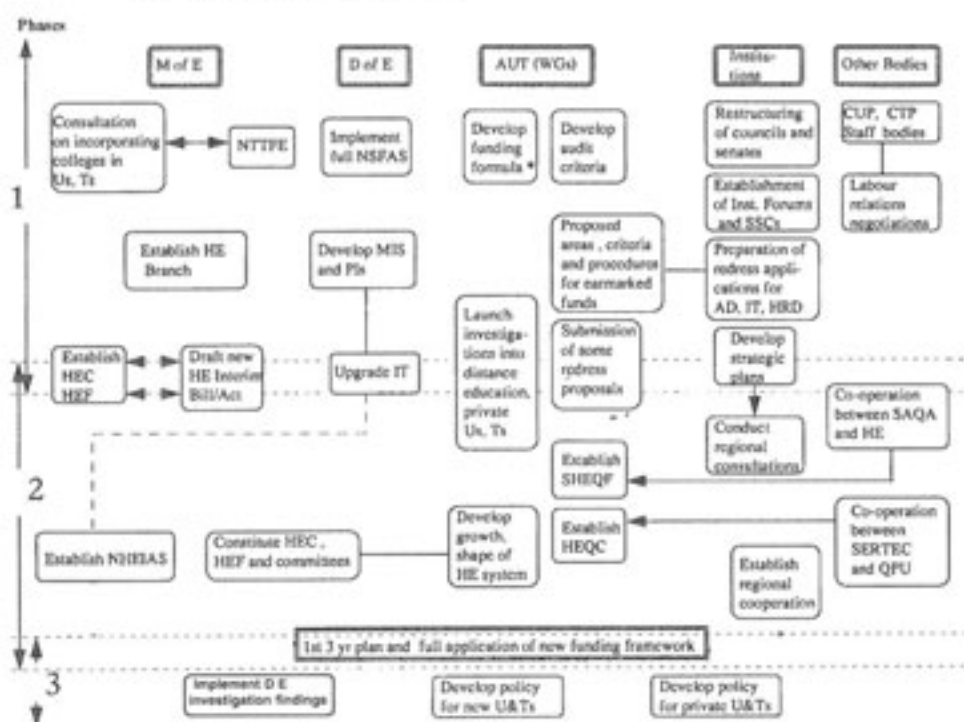
#### **9.4 Management of the proposed transformation strategy**

The diagram depicting some of the interrelationships between the major elements of the proposed transformation strategy highlights the importance of developing the required human resources capacities at the

national and institutional levels for the Commission's initiatives. While these capacities are required to transform the current higher education system, they are equally necessary to maintain the transformed system. From the diagram it is evident that academic and financial planning capacity at national and institutional level will be extremely important. In addition, capacity will have to be developed in areas such as the development and use of information systems in higher education, in preparing proposals for earmarked funding, in managing and implementing quality assurance mechanisms, in constructive and meaningful participation in higher education structures at national and institutional level and in managing student financial aid schemes. Apart from specific capacity-building programmes in areas such as those mentioned earlier, the proposed transformation strategy should embody the building of appropriate capacities as one of its major elements. This would mean, for example, that task teams and work groups should be constituted in such a manner that the appropriate capacities are developed in the course of their work.

Apart from the importance of developing the appropriate capacities required by the Commission's proposed transformation framework, it has also been pointed out that the Minister and Department of Education must accept ultimate responsibility for implementing the Commission's proposals. The interlinkage between many of the Commission's proposals and the enor-

**Figure 9.1: Interrelationships of some major elements of the transformation strategy**



**Explanation of detail in figure**

1. \* This would include the development of 'rules' for fields and levels of learning, determining FTE student places, distinguishing between contact and distance education, determining prices per student place and determining values of institutional factors.

**2. Abbreviations**

- AUT Advisory Council for Universities and Technikon
- AD Academic development
- CUP Committee of University Principals
- CTP Committee of Technikon Principals
- D E Distance education
- D of E Department of Education
- HEQC Higher Education Quality Committee
- HEC Higher Education Council
- HEF Higher Education Forum
- IT Information technology
- M of E Minister of Education
- MIS Management information system
- NSFAS National Student Financial Aid Scheme
- NHEIAS National Higher Education Information and Admissions Service
- NTTFE National Task Team on Further Education
- PI Performance indicators
- QPU Quality Promotion Unit
- SAQA SA Qualifications Authority
- SHEQF Single Higher Education Qualification Framework
- SERTEC Certification Council for Technikon Education
- SSC Student Services Council
- Us, Ts Universities, technikons
- WGs Work groups

mous complexity of the transformation of higher education have also been emphasised. During the period of transformation one of the most difficult challenges for the Minister and the Department of Education will be to balance the demands linked to the simultaneous maintenance and transformation of the system. It is these dual and often conflicting demands that have resulted in the Commission's support for the notion of the Minister appointing a dedicated small project team well versed in project management and experienced in the logistics of large complex projects. Such a project team could also play an overseeing role in developing the required capacities outlined earlier. The project team should include a member from the Branch of Higher Education in the department.

Such a project team would be responsible for the broad oversight of the whole transformation process, but would not be involved in any development work. In essence, the project team would fulfill the role of a nerve centre. This would ensure that the systemic interlinkages of the large number of developmental and preparatory initiatives of the Commission's proposals are properly incorporated. In addition, such an approach would ensure that the various interlinked developmental tasks are not out of phase with one another and a mechanism for the vital management of time frames is established. In this regard one of the first tasks of this project team would be to develop a time schedule linking the various

tasks in the three phases of the transformation strategy. In view of the urgency of transforming higher education the Commission believes that the first and second phase should not exceed eighteen months each.