Complexities of South Africa’s first higher education merger

A case study of the Durban Institute of Technology

Kalawathie Sattar and Lesley Anne Cooke

The idea of merging higher education institutions in South Africa does not only belong to government policy. As discussed in this chapter, two technikons in the city of Durban discussed a possible merger long before the national policies had been promulgated. One ‘white’, one ‘Indian’ – geographically separated only by a fence – Technikon Natal and the ML Sultan Technikon voluntarily undertook to become one institution. What could possibly go wrong?

The merger of the ML Sultan Technikon (MLST) and Technikon Natal (TN) to form the Durban Institute of Technology (DIT; renamed the Durban University of Technology or DUT in 2006) was unique in the context of South African higher education. First, the merger partners acknowledged that although they had distinct histories that influenced their prevailing institutional culture, they would merge voluntarily. Secondly, this merger occurred in 2002, prior to the promulgation of other mergers that were enforced by government policies. The original date for the merger was 1 January 2002; however, as events unfolded, the merger only became a legal reality on 1 April 2002.

At the time, the two respective Vice-Chancellors captured the unique context of this merger:

Vice-Chancellor MLST: ‘We are blazing the trail for the new landscape in higher education and the whole country is looking to us to show off a working model of merger.’

Vice-Chancellor TN: ‘Let us not lose sight of the fact that this is a voluntary merger on our terms and something that goes back more than a decade. It is our baby and we have got to make it work.’

Despite these statements, it is actually possible that this voluntary merger would not have proceeded to its conclusion without ministerial intervention. Indeed, some key questions may be posed around the ‘voluntariness’ of this merger. For example, were the two institutions operationally well-matched for the merger, or was it simply a case of the close proximity of the institutions to
each other being too tempting for the powers at play? Was this an example of an 'experiment' by default which was promoted by the Department of Education under the guise of a voluntary merger?

**Technicalities of the process versus the lived experiences of the merger: Challenges for research and writing**

While institutional mergers in higher education are well documented from perspectives such as policy initiatives, structural and procedural issues, and leadership and management, less attention has been given to the socio-cultural dimension or 'the human factor' in mergers and how this may affect the success of the merger. During the course of this research, issues pertaining to the national policy environment, structures and procedures were indeed revealed. These were somewhat overshadowed by the magnitude of the impact of the merger on the staff of the two institutions. This impact on the 'human element' became the dominant theme of this case study.

This chapter is a thick description of the outcome of research conducted at the DIT between 2003 and 2006. The data for this research, including retrospective data, was gathered from a variety of sources that included, inter alia:

- Individual interviews with key informants, including the Vice-Chancellor, Deputy Vice-Chancellors, Academic Registrar, Deans, Heads of Departments and Council members
- Focus group interviews with executive and senior management, academic and administrative staff, staff in a selected academic department (designated 'Department X' – see Chapter 5), Council members and executive managers who had left the institution soon after the merger
- Documents such as reports by various consultants and task teams, newsletters, bulletins, institutional annual reviews, conference presentations, and minutes of meetings
- Newspaper reports
- Researcher reports, a research diary and research events records from site-based researchers.

In writing this chapter, we were challenged to create a balance between writing a clear but ultimately sterile, chronological description of the merger process, or drawing out themes that would best illustrate the story from the perspectives of the staff who lived the merger. We have chosen the latter path. We emphasise the perspectives of people who experienced the merger at 'grassroots level', rather than focus on the views of those who were responsible for leading and managing the merger at a senior level.
The experience of the merger between MLST and TN, as two ostensibly compatible institutions, highlights the potential for the 'potent force of different institutional cultures colliding in the merger process' to influence the process and outcomes.\textsuperscript{12} As noted in the Introduction to this volume, culture evolves over time, and is the embodiment of an organisation's value system and its beliefs and giving meaning to these.\textsuperscript{13}

Thus, the social and cultural dimensions of the merger are foregrounded throughout this narrative. We also draw on the theory of the management of strategic change which identifies four key elements thereof as being 'diagnosis', 'levers', 'change agents' and 'pitfalls'.\textsuperscript{14} We bring these themes together in the discussion of the merger outcomes and lessons learned.

In order to begin to contextualise this case study, we review the events that first led to the conception of the DIT merger. As a frame of reference, a chronology of merger events is presented as a timeline in Figure 2.
### Figure 2. Timeline 1989–2002: The key events in the merger of ML Sultan Technikon and Technikon Natal

**1990**
- The 'Oatsdale' Minute

**1993**
- Technikon Act: No 125 of 93

**1994**
- SAQA Act

**1995**
- White Paper: Education; Higher Education Act

**1996**
- NCHE Report

**1997**
- February Joint meeting of Council – merger vision

**1998**
- November PWC appointed

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>11th Feb PWC receive instructions</td>
</tr>
<tr>
<td>1999</td>
<td>22nd Feb – 5th March detailed work on Merger Project Charter</td>
</tr>
<tr>
<td>1999</td>
<td>20th April Presentation of Charter to VC’s</td>
</tr>
<tr>
<td>1999</td>
<td>5th May Presentation of the Charter to DoE</td>
</tr>
<tr>
<td>1999</td>
<td>October Establishment of Project Oversight Committee (OC)</td>
</tr>
<tr>
<td>1999</td>
<td>20th October OC instruct PWC to prepare detailed plan and budget</td>
</tr>
<tr>
<td>1999</td>
<td>10th November Merger Project Plan presented to OC</td>
</tr>
<tr>
<td>1999</td>
<td>22nd November Merger Project Plan presented to Steering Committee (SC)</td>
</tr>
<tr>
<td>1999</td>
<td>1st December PWC &amp; OC amend scope of work</td>
</tr>
<tr>
<td>1999</td>
<td>9th December changes documented – environmental scan excluded</td>
</tr>
</tbody>
</table>

**1999**
- 11th Feb PWC receive instructions
- 22nd Feb – 5th March detailed work on Merger Project Charter
- 20th April Presentation of Charter to VC’s
- 5th May Presentation of the Charter to the DoE

**2000**
- January PWC task teams commence collection of data
- 13th April Revised vision for merger agreed by SC
- June PWC work completed
- 15th June letter from Deans & VP at TN re merger investigation
- 3rd August meeting with DoE
- 4th October Technikon Principals meet OC
- 9th October Imbizo
- 27th October Joint Council meeting
- 15th November Mantech to reach decision on participants

**2001**
- 16th February Joint Council meeting – 12 member COT formed
- 16th March Inaugural meeting of COT
- VC’s establish task teams in 7 functional areas
- 24th October meeting with DoE – legal & procedural steps required
- 6th November COT meeting
- 14th December Minister requested to gazette name & address etc

**2002**
- 1st January Initial date for merger
- 1st April Final date
- 4th April Minister gazettes merger
Two technikons compared

TN and MLST were neighbouring institutions with seemingly similar academic profiles, but there were differences in the historical development of the respective institutions and concomitantly the respective institutional cultures that had developed. With respect to demography and diversity in general, the findings of one of the site-based researchers indicated that some staff acknowledged that the commitment of ex-MLST to transformation was clearly evident in its policies and procedures. In addition, some ex-TN staff were of the opinion that MLST was more student-centred, while TN was more inflexible and had too many rules (Journal, site-based researcher, 27 November 2003). Thus, according to one ex-TN senior manager:

That was why the whole notion of MLS being a people’s technikon, a technikon that cared about students that didn’t have perhaps the necessary requirements always to be accepted elsewhere ... TN took the best students and MLS took the rest ... Far more aware of the cultural complexities of their students than the ... department at TN. Mainly because the department at TN took all the best students who were mainly White. Some of this has to do with even being White. TN staff had far more scope to explore and were more independent, put it this way, [in terms of] how they ran their departments academically and financially (TNSM: 10 February 2004).

At an institutional level prior to the merger, the student profiles for MLST and TN were comparable. According to Chalufu:

In both 2000 and 2001, African students constituted at least 60% of the student body at TN (about 60% in both years) as well as MLST (about 67% in both years). The traditional (white) student base of TN had declined to about 16 to 18% of the student body, while the traditional (Indian) student body of MLST appear stabilised at about 31% of the total student enrolment.

In terms of the fee structures of the two institutions, there were large fee variations. On average, TN was ‘R5200 more expensive for a three-year National Diploma and R1200 more expensive for the fourth year of a Bachelor of Technology’.

Management philosophies and approaches

The experiences of most of the respondents of our study clearly indicated a sense of discontent with the management and leadership during the merger, rather than with the merger per se. In part, this might be rooted in the different philosophies and approaches to leadership and management at the two
technikons prior to the merger, and the corollary expectations of staff post-merger.

It is patently evident that the management styles that prevailed at both technikons prior to merger were very different. At the time of the merger, subsections with different management styles were brought together with the expectation that they would start working together harmoniously. For example, the financial management system of the MLST was approved by the interim Council for implementation in the DIT, while the academic management style of TN was imposed on the academic sector which in turn affected support sectors. Arguably, once the merger occurred, these different management styles resulted in operational polarisation in the new institution.

Respondents described the management approach at TN as characterised by being led by 'a principal that to a large extent believed in the evolvement of decision making' supported by having a 'reasonable amount of trust' in the senior managers. Decision-making was ‘participative’ with a very ‘extensive committee system’.

The relaxed style of management at TN was, in the opinion of one respondent, inefficient and could have been improved by a ‘more effective second tier structure’. Another staff member, who argued that 'sometimes it got too liberal, people in every section did their own thing, entrepreneurship flourished, special funds, all sorts of things', reinforced this point. Interestingly, while one person commented that 'the merger rescued TN ... in terms of the management of TN', others insisted that TN provided better quality education and was the superior institution.

A sense of the complexity of the pre-existing styles of management and leadership, interwoven with the different cultures at the two technikons, begins to emerge from both the comments made by several respondents and from documents from one of the unions. For example, the notion of multiple power and authority structures prior to the merger is captured in the following extract:

TN’s educational success was rooted in individualistic, pragmatic capitalism, MLs influence was in producing socially conscientious and effective leaders within a communal politically aware value system ...

TN’s management style required academics to be proactive initiators of programme change, it could be described as largely collegial, with referential power resting more in individual expertise than within decision-making bodies. MLs power structures were largely financially based and access to resources was based on the ability to make a good
case and to lobby relevant decision-makers. DIT is experiencing a crossover, which is selecting the negative elements of these power sources because of lack of direction from leadership. Hence, individual experts are lobbying and influencing power bases and seeking control of bureaucratic structures, for a variety of reasons. This has resulted in managerial dysfunction and the corruption that we have seen in the last two years.19

Further insights into the different approaches are offered in statements made by other respondents:

My perception was that ML was far more, not autocratic, but certainly bureaucratic than I believed we were here ... Tech Natal was too laissez faire ... the perception I had was that ML was, I almost had a sort of civil service impression of how they were administered ... I don't pick up from TN side any strong feeling of tradition ... I think it is still battling with [being a] second rate technical college, I don't think it has had time to bed down and establish itself as anything ... ML never moved from what I ... experienced TN to be when I joined about 20 years ago. It was vacuous. I have a feeling that a lot of that is steeped in the National Party government control’ (TNSM: 16 September 2003).

From the above, it seems apparent that there was no consideration and diagnosis of the prevailing softer aspects of culture such as ‘the routine ways of doing things around here’ prior to the merger.20 A technical merger of departments was promoted through a focus on structures and control systems, and an opportunity to develop a management style reflective of the best practices from both technikons was lost.

Merger intentions captured in a ‘minute’

The foundations for the merger between TN and MLST can be traced back to 1989. At this time, the tumultuous political and social developments in South Africa were a matter for serious debate in the technikon sector. The Committee of Technikon Principals (CTP) commissioned a research project, conducted by a senior manager at ex-TN, into the future development of higher education in general and at technikons specifically. There were several outcomes from the research. At a national level, it informed a number of actions taken by the CTP. At TN, the outcomes of the research prompted a workshop, held in June 1990, on the ‘future of Technikon Natal within a “new South Africa”’, where it became apparent that Technikon Natal needed to debate ... critical issue[s] in conjunction with the two other Technikons in Natal’.
After a series of meetings between the rectors of the three regional technikons (MLST, TN and Mangosuthu Technikon), a workshop to 'deliberate on the future of the total Technikon movement in the Natal region' was held at Oatsdale House from 5 to 7 October 1990, with a 'neutral' facilitator. The 'only focus of the workshop was to deliberate the possibility of rationalisation between the three Technikons' in order to 'accomplish economic viability with social and demographic need fulfilment'. It was acknowledged by participants that such rationalisation was 'not restricted by any particular scenario of such rationalisation or co-operation and could range from the present position of non-rationalisation (three independent Technikons) to a fully merged single entity on one campus'.

The workshop culminated in a 'Minute' that was unanimously accepted by all delegates. The arguably legendary 'Oatsdale Minute' states that:

We agree to the principles that:

- Rationalisation between all three Technikons is both desirable and feasible;
- Rationalisation will be in the form of a multi-campus institution for Natal/Kwa-Zulu;
- Rationalisation will be phased in on a pro-active phased basis.

The agreements captured in the Oatsdale Minute were based on an assumption that, for example, rationalisation would be aimed at optimising the resources of a new combined institution, and would be sensitive to staff security and welfare, specific and particular community needs, student interests, and historic values. Furthermore, the rationalisation would be planned along 'federal lines to accommodate the common and diverse elements of the three founding institutions'. There was agreement that these concepts would be presented to a joint meeting of the three councils before the end of 1990.

It is clear that even at this early stage the model for the new institution was open to different interpretations. For example, one interpretation of the 'federal' concept is illustrated in the following extracts from 'Some Personal Ideas on Rationalisation' that are included with the 'Minute' in the Oatsdale Report:

The option suggested in the above minute will be in the form of a single multi-campus institution governed on a federal basis, i.e. with separate 'local' councils for each campus and a central corporate council ... in such a federated structure the division of power between the federal and local councils will determine the level of unity (singularness) of the overall institution ... the optimal structure to deal with rationalisation effectively is thus, in my opinion, a single institution with nominal centralised powers. That would mean practically the same status of
the institutions at present, but with a central 'council' to co-ordinate rationalisation over time.  

From the research conducted for this chapter, it is evident that the influence of such interpretations reverberated throughout the entire merger process as it developed, and had a significant impact on the assumptions of various key role-players about the model on which the merger would be predicated. In addition, while these early discussions had been taking place against a backdrop of intense national developments, the nature and scope of the envisaged changes do not seem to signal a paradigm shift that would result in transformation.

A merger between compatible institutions?

The Oatsdale Minute appears to be grounded in the assumption that TN and MLST were compatible partners because both were technikons. As indicated earlier, there were similarities as well as important differences between the two institutions. They offered similar programmes and were geographically located next to each other. Indeed, it is clear that the pervading perceptions of some key role-players at the time of the actual merger were that the two institutions were compatible and equal partners in the merger. Some insights into such perceptions are provided in the following quotes:

Were we well matched for merger ... geographically yes ... my sincere view is that academically TN was the leader in terms of its emphasis on academic work and its importance within the institution ... we were way ahead of MLS in terms of equipment, facilities, etc ... what does it mean? Were we fit to merge? ... Where computers-wise there was much more than [at] ML and our library was better organized and stocked than ML, so there were differences. Well matched, what does it mean? (TNSM: 17 December 2003).

They were very similar in terms of qualifications I don’t think there was a mismatch in terms of that in every department you will get a mixture of highly qualified staff and less qualified staff. (TNSM: 10 February 2004).

Yes. They would be suitable to merge ... decision making is taken now by ex-TN people, I think that the approach is a more clinical one. (STSM: 4 February 2004).

There can be compatibility between institutions, potential compatibility, but the problem in [the] South African situation ... that is moot because mergers were directed from the top. (STSM: 7 February 2005).
Kalawathie Sattar and Lesley Anne Cooke

It is interesting to note that the interviewees, all of whom were senior managers, reflected only on the technical issues of compatibility of the two institutions and made no reference to issues pertaining to culture, power and politics. Thus, from a technical perspective, many observers, including the Minister of Education, ‘expected the process to be plain sailing’.26

The potential that the institutional cultures may have been ‘historically and symbolically uncomplimentary’27 was seemingly never explored. This view is supported by the quote below:

My view is that the whole issue of culture, the whole issue of change, wasn’t dealt with adequately. I think too much lip service was given. It was a nice word to bandy about. In every speech ... he spoke about the merger of cultures but I didn’t see anything tangible save for those few workshops that were done. And workshops are not the way you do it. Change is more than workshops. Change is about understanding people, listening and incorporating the ideologies into the plan. (STSM: 17 October 2003).

In their research on the governance of mergers, Hall, Symes and Luescher28 maintain that incompatible cultures influence the development of systems and processes. They describe the resulting system of governance as being characterised by ‘disguised compliance’ and also highlight the danger of mergers where the equality of the merging partners is not a ‘functional reality’. The consequence of a lack of parity of the merging partners is the predominance of one pre-existing culture over another, rather than the new entity developing its own culture based on its mission and values.

Our research has highlighted three seminal aspects of the DIT merger that potentially set it apart from the mergers that were subsequently legislated by the Ministry of Education. First, there was a complete lack of recognition of the possibility of incompatibility of the different cultures and, consequently, the impact this might have on the merger process and outcomes. Second, as events unfolded in the merger process, it would appear that there were multiple interpretations of what the model articulated in the original decisions taken at the Oatsdale workshop meant in practice. Third, twelve years elapsed between the initial decisions taken at Oatsdale (1990) and the actual merger (2002). In the intervening period, there were long interludes between decisions being taken and the resumption of further activities or discussions (see Figure 1). Further, at both institutions, changes were taking place with regard to the appointment of new executive managers.

In addition, there were significant changes in the political and educational landscape in the country that affected the merger and had organisational ramifications. For example, it was evident from the way that staff spoke about each other that colleagues from one institution had no conception of the
conditions in which their counterparts were forced to work. These conditions were a result of the inequities imposed through the previous political dispensation. In this regard, the merger could be regarded as ‘the great leveller’. The initial perceptions about the differing cultures of the two institutions are explored below.

**Perceptions of the cultures of the merger partners**

The histories of MLST and TN provide some insight into their respective institutional cultures. On the one hand, MLST was a historically disadvantaged institution and its culture evolved from deep roots within the Indian community with an emphasis on people, caring and financial prudence. Respondents from ex-MLST identified the need to regard the institution as a ‘family’, with associated values such as trust and integrity. On the other hand, TN was a historically advantaged institution that had enjoyed the privileges concomitant with this status during the apartheid era. Anecdotal evidence coupled with the responses from some interviewees alludes both to a lack of fiscal control and also to a laissez-faire attitude towards compliance with policies and procedures at TN.

What implications might the existence of different cultures have for merging organisations? An analysis by Cartwright and Cooper indicates that, at an organisational level, the outcome of a merger is most likely to be ‘problematic’ if the difference in culture is not managed with strong, inspirational leadership. It could also lead to ‘a pseudo-merger’ with ‘political in-fighting’. At an operational level, the impact of an ‘organisational culture of power’ on a ‘role/task culture’ could be ‘potentially disastrous’, because when ‘assimilation is resisted ... culture collisions are inevitable’.

Thus, it is necessary for the leadership of the institution to acknowledge and analyse the different cultures before it can plan a strategy for moving forward that promotes positive behaviours: ‘If the new institution is to survive and prosper in the post-merger consolidation and community building phase ... then building a culture that elicits loyalty and a sense of community is crucial.’ Iterative processes are necessary to establish shared values and a commonly understood mission. If people share a common set of goals and values, common perspectives on what to do and how to accomplish them, and common vocabularies to co-ordinate their behaviour, heavy-handed control measures becomes less important. Thus, the task of co-ordinating and integrating cultures ‘... is one of the most demanding, complex and problematic aspects of mergers and acquisitions ... “strong” or “thick” ... cultural orientations can significantly limit what organizational members are willing to accept and do in a merger.'
What cultures, then, did each of the two institutions bring to the merger? What were the perceptions of how differences in institutional culture were managed?

The culture that prevailed at the MLST was described by a senior manager as:

Inward looking, clannish, self-directed. Students and unions had the power and shaped policies and benefits for the workers. Very Indian in all aspects for example, procurement [and] food. There was a sense of ownership of the institution. (STSM: 7 February 2005).

With regard to the culture at TN, the same person expressed the following view:

Arrogance, self-satisfaction. Not as cohesive an institution as it might have been. [There was a] sense of everyone for himself and God for us all. [There was] no sense of ownership of the institution as a whole as I perceived it was at MLS ... a distinct DIT culture still has to develop; it is in its infancy at this time. And it's going to have to be a merger between the culture of the two institutions. (STSM: 7 February 2005).

Another respondent said:

MLS dealt more with union action ... and personal interest. I'm generalising here and that is very dangerous I know. But the fact that the Senate at MLS at one stage had a union member as a chair I mean this speaks ... this tells me too much about what the ethos was at MLS. Politically, we had to merge regardless of the business plan. We have to be financially sustainable first before we can think of noble things [like] for example, equity. (TNSM: 17 December 2003).

Arguably the stable cultures of the two institutions were seriously challenged during the merger process, with each one trying to establish dominance over the other. From the data gathered, there were clearly perceptions of the strengths and weaknesses of each technikon and a prevailing sentiment of a take-over of MLST by TN. The overwhelming perception was that TN out-maneuvered MLST and the ‘TN way of doing things’ became the dominant, controlling culture at the DIT. The perception of a take-over was further strengthened by what some staff interpreted as being ‘culture cleansing’ at a managerial level. This interpretation could be attributed to the perceptions of the power clashes in the institution, rather than a reduction of the actual number of senior and executive managers from either institution. The following quote captures the essence of such perceptions and their impact on the institution:
So our whole team of people, leaders and managers from one part of the campus, went. There was no consideration of how the interests of one institution would be kept alive in the new institution. Clearly now it is a Natal Campus. (STSM, 17 October 2003).

The extent to which different cultural orientations can influence the outcome of mergers is taken up by Harman, who emphasises that cultural factors ‘act as powerful constraints’, even where merger processes are well timed, planned and have effective and strong leadership. In the context of the DIT, there were groupings that held on to the ‘strong, thick cultural orientation’ which led to allegiances being formed and the perception of the existence of heroes and villains. This resonates with one of the myths of change whereby those who assist with implementing change are heroes and those who resist are villains. Interestingly, perceptions of the identity of the villains and heroes can be influenced by a multiplicity of factors including rumour-mongering.

On the theme of who was perceived to be either a hero or villain, it is interesting to note that many staff were initially brave enough to articulate concerns and questions about the merger openly at the institution. However, as they became labelled as being anti-merger, anti-management and even troublemakers, these discordant voices became less and less audible in public meetings. Even after the merger, staff remain reticent about discussing their perceptions, fears and sense of loss of identity, as they might be viewed as being politically incorrect and therefore villains.

There were interesting differences in the behaviour of staff from the two institutions with regard to engagement in debate. On the one hand, staff at TN did not appear to enter into debate with or question their academic leaders at any forum or meeting. However, from observation, it was clear that a great deal of caucusing took place prior to meetings where decisions had to be taken. MLSI staff, on the other hand, seemingly did not caucus, or if they did they aired their disagreements publicly and did not appear to trust their leaders, whom they viewed as having vested interests rather than acting in the interests of their colleagues. This was evident even in pre-merger meetings. The following quotes illustrate the differences in behaviour of the staff in the respective institutions:

TN deans are more assertive and demonstrate leadership. Will ‘take over’ MLST academically. They are stronger. (STAS: 10 April 2002).

Meetings at Faculty level apparently take place with some collusion prior to the meetings where certain members agree to support each other on a particular issue. Therefore, it appears to some members on the committee that decisions are made by certain members unfairly, even before the meeting begins. (Journal report, site-based researcher: June 2003).
TN staff come to meetings as a united front and have the support of the new Deputy Vice-chancellor (DVC) Academic who was their old DVC Academic. MLS staff are left out in the cold. There are clear indications that MLS staff are not wanted, they feel marginalised and inferences are made that they will not be here in the future and if they are, their positions will not be secure. (STL: 5 June 2002).

The lack of open discussion was apparent even in the interim Senate meetings of the DIT, where there was little debate on academic issues. This did not imply that everyone was happy, or that the dissatisfaction had disappeared, but rather that the debate had gone underground, and that some staff were merely biding their time until they left the institution. This lack of open discussion is a manifestation of the lack of trust and feelings of insecurity, as captured in the following quotes:

> Personally, I am not happy with it but I do see the need to embrace change. This is what's been done, so be it. We need to make the best of it ... you meet up with certain people and there is almost hatred for certain individuals in Technikon Natal. (STSM: 4 February 2004).

> For as long as you have people who have memories of the old days, you are always going to have tensions. And it is only as generations begin to change and new people, students come in who do not know ML or TN that you begin to really lift out of the dichotomy. (STSM: 7 February 2005).

In short, the prevailing conditions added up to a poor scenario for a frictionless merger. Managers were trying to maintain MLST or TN ways, regardless of whether they were appropriate or not. In discussions with ex-MLST staff, there was a general view that MLST was subsumed by TN, that it was ‘sucked in’ and that all its developments, good practices, policies and procedures had been lost and had been taken over by TN, regardless of whether TN policies and procedures were good or not. These staff members therefore regarded new policies and procedures in the new institution as mechanisms for controlling staff rather than as a point of departure for establishing a new culture. In some cases, this discontent was expressed by arriving at work late, leaving early and justifying this behaviour in the name of academic freedom. The operational conditions of this merger of institutions with very different cultures created fertile ground for ‘silent sabotage’ – conditions where there are no common values and pervasive mistrust as people on both sides try to maintain particular ways of doing things. Thus, the core business of the institution was undermined.
Planning for the merger

During the six-year hiatus between the Oatsdale meeting in 1990 and the resumption of serious discussions between MLST and TN, there had been significant changes in leadership in both institutions, with a concomitant loss of institutional memory. The majority of the new leaders – the new change agents – who took responsibility for the implementation of the merger had not been party to the crucial decision taken at the Oatsdale workshop which favoured a ‘single multi-campus institution governed on a federal basis’. Furthermore, they did not necessarily agree with the ideology and philosophy that underpinned the initial proposed model for the merged institution. The extent to which these factors affected the outcome of the merger is a matter for speculation.

Formal intentions regarding the merger were documented in May 1996 at a meeting of the two newly transformed Councils of MLST and TN. Mangosuthu Technikon (Mantech) was also represented. Together the two Councils developed a statement of intent based on a joint resolution that a merger of MLST and TN was in the interests of tertiary education and the community. It was also agreed that the process to achieve the goal of merger should be inclusive of all stakeholders, as well as of Mantech, should it wish to participate.

Further progress was made in February 1997 when the MLST and TN Councils met and agreed on a vision for ‘a single institution, governed by a single Council’. To take forward this intent, a steering committee comprising the executive committees of both Councils was established.

The committee recognised the need for external independent facilitation, and thus PricewaterhouseCoopers (PWC) and partners were appointed in November 1998 to investigate the feasibility of merging the two technikons. This process was conceptualised as having three phases. The first phase focused on the identification and detailed assessment of issues to be addressed to determine the optimum structure for the new institution (the merger charter). The second phase required the analysis of the issues, and the planning of each process identified by the merger project charter document. During this phase, it was envisaged that the best option with regard to the structure for the new institution, and an indication of the process required to achieve it, would emerge. In the third phase, the chosen option was to be implemented.

The first phase commenced on 11 February 1999, when the principals of the two institutions instructed PWC to proceed with the preparation of a merger project charter. By the end of May 1999, the merger project charter had been finalised, and was presented to the two Vice-Chancellors and to the Department of Education (DoE), which agreed to provide financial assistance for the merger. The DoE provided R3 million for the initial feasibility study and also subsequently allocated to the DIT an amount in excess of R300 million for merger costs.
A project oversight committee, comprising two members from each Technikon Council, was subsequently established in October 1999. This committee instructed PWC to prepare a detailed merger plan and a budget. This was effectively the transition to the second phase of the merger investigation process. The plan drawn up by PWC proposed sixteen tasks. The first newsletter published in January 2000 as part of the merger communication strategy provides details of the tasks and progress thereon and emphasised that the process was 'not being based on a pre-conceived idea but instead will result in identifying the best possible structure/model/framework for merging the two institutions. It is therefore essential that a bottom-up approach be adopted in order to reach the desired vision.'

At this stage, a report from the financial management task team regarding the lack of information from TN signalled the financial health of this institution as a key issue that had the potential to derail the merger process: 'A problem is being experienced with obtaining information from TN ... [and] due to a new information system being implemented at TN workshops with the relevant directors are being delayed. This may result in re-scheduling this task.'

Notwithstanding the problems experienced by the financial task team, it would appear that inter-institutional teams were making progress and forging new relationships: 'The project team is receiving good co-operation from most areas. It is encouraging to see the increasing interaction between the counterparts from each Technikon.'

In February 2000, while the process was unfolding, there was some confusion regarding the purpose of the merger project, and although the project had been in place for six weeks, questions were still being asked. Deep concerns were being expressed about the implications of the merger for human resources and staffing levels. According to a statement in Newsletter 02: 'It is obviously too soon to assess these implications as a key output of this detailed planning phase is to determine the human resource requirements of the merged institution ... The details of this phase will assess the option for changing staff levels and more appropriate utilisation of human resources.'

PWC continued its work until mid 2000, after which there is no reference to these consultants, nor is there any indication of the fate of the report they had prepared. However, a groundswell of criticism of the PWC Detailed Merger Investigation Report, processes and the validity of the data began to grow. Two staff members expressed the following views:

Well, I went back, and asked management if they had a copy of the [PWC] report, it was in a bottom drawer. (TNSM: 10 February 2004). I am aware of the PWC report which I think is referred to every now and again and I think is sitting on shelf 13 somewhere. We haven’t operationalised that plan at all. I don’t believe there was a master plan
we were working towards. It might have been in someone’s imagination but certainly as Heads of Departments we haven’t seen it. And given that we are the people who are the implementers at the end of the day, it has not been made known and if it is there, it is not widely known and as a faculty, we are not working towards any milestones that I am aware of. Faculty leadership certainly is not leading us according to a plan. (STSM: 4 February 2004).

This apparent criticism by an ex-MLST senior manager with regard to a lack of planning resonates with the view expressed in the following statement by an ex-TN senior manager: ‘The planning I don’t think ever got as really well set up and well ready for the merger. We did some planning, we thought we were ready for merger; I think it hit us like lightning, I think we’re still surprised by what it all meant. We weren’t prepared enough’ (TNSM: 18 December 2003).

Notably, some insight into the rationale for ‘burying’ the PWC report can be gleaned from an informal comment made by a senior manager, that the PWC report and proposals were predicated on a financial model and that – had this model been implemented – it would have resulted in massive job losses.

What’s in a scan?

The merger project plan indicates ‘that the environmental scan should also commence immediately, as this will form a key input to the rest of the planning process’. The importance of the environmental scan is captured in the following quote:

The new vision for the merged institution will be formulated based on the outcome of the environmental scan still to be conducted, together with input from all stakeholders. If the institutions decide to merge, the new vision will only be finalised at the start of the implementation phase and should be supported by the benefits assessed in the feasibility study.

The significance of the environmental scan is further reflected in the minutes of a meeting held on 2 February 2000 with members of executive management, Deans, Academic Heads and Administrative Directors from MLST. According to the minutes, the ‘committee felt strongly that an environmental scan was critical in determining the feasibility of the academic process and that it should be undertaken externally. It was agreed that this would be raised at the steering committee meeting scheduled for 9 March 2000.’

In the implementation of the second phase of the feasibility study, the oversight committee excluded the environmental scan. Arguably, this contributed to a delay in the development of a shared vision and mission for the new institution.
and consequently the opportunity to begin to nurture a shared new culture. The decision was, however, subsequently reversed and the scan was initiated in the latter part of June 2000. It emerged that the unions played a crucial role in the reversal of the original decision. Institutional managers offered the following insights into both the uneven impact of the late implementation of the environmental scan and the merger charter proposals for the model for the new institution:

[The environmental scan] was done at the conclusion, not at the beginning and was done to keep the unions happy. No one is looking at it today. There was a lot of resistance to the Charter therefore it was not implemented. Also, because of PWC, MLS was in favour of one institution whilst TN favoured a federal model. It was not a total loss. If the PWC proposals and Charter had been followed, the merger would be complete. (STSM: 28 January 2002).

In my opinion that feasibility has yet to be done. We have not quantified. We have not done the environmental scan. We have done things that we call environmental scans but in my opinion that is not. (STSM: 23 August 2002).

Environmental scanning is recognised as a ‘kind of radar to scan the world systematically and signal the new, the unexpected, the major and the minor’. It enables decision-makers to understand the external environment and to translate this into strategic planning and decision-making processes. Thus, an opportunity to position the new institution strategically was lost, because while the environmental scan was conducted, it served no purpose and was not used to inform the planning of the merger, for example, in relation to the relevance of the academic programmes or the future needs of the region.

**Which model for the merger?**

The date of 13 April 2000 may be regarded as a watershed moment in the merger process, as the Steering Committee of the two Councils agreed to a revised vision for the proposed merger, thus marking a shift away from the initial Oatsdale agreement. Central to the revised vision was the intention ‘to increase the height and breadth of the two Technikons rather than focussing on a narrow merger to achieve maximum rationalisation’. Thus:

In line with that vision the Committee agreed that the outcome of the current process should be a new ‘Technikon System’ rather than just the merger of ‘two Technikons’, which was the original idea when the talks started more than two years ago. The envisaged merger therefore would be a single Technikon System with multiple campuses. In such
4. MERGER COMPLEXITIES: THE DURBAN INSTITUTE OF TECHNOLOGY

a system, Mangosuthu, ML Sultan and Natal Technikons would all be individual campuses, along with others to be developed by the authority of such a system. The philosophical position of both Councils reached at the beginning of the discussions on the merger was broadly: 'to increase the breadth and depth of Technikon education in the region and country as a whole.'

At this April meeting, the three scenarios presented for the merger were a narrow merger between TN and MLST, a broad merger covering the three technikons in the region, and a multi-campus scenario. It was agreed that the merger project should continue to investigate the concepts of a narrow merger, but should also be expanded to include the identification of issues and opportunities pertaining to a multi-campus scenario.

The 'multi-campus scenario' was open to multiple interpretations that caused confusion and disagreement, which were never resolved. For example, some individuals interpreted this as meaning that there was no further requirement for discussion around the merger of individual departments or faculties. However, it is clear that PWC was of the opinion that limited benefit would derive from the multi-campus scenario. This opinion was grounded in the notion that separate academic governance would not bestow real scope for either the rationalisation of academic programmes or the achievement of cost effective education. According to the PWC report:

Four strategic options were identified and developed into possible merger options ... [these] range from merging the governance of the Technikon, to the full merger of the institutions and the inclusion of other institutions and satellite campuses in the region ... the report presents a six step merger transition process ... [Step 6 was] ... expanding the educational offerings across the region ... Within this vision, the steering committee has also developed the vision of what has been termed a 'multi-campus' scenario. Unfortunately, this scenario has been interpreted by a number of parties in the institutions as a federal structure. These parties have interpreted the vision as enabling the individual institutions to remain largely as they are, particularly from an academic perspective.

The interpretation of the model as a federal structure may well have contributed to the expectations that the merger would not bring about significant changes. Indeed, some individuals may have proceeded into the merger with a covert agenda to maintain the status quo. An analysis of relevant documents supports the view that there was disagreement between the respective managers of the two institutions, who interpreted the implications of a 'multi-campus' scenario differently in the context of a merger. It seems that, although the PWC work
was comprehensive, TN managers rejected the model in favour of one Council and one Vice-Chancellor but two Senates and two Academic Registrars. The following quotes illustrate the different views of senior managers regarding the model for the new institution and the impact of the changes:

Merger was then defined as taking these two pieces and putting them together and then applying over them economistic business models where you [are] going to measure the success of the institution by whether they have a profit at the bottom of the line. (FG respondent: 20 October 2003).

We had a growth model, we said, and we are going to retain the power bases as much as possible because those deal with access, which is a major objective being served here. (FG respondent: 20 October 2003).

The big problem there was that we never resolved the issue of the model and this is why populating the model became a problem. We merged with specific plans in mind, plans that were signed and sealed at COT [Committee of Thirteen] and after the 1st of April all that changed so I think that is where the problems began. (STSM: 17 October 2003).

The option recommended by PWC was for a full merger in order to achieve the height and breadth of technikon education as envisaged by the two Councils. Ultimately, however, it was the prevailing financial situation that determined the model. The vision of the new institution as a single technikon with multiple campuses was communicated to all stakeholders.60

The intention to increase the depth and breadth of technikon education was later curtailed due to the introduction of national steering mechanisms. Examples of these include the Programme and Qualification Mix, a new national funding formula for higher education, and enrolment planning. These mechanisms have the potential to affect any growth model for merger negatively and are externally imposed pitfalls for strategic change.

Mantech: In or out?

By September 2000, Mantech was still considered to be a participant in the merger process. Its acting Vice-Chancellor had requested the Vice-Chancellor of MLST and members of the merger Oversight Committee to make a presentation of the vision for the new technikon to Council, staff, and students. Mantech set up a consultative process to reach a final decision on their participation by 15 November 2000. However, no such decision was ever communicated, and the only information that emerged during the research is an extract from the media referring to the withdrawal of Mantech from the merger process: ‘The
troubled Mangosuthu Technikon, however has decided that it will be pushing for autonomy ... “We have decided that we want to remain autonomous and we are currently on a plan to achieve this. We know we can do it.”

Uncertainty with regard to a future merger continues to plague the DIT. Evidence indicates that staff have no energy to engage in another process of merger as captured in the following comment: ‘I really, really wish that that would be left ... such time that this place is properly settled ... even from the point of view of staff, I honestly don’t think they have the energy or the will to take another one ... to have to go through it again, I honestly don’t think it is going to work at this stage’ (TNSM: 16 September 2003).

At a meeting between the DIT Council and the Minister of Education held on 5 July 2004, it was indicated that the merger with Mantech was deferred; this was viewed positively by the staff of the DIT. Deferral of a further merger signals that there could possibly be a realisation at a national level that the unintended consequences of the merger were far greater than initially anticipated.

Consultation with stakeholders: The Imbizo, 2000

An Imbizo (town/community meeting), impartially facilitated by the African Centre for the Constructive Resolution of Disputes (ACCORD), was scheduled for 9 October 2000 in the City Hall, Durban. The espoused intention of the Imbizo was to elicit feedback from the community about key historical problems and concerns relating to the diversity of cultures, political background, religious orientation, leadership and people management practices, behavioural issues, and any other issues of concern. It was intended that the meeting would lead to a comprehensive assessment of the issues to be taken into consideration in the merger.

Prior to the Imbizo, ACCORD requested meetings with representatives from as many constituencies as possible. During their meetings with ACCORD, the unions and the students raised key issues such as job losses, the name of the new technikon, maintaining standards of education, the lack of their involvement in the process until after a merger was undertaken, the absence of a common understanding of the merger process, and the lack of consultation.

After meeting with various constituencies, ACCORD was of the opinion that the process had not progressed sufficiently for an Imbizo and that further work was required. However, they were assured by the Oversight Committee that such an Imbizo would not be a set back to the process and that ‘once a merger was agreed upon, there would be no real change for at least a three-year period, except for the immediate creation of one Council, allowing time for the issues raised ... by students and UNIONS to be “ironed out”. This was counter to the UNIONS argument about how do they agree to/oppose a merger when they do not know what they are agreeing to/opposing.”
In consultation with ACCORD, the union representatives had indicated that they were not opposed to an Imbizo per se, but rather to the timing of the event. This stemmed from the fact that the unions were unable meaningfully to engage with the PWC report in the short time available and would thus be unable fully to contribute at the Imbizo. Furthermore, the unions had indicated to ACCORD: “They had never agreed to a merger but that they agreed to the intention to conduct a feasibility study with regard to a merger and so there is no consensus on a merger at this stage.”

As a result of the absence of agreement, ACCORD reported that the process had culminated in a great deal of suspicion and distrust, from all quarters, around the issue of a merger and the intentions of the Imbizo. Thus, it was apparent to ACCORD that the unions were not committed to the Imbizo and that this was further exacerbated by the fact that the unions had not formally been invited to attend. ACCORD was of the opinion that the unions could adopt one of several positions, namely, attending and making their views heard for the respective Councils to debate, disrupting the Imbizo, or not attending and using other means, including legal ones, to advance their views. In response to the groundswell of concern from these constituencies, ACCORD warned the Oversight Committee that, should the event go ahead, they needed to be prepared for “a continued strained relationship” with the unions.

The Imbizo was organised to maximise stakeholder participation, however, and although approximately 1,000 people attended, these were mainly staff and students from the two technikons. Community representation was negligible, thus highlighting the failure to elicit comment and input from the general public. Possible reasons for the lack of representation included late and inadequate advertising of the event, and that some key constituencies had not received formal invitations to participate.

During the Imbizo, participants reinforced the issues that had been raised by the unions and the fact that various kinds of investigations (‘swot’ and cost analyses) had not been conducted. Notably, “those present at the Imbizo very clearly voiced their opposition to a merger.”

After the Imbizo, ACCORD recommended “further consultation and a more informed consultative process needs to be followed around the issue of a merger ... ACCORD had found that when individuals/parties are involved in the process from the beginning, they then feel an ownership of the process and implementation is easier to achieve. This is the only way to achieve a successful merger.”

Notwithstanding the recommendation for further consultation, a meeting of the joint Council was planned for late October 2000 in order to identify the necessary decisions to finalise the creation of a new technikon. It was planned
that the Minister of Education would be requested to pass the relevant enabling legislation that would bring the new technikon into being.

From the COT to the Council, 2001–2002

At a joint Council meeting in February 2001, a committee, initially with twelve members and later expanded to include an additional member of labour from TN, was formed and became known as the COT. The purpose of this committee was primarily to assist the Vice-Chancellors to prepare a framework for the creation of the new technikon. In addition, the COT would also represent the two Councils in discussions with the Department of Education. COT was composed of the chairpersons, vice-chairpersons and honorary treasurers of the two Councils, the two Vice-Chancellors, three representatives from labour and two representatives from the student bodies.

To enable the COT to participate in informed debate and take appropriate decisions, it requested that the Vice-Chancellors and their management teams prepare reports on seven functional areas. These areas represented considerable duplication of the work that had already been done by PWC during the detailed merger investigation, and it is unclear how the two related to each other or how data and information from one would support and strengthen the other.

By August 2001, legislation was being prepared to give effect to the single institution with an anticipated merger date of 1 January 2002. On that date, COT would be replaced by an Interim Council, which would take immediate responsibility for governance for six months and would, inter alia, appoint the Interim Senate.

The Interim Council would comprise five members. The COT would submit six names for consideration from which the Minister of Education would choose four members and in addition would appoint his own chairperson. The Interim Council would be mandated to:

- appoint an interim management team to manage the day-to-day activities of the institution, and
- ensure that a Council was constituted, and that other structures were established as determined by the standard institutional statute.

The decision about the composition of the Interim Council was a crucial event in the merger process. The following comments capture the potential negative effects pertaining to the final decision by the Minister:

[Minister] Asmal’s appointment of a five-member interim council consisting of three ML Sultan members … and two former Technikon Natal executive … sowed the first seeds of division.
Unfortunately as soon as they were installed somebody said, hey we are the council, we don’t need COT … [and] that is where they started to get complaints. How are we supposed to know whether the plans which we were responsible for drawing up as COT, whether they are being implemented? How are we going to monitor this and so on? They said well [only] the interim council has got the [authority] and that really for me is where the thing fell apart. (FG respondent: 20 October 2003).

The post-merger demise of the COT and the loss of that expertise did not appear to raise any concern among stakeholders, notwithstanding the fact that there was a significant loss of institutional memory. A key respondent commented on the fate of the COT:

I think the COT would have formed a wonderful advisory body [agreement indicated by other focus group members] … I will still advise that for new institutions, if they have a steering committee, the steering committee must not die. It needs to act as an advisory body to the Interim Council, with a short mandate because that is where the handing over, the institutional memory, the discussions, the decisions, and all of that will be captured … It ought in fact to become the new Institutional Forum. (FG respondent: 20 October 2003).

From interim leader to a permanent Vice-Chancellor

In common with the appointment of the Interim Council, the process for the appointment of the Vice-Chancellor (VC) to lead and manage the new institution was also not without problems and dissent. As one respondent explained:

I think a major stumbling block in the process was the way in which the VC of the new institution was appointed. For a start, I don’t think the Interim Council was properly constituted. That created a problem from the start and it was already seen, certainly by TN, to be weighted in favour of ML and by that stage the perception we had was that the Minister must have seen what a bad financial state we were in. So, he has handed over the major part of the administration now to ML to get on with the job. So they were always seen to be in the majority and certainly when the VC was appointed … and the interim Council had no sort of extra reps on it, students, unions, you name it. It was a very tight, five-person body, which I didn’t think helped his credibility much in the eyes of the stakeholders. I think in retrospect that could have been more representative and certainly the manner in which the VC was chosen I don’t think held much credibility because it literally
boiled down to the three ML [representatives] wanting the ML person and the two TN [representatives] wanting the TN men. That is when ... the Minister should have foreseen that and made it a more objective body. I am not saying that the decision that was taken was wrong, the process definitely was not transparent and objective and I have a feeling that that also certainly didn’t help the spirit that was needed. (TNSM: 16 September 2003).

Several respondents were of the view that either the Minister of Education or the President should have taken the decision to appoint ‘his own manager on top for the period of three years in which to deal with all these things so that there is no vested interest’. Another respondent reflected this argument:

An appointment of an interim VC ... with a very clear condition, so there is no question. You are here for two years to make certain that the decisions that were made by these institutions to get together are carried out including setting up the Council, appointing the staff at least for the next two years until this Council is able to make its own, whatever. But that person who comes in, having no vested interest at all, and ... there will be no perception that he is trying to grow vegetables for himself. (FG respondent: 20 October 2003).

Notwithstanding the concerns that some staff had with the process, it is apparent that other staff held the interim VC in high esteem. ‘He is here to manage and I find that he is decisive, and he is assertive. He is confident. He has his fingers on things. I think he is the right person at the right time’ (TNSM: September 2003).

**Academic structure**

By December 2001, key decisions had been taken about the academic ambit. These were essentially around academic administration and included, for example, agreement:\(^{75}\)

- on common academic calendar dates for 2002;
- that correspondence, handbooks and promotional material should utilise the term ‘the New Institution’ until such time as the new name was approved by the Minister of Education;
- that students registering in January/February 2002 would do so at the site where they had applied and had been accepted;
- that for common programmes examinations in 2002 would be run jointly and for unique programmes they would run separately;\(^{76}\)
- that the consolidation of the two Student Administration databases would start in 2002 after the Finance and IT Departments had merged.\(^{77}\)
During a workshop in December 2001, the academic task team reported that the 'new Faculty structure is in place'. However, it would appear that this statement was premature. There were differences of opinion regarding the structure, and this matter needed to be resolved when the new Senate came into being. The task team report also documents concerns relating to the finalisation of sites of delivery, financial decisions, and relocation plans that were creating a degree of uncertainty among staff within the academic sector. Academic staff expressed concerns that there would be 'too many tiers of responsibility within Faculties leading to wasteful replication of effort'. Furthermore, the report states that these matters must be 'given priority for the merged institution to be operational sooner rather than later' and recommended that:

- the academic structure be finalised by the first term for efficient functioning and communication within the institution;
- the new institution formally adopts the organisational structure of the academic sector so that academic leadership appointments can be made and the enterprise be functional as soon as possible;
- the interim Senate debate recommendations for academic committee structures (Professorial Committee, Research Committee, etc.) be set up and mandates given to Senate Executive Committee (composition to be determined) for specific issues;
- the structure of units such as Academic Development, Co-operative Education, Research, Quality, Library and the appointment of their directors be finalised in light of their impact on the entire academic enterprise. It was also recommended that this be approved before the structures for the faculties/schools/departments were finalised;
- academic policy/ies be reviewed and aligned to new national policy and the mission of the new institution.

According to the report, the significance and implications of these decisions on the new institution were:

The Academic Task Team recognises that some of the decisions to be taken will have an impact on the institution for many years to come ... We wish to point out that whilst we believe this structure to be the best for the institution at present, it is important to note that as knowledge grows the need for regrouping will become apparent, and the institution must therefore not see the new structure as [being] in place for another decade. The new structure does create an opportunity to begin the debate on the vision and mission of the new institution.

However, as evidenced by an item on the agenda of the MLST Deans Forum held on 18 March 2002, the debate on the Faculty structure was far from over. At
this stage, there was still clearly a lack of agreement between the academic sectors of the two institutions on the proposed academic structures and the application of full-time equivalents with regard to staffing in the various departments.

Many of the recommendations made by the academic task team had not been fully implemented as late as June 2006. Thus, it is evident that these recommendations have not been accorded the level of priority that was required.

**Job security and harmonising salaries**

Arguably, job security may be regarded as one of the basic human needs of employees. The unions were vociferous in expressing their concerns in this regard. In an attempt to allay staff fears, the following statement was made in September 2000:

> The Oversight Committee is engaged with trade union representatives ... will recommend to the Steering Committee a principle that would apply during the transitional period to give job security. That is, for a period of two years no one currently employed on a permanent basis by either Technikon will loose [sic] their jobs on account of the creation of the new Technikon ... if as a consequence of the strategic decisions taken by the new Council, an employee is affected during this period in his/her job security, consultation with that employee or his/her representative will occur.85

The Human Resources (HR) task team had responsibility for ensuring that all employment issues, including the concerns of the unions, were addressed. In November 2001, this team recommended to the COT that all employees of the two technikons would be regarded as employees of the new institution and would transfer their existing conditions of employment to the new employer.*6

The HR task team had identified 25 important issues for resolution, one of which was harmonising the salary scales. To facilitate the process, yet another group of consultants was hired to develop scales and grades 'which will be the most amicable and appropriate to the new institution and be relative to whatever the market trends might be'.87 It was projected that, by the end of November 2001, a harmonised set of conditions of service would be available. However, this deadline was not met, with negative consequences.88 Conditions of service 'need to be finalised before a merger takes place. There should be a Merger Committee who looks at this pre merger. Having different conditions of service, Peromnes grades and different salary scales for people doing the same/similar job causes untold resentment.'89

Throughout the pre- and post-merger processes, the issue of financial stability loomed large over discussions about job security and the harmonisation
of salaries. The financial sustainability of the new institution had been clearly identified as a major risk factor, and the financial woes of TN provided fertile ground for media reports, in which reference was continuously made to its financial deficit. In contrast, there were public silences around the financial health of MLST, and it is open to speculation what the actual financial situation of both institutions really was at the time of the merger.

The rumoured financial problems added further fuel to the volatile emotions of staff at both institutions. MLST staff developed a growing sense of unease about their relative positions in the new institution. For example, a newspaper article reported that “Technikon Natal management has been accused of showing “bad faith” by awarding its staff 10% increases, three months ahead of its merger with ML Sultan Technikon. It has also promoted academics to more senior positions in a move that has left staff at ML Sultan fuming.”

According to the article, the salary increases had been approved from 1 January 2002, and would come into effect on 1 April, the date set for the official merger. Thus, the new institution would be footing the bill for the salary increases. An executive manager at TN reportedly responded: ‘We are keeping good people for the institution. They were non-monetary promotions.’ Such denials, that promotions were not made to safeguard staff jobs, did little to appease some of the staff at the MLST. They interpreted these manoeuvres as favourably positioning TN staff should they decide to take post-merger retrenchment packages and relegating staff from MLST as ‘junior partners’.

The thorny issue of salaries continued to reverberate into 2002. The HR task team identified “41 primary areas concerning staff” among issues that had to be finalised by 31 March 2002. Thirteen of these issues were identified as critical. These included bonuses, pensions, housing subsidies, severance packages and pay dates. The lack of resolution of these issues and their importance to staff is evidenced by the fact that in 2003 an urgent meeting to discuss academic quality was extremely poorly attended, while a union meeting, held in the same week to discuss salaries and conditions of service, was attended by approximately 400 staff.

Although working hours had been prescribed by 2005, the following issues from the task team report had still not been resolved: salary scales, group life, medical aid, leave, overtime, and the workload policy for academic staff. Also, by late 2005, the controversial process of Peromnes grading was still ongoing. What had initially seemed a technical exercise was proving to be a challenging task – because the human impact had not been fully considered from the outset.

Another HR process that had serious unintended consequences for the institution was the award of the voluntary exit packages (VEP). COT had
been advised by a technical team from the Department of Education that it should consider offering such packages to staff. The intention would be to:

Inform employees that a merger is coming and that their transfer into the new institution is guaranteed. However, the employers would recognise that some employees may not want to associate themselves with the new Institution and they may wish to voluntary severe their association before the new institution is formed. It must be understood that this is not a retrenchment exercise but a voluntary severance package.

The process of establishing the VEP involved the senior management team in interacting with several institutional governance structures such as the Interim Council and the Institutional Forum. The perspectives of management and the Institutional Forum respectively with regard to their roles in the award of the VEP are reflected in the following two quotes:

Our brief was to fulfil the Council’s instructions to go through the various consultative processes. As the employer and the governing body, the final decisions are based on Council’s wisdom.

In different stages of the merger, Institutional Representatives from the two former Technikons were directly involved in matters of institutional governance. In this way they became the cornerstone of meaningful negotiations with regard to Voluntary Exit Packages and related matters.

It is clear that from a management perspective that the rationale for the VEPs was primarily financial. Furthermore, while all staff were able to apply for the packages, the intention was that the process would be carefully managed and that cognisance would be taken of the impact of staff departures at an operational level. Thus, according to the Vice-Chancellor:

If someone wants to take up the offer, they should be free to do so. The only riders are that we are compelled to retain certain individuals for operational reasons and on the basis of our diversity and equity imperatives. I have studied the informed reports that have been coming through from the heads. Here again, unless there are compelling reasons, we will not reject an application. We are really struggling in terms of financial sustainability. I want to make sure that we trim where we can through voluntary exit. We may not survive otherwise. I am fully mindful of the risks involved and am very careful that the academic programme is not compromised in any way.

Management reported that there was a rush of applications. Some staff even ‘opted out of the normal stream by requesting that we expedite their applications’. Thus, notwithstanding the possible risks for the academic programme, some
applications were fast-tracked, with staff leaving the institution by the end of August 2002. Following the official decisions pertaining to award individual VEPs, staff were informed by the Vice-Chancellor that:

Formal notices on departure dates ... which may be staggered for operational reasons, will come to you via [a senior managers] office ... we have made good progress in stabilising the organisation financially through the offer of the voluntary exits and I want to again thank the people who have availed themselves for consideration.

In reflecting on how the VEP process unfolded, a number of interesting observations emerge. First, the COT deferred the implementation of the VEP until after the formation of the new institution. Secondly, key staff from both MLST and TN accepted the VEP and this resulted in the loss of institutional memory. Thirdly, there was a perception among staff that the VEPs resulted in a shift in the balance of power where, for example, the Deputy Vice-Chancellor Academic was from TN and was thought to have more power than the Deputy Vice-Chancellor Resources, who was from MLST. Fourthly, the process was responsible for 125 academic staff and 126 administrative staff leaving the DIT. Further insights from staff regarding the impact of the VEP are discussed in Chapter 5, 'Living the merger in Department X at the Durban Institute of Technology'.

Voicing opposition to the merger

It is evident throughout the merger process that many of the union members strongly believed that the merger should not proceed. Indeed, in the early to middle stages of the process, it was clear that there were other stakeholders who were also opposed to the merger, as evidenced by the outcome of the Imbizo discussed earlier.

The view of the unions apparently stemmed from general perceptions of a lack of trust and a loss of faith in the merger process. Interestingly, while throughout 2002 and 2003 the union actions articulated this view clearly, the conversations around merger resistance then gradually went underground. However, on occasion, these views rose to the surface again, indicating that the resistance had not disappeared. As of this writing it is too early to comment on the potential impact that this dissent may have in the future.

Resistance to the merger largely coalesced around the lack of transparency regarding the financial status of TN. The unions at MLST were so concerned that they called for an investigation. Part of their fear was rooted in the fact that no audited financial statement or due diligence report was ever received from TN: 'The unions also expressed concern about the “disregard of important consultation processes when the merger was proposed”. There is no expertise to
manage the merger as a result it appears that the process is heading for failure and could result in huge financial losses.\textsuperscript{105}

These fears were reflected in the public domain in newspaper articles, which reported, for example, that the staff union at MLST had sent a ‘strongly worded letter to “suspend” the merger’ to the Education Minister.\textsuperscript{106} However, notwithstanding receipt of the letter, the Minister continued to stress the importance of the merger as being pivotal to the success of the restructuring of institutions of higher education in the country,\textsuperscript{107} as indicated by the following: ‘In a bid to defuse the situation, Asmal this week sent a team to investigate the financial status of Technikon Natal. Financial statements for the year 2000 showed a R25-million deficit in the pension fund and R23-million in the medical aid funds.’\textsuperscript{108} There were also rumours that TN was ‘R37-million in deficit’. An executive manager from TN tried to smooth the waters by claiming that the TN deficit was comparable with that of other higher education institutions in the country.\textsuperscript{109}

As concerns grew, one of the unions brought an unprecedented application before the High Court, aiming at least to postpone the merger beyond 1 April 2002.\textsuperscript{110} The Interim Council, buoyed by initial setbacks to the union’s case, pressed on with the merger regardless.

The Council of the MLST had taken a decision regarding the conditions under which it would proceed with the merger. These were not met and merger still went ahead. Council’s decision on 11 and 18 March was that it intended to merge on 1st April provided the due diligence, financial audited statement and business plan were available. COT’s decision was to defer the merger. Council went on regardless. The fact that the minister is going to take care of the finances is not enough. We should wait for the minister’s response and decide at that time whether we withdraw [the case] or not. (Extract from research diary\textsuperscript{111} reflecting on discussion at a union meeting: 10 April 2002).

The court case was ultimately unsuccessful, but did manage to put the issue of shaky technikon finances, especially those of TN, on the table and into the public domain.

Staff unions at the former ML Sultan Technikon, recently merged with Technikon Natal, fear ‘massive retrenchments’ at the new institution because of financial troubles. The unions ... have legally challenged Education Minister Kader Asmal and Technikon Natal to make its financial records public. Already R90 000 poorer in legal costs, the unions have had to abandon the expensive suit and have agreed to discuss an out-of-court settlement. A [spokesman] ... said ... ‘We believe that an out-of-court settlement is in the interests of all parties concerned, but
if our continuing negotiation with the department [doesn’t] bring any favourable outcome we will pursue the court case.\textsuperscript{112}

A month after the legal merger, it was reported that the controversy of the financial status had taken a ‘dramatic turn’. In an exclusive report, a local newspaper stated that the estimated amount of debt accumulated by TN was ‘R180 million and not R37 million as initially believed’. The sources, acknowledged by the newspaper as being reliable, had indicated that the figure could yet ‘take another huge jump – to more than R220 million for the year 2002 taking into consideration the huge salary increases given to former Natal Technikon lecturers before the merger took place’. When pressed for comment the response from the DIT had been only that: ‘Since the merger on 1 April 2002, the finances of the two institutions have been merged into a single DIT budget. We have inherited each others assets, liabilities and obligations and are functioning as a single entity.\textsuperscript{113}

The reverberations relating to the union’s failed court case and the uncertain financial status of the new institution were still being felt in October 2002, when a large group of ex-MLST staff launched a daily protest. The unions had involved the Commission for Conciliation, Mediation and Arbitration in the dispute with management. Dissatisfaction focused around the lack of willingness on the part of management to release a business plan, their reluctance to ‘liaise with the staff and unions in the process of transforming the new institution’ and a lack of consultation in the appointment and deployment of staff. A union representative pointed out: ‘How can the institution make appointments without a business plan? This clearly shows that the institution has no vision because they are implementing with no plan.’\textsuperscript{114}

While the union from ex-MLST took the legal approach to try to prevent the merger from occurring, other stakeholders adopted different tactics. One group of staff, identified as being ‘a crisis committee of concerned former Technikon Natal employees’, warned of ‘undesirable consequences’ if their concerns were not addressed. The group sent a strongly worded petition to the Vice-Chancellor in which their grievances included the “arrogant attitude” of former ML Sultan staff in dealing with their Technikon Natal counterparts. Their increasing anger was evident: ‘The staff is [sic] fuming. We’ve been receiving numerous complaints from employees asking why their concerns have not been dealt with. This is bad. We cannot have a leadership that is not willing to listen to what people are saying after working so hard for the transformation taking place in the country.’\textsuperscript{115}

This group of staff was also concerned about issues pertaining to operational culture, such as the lack of consultation in decision-making. Their other grievances included: imposition of MLST operating systems without proper consultation and agreement; a popular belief that 30 per cent of staff would be
retrenched on the ‘last-in-first-out’ principle, implying that black staff would be the first to be retrenched; the process of drawing up the merger severance packages; and salary disparities. In response to these expressions of discontent, the Vice-Chancellor said: ‘There may be anxiety, but the fact is that we have achieved this merger without hurting anyone. All staff were transferred into the new institution with their privileges intact.’

The repeated public airing in the media of staff discontent about and with the merger, as discussed above, has shown the institution’s attempts to bask in glory as the ‘first successful merger’ in South Africa to be, at the very least, a contested issue.

Religious holidays

There was a strong sense among staff from both institutions that one culture had swamped the other. Holidays provided an example of this, as a seemingly ad hoc decision was taken that only Christian festivals would become institutional holidays, and the institution would remain open on Hindu, Moslem and Jewish sacred days. This was communicated to staff through a newsletter: ‘Respecting the diversity of religious belief and practices, no tests and exams will be scheduled on Deepawali, Rosh Hashana, Yom Kippur, Edi-ul-Adha and Eid-ul-fitr. The new institution, will, however, remain open and operational on these days.’

This decision negatively affected the staff from several religions. For example, at MLST, Hindu and Muslim religious festivals had always been acknowledged and celebrated, with the institution being closed on these religious holidays. The decision for the new institution to remain open implied that staff would have to apply for leave in order to prepare for and celebrate their religious festivals. The Interim Senate noted in this regard: ‘[t]hat whilst staff were not precluded from taking leave on religious holidays, this arrangement may have a negative impact on the academic programme in that certain departments may have to be closed completely due to a large number of staff/students celebrating religious holiday/s.’

The decision pertaining to religious holidays was interpreted by Hindu and Muslim staff as a lack of respect and a lack of acknowledgment of a significant portion of the DIT community and its culture. This decision marks another missed opportunity with regard to managing change through the use of symbolic systems and routines as levers.

The merger achieved – but what’s in a name?

The branding and naming of the new institution might be regarded as symbolising the beginning of a new culture associated with the DIT rather than with either of the merger partners. However, this process was itself not without
considerable birth pains. Late in 2001, an external agency, Simeka TWS, was engaged to assist in the branding and marketing of the new institution.

One of the relevant issues debated by the public was the recognition of the legacy and heritage bestowed by Hajee Maluk Mohammed Lappa Sultan through the seed donation in 1942 for the establishment of an institution that was named in his honour. A newspaper article about the planned mergers heralding new priorities for Durban’s two technikons reported that a number of new names were under consideration, but while ‘members of the donor’s family have suggested KwaZulu-Natal ML Sultan Technikon … Technikon Natal would not accept the retention of ML Sultan in the new corporate identity’. The battle by the ML Sultan family to retain his name in that of the new institution was still being fought as late as January 2002. The family appealed to the Education Minister, and were reportedly ‘gravely disappointed at hearing the ML Sultan name would not be included in the name of the soon-to-be-merged ML Sultan Technikon and Technikon Natal’. One member of the Sultan family stated: ‘We feel that ML Sultan has not been given the kind of acknowledgment that he should be given for the enormous contribution he has made to our society and, more especially, education.’

The new name of the institution was reported internally in a newsletter: ‘On 4 January 2002, Education Minister, Professor Kader Asmal proclaimed in the Government Gazette that Technikon Natal and ML Sultan Technikon will form the Durban Institute of Technology (DIT) on 1 April this year.’ However, for a period, the name of the institution was in jeopardy. Following the public announcement of the name in the Government Gazette, another institution claimed ownership of it. However, ‘after lengthy discussion and negotiations, the name was “bought” for almost R75 000’. ML Sultan Technikon became the ML Sultan Campus of the DIT, and the main campus of Technikon Natal was re-named after the Black Consciousness leader Steve Biko. The Biko family was quoted as saying that they felt ‘honoured’ that a technikon campus would be named after Steve Biko; so one family’s loss was another’s gain.

A significant moment in the corporate branding for the merged institution was the ‘Even Better Together’ campaign and the adoption of the slogan ‘A Powerhouse Is Born’. According to the institutional newsletter, this was a proud moment:

Giving birth to the new personality of a pioneering institution is no easy feat. Especially considering its parents were the prestigious Technikons of ML Sultan and Natal. It was decided that the most effective way to achieve a balanced logo that appealed to the majority, was to encourage students from both Technikons to participate in a design competition. The top design was awarded with a one-year scholarship. Students
entered their own interpretation of the new DIT logo and aspect of the winning design were used in the logo development.\textsuperscript{126}

The new DIT logo was designed to include ‘symbolic elements’ to ‘aptly and collectively represent the new institute’. The tusks of the elephants were described as ‘a feature which aesthetically holds the logo and symbolises the unification of the two previous institutes. It also promotes a feeling of unique Africanism.’\textsuperscript{127}

However, public comment on the branding of the new institution was varied and generally negative perceptions abounded.

The full colour advertisement for the newly-merged Technikon Natal and the ML Sultan, of the rather ancient-looking elephants dragging three drums on the sand, is a really poor attempt. The drums signify, rather than dynamic advancement, dead bodies for burial in the bush. Why three drums (similar to those bearing toxic waste) when there are only two merged institutions? Being a butt shot of the poor elephants it’s hard to tell, but is it African or Indian? Where are they going? With the assumption of such a depiction into the sunset, is this a propitious prophecy for a new venture? I detect a subliminal suggestion here. Who is responsible for this irresponsible prediction?\textsuperscript{128}

The logo and the corporate brand of the DIT were unveiled on 23 April 2002, when the first meeting of the interim Senate of the DIT was held. These events marked this auspicious day as possibly contributing to the development of a new institutional culture.

**How were perceptions of cultural difference affected by merger processes?**

As shown by the evidence presented above, the stable cultures of the two institutions were seriously challenged during the merger process as each tried to establish dominance over the other. Furthermore, merger activities emphasised the cold and clinical aspects of the process and failed to highlight the impact of the merger on the staff.

Many staff involved in the DIT merger felt that attention, time, energy and resources were used to ponder governance issues, such as which of the senior managers were most likely to lose their jobs, and how best to ensure the jobs of selected people. The theme of the disregard for people was often expressed:

> The human cost factor in the whole merger process was ignored completely and that is one of the critical aspects of merger, the human cost. How is it affecting your human capital and I don’t think that was considered at all. (STSM: 17 October 2003).
Nobody thought about that, the fact that the cultures would have to be a merged, no plans were made to deal with that aspect of merger. (STSM: 7 February 2005).

We have worked very hard and with loyalty for several years for our individual institutions, and to now have the threat of retrenchment, it is very de-moralising. Therefore, we feel de-motivated. In the past, we felt that we were an asset to the old institution, and that we were part of the common goal of that institution. Now, it is almost as if you have to prove your worth to the new institution. Previously, we felt considered and things were personalised, and now things are harder and more aloof. (FG, 20 October 2003).

The importance of such issues as they relate to culture, and perceptions of culture, was identified in the overall findings of a climate survey conducted by Andersen Consulting in May 2002, which indicated that employees were open to change. The consultants made an appeal to management to address the psychodynamics of the impact of change on individuals. It was recommended that this should be achieved through developing interventions that would both assist and develop the skills of staff to cope with the changes they were experiencing. The Andersen consultants were of the opinion that, through the establishment and implementation of a change management plan, the resistance to change could be addressed.129

Furthermore, a recommendation was made for the appointment of a special assistant on change management. This recommendation was implemented and a Change Management Merger Project Office started operating in May 2002, reporting directly to the Vice Chancellor. The brief of the incumbent was to take care of the concerns of staff, to be the Vice-Chancellor’s ‘ear to the ground’, and to work towards formulating a change management policy for the institution as a whole. This office, which was assisted by a representative from the accounting firm KPMG, facilitated workshops in order to develop a change management strategy. However, the whole initiative fizzled out after the special assistant was seconded to an external project.

**Management versus leadership**

Despite the different philosophies between ex-TN and ex-MLST staff, it has been observed that there was a comfortable working relationship in some departments. However, other individuals indicated a sense of discord. From a variety of sources, respondents made claims such as:

All the rules, procedures, examination procedures, examination rules, rules pertaining to Senate, Faculty rules, etc. went the TN way, everything. Because you had strong people who imposed that,
regardless of whether it was still valid. There was a total desire on the part of those people to impose their supposed superior model. I’m not saying that procedures that were adopted by TN are all wrong, I’m not saying that. But it certainly impacted on perceptions and feelings of staff. (STSM: 4 February 2004).

At one faculty meeting apparently there was open confrontation between an ex-MLS staff member against some ex-TN staff members where the ex-TN staff members apparently showed no respect to the committee and arrive at a time that suits them regardless of the actual time that the meetings were supposed to start … Some administrative ex-TN staff who have moved from one department to another at MLS, have indicated more satisfaction and there appear to be no conflicts. There is a persisting autocratic management style at SB campus with ex-TN senior staff members continuing to ‘bully’ lower levels of staff verbally and via documentation. (Journal, site-based researcher, 27 November 2003).

Since a pivotal aspect of merger is transformation, it was deemed appropriate, during the research, to explore the notion of transformational leadership with a senior manager who expressed his perceptions as follows:

I think that the leader must inspire, must ... cultivate followers. You can be a leader and have no followers, [this is] no good ... [you] must have that authoritative voice so that people you are talking to will follow. Then the leader must set the agenda in his/her communication with the institution and in setting the goals for the institution, and one of the things that the leader touches on consistently points in the direction of transformation. I think if [there is] inspiring leadership and leadership that has a following, where the institution is inspired to follow, and a leader who has the right vision for where the institution has got to go … I think that is really what you need, because the leader does not really do the things that need to be done but must inspire others to do it. (STSM: 7 February 2005).

The key characteristics that emerge from the above quote resonate with those identified by Middlehurst for transformational leadership: ‘Closely associated with inspirational and visionary actions which lead to higher order changes in attitudes and performance wherein the ultimate purposes of individuals and organizations are addressed.’

From observations recorded during discussions with staff, it is clear that there was a general tendency to conflate the two concepts of management and leadership. There are, however, important distinctions between the two concepts. A central theme revealed in the literature is that it is important to
recognise that the concepts of leadership and management will mean different things to, and will have a different significance for, different people. However, it would appear that there is a tacit assumption across the DIT that all staff have a shared understanding of these terms.

On a cautionary note, it is important to recognise that there has been an increasing tendency internationally and locally in higher education to place emphasis on the concept of ‘leadership’, notwithstanding that it is ‘one of the most difficult concepts in the social sciences’. According to Warren, this is further compounded by the subtle and dangerous shift from discussing the characteristics of leaders to a generic notion of leadership, and that it is a highly problematic notion generally and a potentially dangerous one for academic work.

Furthermore, a distinction can be made between the concepts of ‘leadership’ and ‘management’. A leadership ‘orientation’ can be identified with:

- The development of a vision and direction for the institution; with an ability to interpret and promote the institution’s key academic purposes; and with the stimulation and encouragement of new ideas and developments through motivation and support for staff and students. Leadership attributes include a concern with innovation and change, with institutional climate and morale.

A management ‘orientation’ is characterised by:

- Competence in particular functional areas (finance, personnel, academic affairs); with specific skills (planning, measuring, coordinating, problem-solving) and with knowledge of bureaucratic systems, procedures and principles. Management attributes include a concern for efficient operations, for regulation, consistency and predictability.

Managers do things right; leaders do the right thing. Managers accept the status quo, leaders challenge it. Leaders create and articulate vision, managers ensure it is put into practice.

Whilst recognising the inherent difficulties with the concept of ‘academic leadership’ reflected in the literature, it is important to note that several respondents identified the lack of such leadership during and after the merger as having been problematic and having negatively affected the academic departments. One negative impact was reflected in comments made by an ex-MLST staff member with regard to the change in attitudes of key senior managers in the academic ambit, whereby prior to merger one such manager at MLST was ‘very hands-on ... walked the talk ... knew what was happening in the classroom, not at every step of the way, but ... had a pretty global picture of what was happening’ (STSM: 4 February 2004).
In contrast, post-merger, a senior manager with the same portfolio was described by this respondent as follows:

[This senior manager] has never visited this dept, has never visited the students … doesn’t even know what we are doing. It is a strong statement but I think I am correct … has never met my staff … has never sat down and asked what do you do in your programme, never asked are you alive? Has never asked [about] all [the] quality issues. I think the expectation is very much you are managers, you know what to do, get on with your job. This is now the second year of merger and I have had very little coming to us in terms of national policy and alignment of [DIT] policy to that. We don’t know what CTP is doing for example, never hear any information in terms of what are the decisions that have been taken that affect us as departments … even the way that staffing is done, is very problematic. I am used to a system that functioned on FTEs, was very well structured, well understood within the institution. Now my understanding is that it depends on how friendly you are … whether you will get staff or not’ (STSM: 4 February 2004).

The management situation was further aggravated by the extended time taken to establish appropriate authority at the level of the faculties and departments. In many cases, the issue of the appointment of the head of department was seen as having been problematic and was attributed to ‘inertia by management’, who ‘did not take the opportunity of giving authority’ or of sorting out authority relations ‘such that many departments were thrust into the invidious position of having two heads of department’. As one respondent explained, for the benefit of the academic departments, this level of ‘leader should have been thrashed out at the very beginning’. Instead the scenario described was one where there was ‘no unity … two heads bashing it out, management should have got an outside source [as facilitator] … got everyone together and created an acting HoD from the beginning’ (FG interview: 23 March 2005).

Other heads of department echoed this sense of the lack of academic leadership, coupled with a keen sense of abandonment in different ways. For the head of Department X (see Chapter 5), the sense of the emasculation of authority is patently obvious from the comment that:

In the new regime HoDs have responsibility but no authority … management at the top must [original emphasis] be accountable. [The] HoDs cannot do anything, they can stand on their head but they can’t get anything done … the HoD needs power … authority, and to be able to make decisions. For a successful merger this has [original emphasis] to be looked at’ (FG Interview: 23 March 2005).
This scenario of a vacuum in authority at the level of the department was further exacerbated by the duplication at the level of the Deans. One manager explained:

The implementation aspect has been poorly managed because line managers themselves have been encouraged not to make any decisions ... you know we have scenarios of two Deans, two HoDs, and then even those Deans not being properly empowered to make those decisions. Late 2003 and early 2004 we have Executive Deans, in my opinion they are nothing more than postmasters, they’re delivering messages to us, but they have no power’ (STSM: 4 February 2004).

There were arguably at least two key factors that were responsible for the breakdown in authority as outlined above. First, the absence of planning at a strategic and operational level was a major contributing factor, especially from the perspective of a viable plan for Human Resources. Second, the lack of crucial policies and procedures negatively affected the ability of the institution to function efficiently. As a site-based researcher recorded:

After an informal discussion with a colleague, it was established that this colleague sits on some key DIT management committees where, for example, the recent appointments of ... were made. After sitting in on a few of these meetings, the colleague discovered that there were no planning and procedure documents developed for the new DIT during the merger planning stages. Worse still, is the fact that since the discovery of some problems that have arisen as a result of the lack of planning, senior management has still made no attempts to develop procedure and policy documents. For example, when a crisis arose in one particular academic department concerning the appointment of [a] HoD, there were no formal guidelines for the process, nor were the senior academic managers in a position to guide the process on the basis of their expected management expertise. As a result, the problems still persist in those cases with no solution in sight. Also, in the case of the recent appointments of ... there was no adherence to policy by the key management personnel. The appointments were apparently made without proper constitution of the panel. Despite the legal implications being brought to the attention of the chairperson, the decisions were ratified. (Site-based researcher; event record, 2003).

The essence of the opinions and perceptions of the various respondents that have been expressed above, and the implications for the institution, are succinctly captured in the following quote:
It must be said that it became apparent during the merger that many of those in positions of academic leadership (from HoD level right to the top) who had been excellent 'maintenance managers' while their respective institutions just jogged along could not cope with the demands of change. It also became apparent that different qualities and areas of expertise were needed to run what had now become a 'super Technikon', and that the current upper management did not possess these faculties nor had foresight to see that they were a prerequisite for survival. The recent … exercise, which led to the closing down of academic departments when the true 'money-gobbler' was the bloated administrative section, two thirds in ratio to our one third academic staff, is a case in point.\(^\text{116}\)

The different philosophies of, and approaches to, management that prevailed at the two institutions prior to merger had a significant impact on perceptions pertaining to the control of finances. For example, the 'tight control' and bureaucracy that were identified as having been characteristic of MLS I were, in particular, around the issues of the control of finances and financial processes. Furthermore, respondents identified this as having been exacerbated by one or two people (interestingly not the Vice-Chancellor) wielding power and control which was deemed to be unhealthy.

The shift for ex-TN staff from the decentralised, relaxed style of management to a situation where there was control, in particular that of finances by the Finance Department, was a difficult one to make:

The event records [field notes] on the Finance Department shows that whilst the Finances of DIT are being very tightly controlled, new technological systems are being implemented resulting in some delays, and MLS finance staff are more involved with the finances of DIT than the ex-TN finance staff, the problem is not as a result of inefficiency of the DIT Finance department. Instead, all of these tighter measures are necessary in order to prevent increasing the financial dilemma that faces DIT, and in an attempt to avoid the thirty-five million rand fiasco that TN experienced prior to the merger. Further, it is evident in the literature that during a major organisational change like merging, tighter fiscal control is essential. Also, it is common sense that organisational money must be accounted for very carefully in order to prevent abuse of finances. (Site-based researcher; research report, 2003).

There is clearly a hierarchical response to the financial systems that were implemented. In general, academic staff did not find these procedures cumbersome, but rather saw them as a necessity. However, senior managers were more resentful of the erosion of their autonomy and viewed the Finance
Department as being over-bearing, prescriptive and controlling. These two opposing views of the financial control are apparent in the following statements:

Yes, our department is affected financially, and in terms of operating systems. But it has not been a major upheaval, because most of the finance-type changes were actually done by the Finance Department. But during the TN days, our department did ninety percent of the work, and the Finance Division ten percent. In these ambits, there has been an improvement since the merger. Some things are easier and more ordered, for example, operating activities associated with the Finance Department. Documents don’t just disappear anymore, we get a response; and with proper planning, we manage to get more out of the budget’ (FG: 17 October 2003).

That whole financial issue is a very important one. If you get given a budget it is your responsibility. At ML the whole [finance] system was so centralized that the poor head didn’t have a hope in hell as far as I understand’ (TNSM: 10 February 2004).

This is how the whole finance system works. They don’t run budgets, they run the institution. They try and run the institution, they still do. (TNSM: 17 December 2003).

Notwithstanding the views expressed above, there is some evidence that there may have been calculated attempts to undermine the staff in the Finance Department. For example, in a research event record dated 2003, staff from one academic department felt that they were deliberately being given a nasty impression of the Finance Department post-merger with the objective of showing ex-MLST staff to be unreasonable and difficult to work with. Another senior member of staff who attended many of the committee meetings pointed out during an informal gathering of staff that, in her interaction with key people from, for example, the newly formed Human Resource Department and the Finance Department, the situation was not as difficult as staff were being given to understand. This staff member expressed the view that people from these administrative departments were very reasonable and as a consequence of previous bad practices, current financial systems were more rigorous.

Merger outcomes and lessons learned

Strategic change, such as a merger, is a process which has to be managed and is not a one-day event. In the rich, thick descriptions of this case study, the magnitude of the complexities that have to be managed at a strategic level emerge. According to Johnson et al., there are four key elements in their conceptual framework for guiding strategic change management. The first element is the
‘diagnosis’ of the types and context of change, the organisational culture and a force field analysis. The second element revolves around the ‘levers for change’, such as a turnaround strategy, challenging the culture, routines, symbolic systems and communication. The third element embraces the styles and roles of change agents, while the fourth element is the pitfalls of strategic change. These elements may appear to be discrete, but in practice they are ‘blended’.

In alignment with the four key elements, there are four types of strategic change that have implications for how change may be managed. These four types of strategic change can be viewed as a matrix, as illustrated in Figure 3.

**Figure 3. Change matrix**

<table>
<thead>
<tr>
<th>Nature of change</th>
<th>Scope of change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Realignment</td>
</tr>
<tr>
<td>Incremental</td>
<td>Adaptation</td>
</tr>
<tr>
<td>Big Bang</td>
<td>Reconstruction</td>
</tr>
</tbody>
</table>


With regard to the first key element of diagnosis, the unfolding of events in the DIT merger process clearly indicate that this element was underplayed in a variety of ways. From the outset, the rationale for the merger was blurred; the proximity of the two institutions and their apparent compatibility seemed to be given greater consideration than the strategic advantages of such a union. Anecdotally, this is illustrated by the oft-spoken notion that merger was merely a question of ‘dropping the broken fence’. As the merger process progressed, this lack of attention to diagnostic processes and their outcomes became more forcefully highlighted by the change in strategic intent. One example of this change is the shift in the conceptualisation of the model for the merged institution.

The lack of significance accorded to the environmental scan highlights the fact that the need for clarity of the context for the merger was not deemed to be important for any future planning that might take place. Indeed, the results of the environmental scan have never even featured in any subsequent planning activity. A key facet of any environmental scan that was initiated should have been to ascertain the extent to which the two merger partners were willing, ready, and able to proceed with the merger. There is seemingly no evidence in the system that these factors were ever given due consideration. Indeed this
research has elucidated the complex inter-relationship of these issues and how, for example, they may influence resistance or acceptance of the process.

Similarly, there was inadequate consideration of the issue of preservation, that is, what organisational resources and characteristics need to be retained. The haemorrhaging of expertise, and the concomitant negative impact on academic departments and the institution as a whole resulting from the implementation of the VEP, is a case in point.

The effects of the weaknesses of diagnosis were further compounded by the changing national milieu and the impact on the landscape for higher education. Moreover, little tangible support was provided by the Department of Education, since there were no other mergers taking place at the time, nor was there any legislation or guidelines available to support the DIT merger.

With regard to the second element of ‘levers for change’ in the context of merger, leadership had at its disposal a number of levers that could effectively be used for change. These included the adoption of a turnaround strategy that would address, for example, the stabilisation of any crisis, gaining stakeholder support, restructuring the financial system, and the prioritisation of critical areas for improvement. At the DIT, establishing the financial system for the merged institution was seemingly given prominence over any other aspect of a turnaround strategy.

The destabilising effect of the merger on the ability of the new institution to focus on the core academic business became a crisis at grassroots level. Staff went into self-preservation mode and some exhibited negative behaviour as a strategy for survival. Such behaviour contradicted the rationale of the merger being a lever for change. The DIT merger arguably resulted in the emergence of a number of ‘temporary’ hegemonies that challenged the established cultures, routines and symbolic systems at the expense of some groups – for example, the financial systems, the styles of academic management and the seeming disregard of the religious festivals of some groups. The ability of people in key leadership positions to recognise hegemonies is an important factor in the neutralisation of their impact. The continued existence of these hegemonies could lead to destabilisation of the institution through a lack of buy-in from those staff in various groupings that feel disenfranchised.

Institutions that intend to merge need to ensure that there has been a rigorous evaluation of current human resources capabilities and projected future needs, in order to make informed decisions about which staff are allowed to exit the institution. However, this needs to be balanced against a scenario of ‘white-anting’ by staff who are not interested in the merged institution and are not allowed to exit; this could result in a process akin to progressive autolysis. Cognisance must also be taken of the fact that some of the staff who
remain in the institution will be resentful of the institution, since it ‘allowed’ others to ‘escape’.

Effective communication, in particular open communication that builds trust, may be the single most important factor in overcoming resistance to change. In the DIT merger, assumptions were ostensibly made around the communication strategy and the extent to which it achieved the desired goal. In part, this could be attributed to a lack of mutual respect and a lack of trust as demonstrated by the outcome of the Imbizo. While internally there were a number of strategies employed for communication, for example, newsletters and websites, such strategies cannot be uncoupled from the influence of external communication. This external context was one where numerous media reports became a vehicle for ‘airing dirty laundry’. It is not possible to quantify the damage that was done to the institution by such detrimental media reports. Consequently, there are still strong negative perceptions about the DIT, both externally and internally. Thus, merging institutions need to guard against any leakage of issues or ‘gossip-mongering’ in the media, resulting in a build-up of potentially damaging negative perceptions that influence the use of communication as a lever for change.

It can be reasoned that one of the key facets of the third element of managing strategic change with regard to the styles and roles of the change agents is the process of decision-making. The findings of this research indicate that throughout the merger process there were two areas of decision-making, which, to the detriment of the institution, did not function in concert. These two areas were the arena in which the core educational business of the institution played itself out and the managerial arena.

The impact of the merger on decision-making in the educational arena was demonstrated by the loss of focus on academic matters within the institution. Some of the key indicators of this loss of focus were the nightmarish experiences of staff with regard to re-location and the challenges of maintaining academic quality, both of which contributed to the overwhelming sense of abandonment of the academic endeavour. This experience strongly emphasises the need for institutions to ensure that the focus on the core business is maintained, to monitor any slippage that might occur and to respond accordingly to ensure academic quality. It is therefore necessary to develop strategies for tracking specific aspects of academic quality during both the merger and the consolidation phases. A key component of such a strategy is to keep sight of the students as being at the heart of the institution.

From the perspective of the managerial arena, it is patently clear that merger provides an opportunity for managers at all levels to demonstrate leadership. Specifically, it provides Vice-Chancellors with a rare opportunity to demonstrate transformational leadership that supports ‘revolutionary change’. Arguably,
transformational leadership may not necessarily be an overt characteristic, and
a merger may provide a unique opportunity for its expression.

As indicated earlier, a key characteristic of transformational leadership is
the ability to ‘lead to higher order changes’. Strategic planning with realistic
goals and timeframes is central to the achievement of such changes. The regular
refrain of the Vice-Chancellor during the first two years of the existence of the
DIT was that ‘merger is a process and not an event’. Whilst this statement is true,
the lack of translation of the findings of the PWC report and the environmental
scan into either a strategic plan or a sense of strategic direction undermined the
merger process. This resulted in the merger being viewed by many staff merely
as an event. It is therefore vital that, early in the process, merging institutions
identify the strategic direction and the plan for the new institution, and ‘stick
with it’.

Furthermore, decision-making during the merger process can be influenced
by the style of managing change adopted by role-players in positions of power
with the consequent manifestation of different power relationships. Possible
management styles could include collaboration and participation, direction
through the use of authority, or coercion by the explicit use of power through
edict.14 While coercion may be successful in crises or a state of confusion, a
directive style is more appropriate to fostering transformational change. An
example of a coercive management style at the DIT was the ‘quick and dirty’
merger and re-location of some academic and administrative departments.
Coercive power can also be used to hijack processes, as demonstrated, for
example, in attempts by the unions to steer the merger process in a particular
direction. Similarly, one could construe the partial recapitalisation of the
financial deficit of ex-TN as a display of overt power by the DoE that resulted in
another hijacking of the merger process, albeit purportedly to serve the national
agenda.

With regard to the fourth element, one of the potential pitfalls of managing
change is where others see the drivers as being removed from reality, not
understanding the realities of change on the ground and therefore having no
credibility. Such a scenario is described as ‘ivory tower change’, and can
lead to significant unintended outcomes such as a loss of recognition of, and
commitment to, the human factor, which amplifies the concomitant negative
impact on the motivation, energy, and commitment of staff to the merger. From
the research conducted, it clearly emerges that staff perceptions resonate with
there being an ‘ivory tower change’ mentality prevalent in the management
style of some of the senior managers.

Another unintended consequence of such ‘ivory tower’ managerial decisions
led to a prevailing climate of insecurity at the DIT, which is consistent with that
characterised by Allen:
Climates of insecurity (or security) can exist within an HEI and can be shared on an organisational level, or can be rooted in sub-cultures. Six issues were identified which affected the climate of insecurity or security … These issues related to perceptions of change management and its frequency, predictability, openness, degree of participation, discontinuous or incremental nature of change, and whether or not decisions are implemented by use of persuasive power or coercive power … ‘managerial’ approaches are more likely to create highly insecure environments which reinforce a vicious circle; staff being demotivated, cautious, less willing to take risks or exercise discretion and are more likely to resist change. In contrast, in environments where a more ‘collegial’ approach had been used, a virtuous cycle was created, whereby there was a willingness to be open and share information, there was a greater degree of cognitive conflict, and more positive interpersonal relationships. These factors helped create consensus, the widespread understanding of decisions (acceptance of their legitimacy) and commitment to both the strategic decisions and the university.144

A recurring theme in this case study is that of the human factor and fully maximising human resources as a lever for change during the merger process. This human factor is inextricably linked to the ability of staff to adapt to and cope with change. The experiences of the staff in Department X (see Chapter 5) and other departments echo those reported in the literature.145 Harman describes the essence of the impact of change on individuals within the organisation:

In any process of rapid organisational change, those affected tend to feel disorientated, unsettled, frustrated, unprepared for change and unable to compete with the demands of the newly created institution. Academic and physical restructuring necessitate long-term investments and results are not likely to be immediate, a situation which undoubtedly affects morale of faculty, administrative and service staff and students.146

Culture can be described as ‘ubiquitous and difficult to render intelligible’, and it can be contended that universities inherently tend to generate conflicts.147 While it is evident that at the operational level at the DIT the culture of the academic disciplines held some academic departments together,148 at an institutional level there appears to have been a leadership vacuum. Leaders need to be able to play the role of the ‘Pied Piper’, whom people will follow willingly in the change process. Strategising around the challenges of merging divergent cultures and acknowledging the naivety of accepting a simplistic definition of culture that ignores the conflict and ‘divisiveness within’149 are important processes for Vice-Chancellors of merging institutions.
The initial desired outcome of the voluntary merger between ML Sultan Technikon and Technikon Natal was the transformation of higher education in KwaZulu-Natal. However, all the evidence gathered in our research points to reconstruction: a type of change which may be rapid, could involve a great deal of upheaval, but which does not fundamentally change the paradigm. Overall, our research has shown that the institution and the academic endeavour have prevailed in the context of a very serious lack of alignment between planning, process and desired outcomes. This has been due mainly to the indomitable 'human element'.