

# The perfect merger?

# 7

## **Incorporation of the School of Oral Health Sciences (University of Stellenbosch) into the Dentistry Faculty of the University of the Western Cape**

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In January 2004, the new Dental Faculty at the University of the Western Cape opened its doors for the first time, following its incorporation of the School of Oral Health Sciences of the University of Stellenbosch.

These two neighbouring universities in the Western Cape province have very different histories and cultures; but as this chapter shows, stable leadership, geographical proximity and financial backing from the Department of Education helped smooth over the rough patches on the road to incorporation.

### **Research methodology**

Although this was technically an incorporation rather than a merger, we included the excision of the dentistry programme of the University of Stellenbosch (US) and its grafting onto the Dentistry Faculty of the University of the Western Cape (UWC) in our study for three reasons. First, it brought UWC directly into the Ministry's overall higher education transformation plans, out of a once-mooted comprehensive-type merger with Peninsula Technikon, into a greater institutional independence bolstered by the US addition. Second, participants made the process work by treating it as an actual merger of equals rather than an asymmetrical incorporation. Finally, its smaller scale allows us to focus more clearly on some of the factors that led to its relatively successful outcome.

The research information for this chapter was sourced from 10 key informant interviews with senior managers at both institutions in 2003 and 2004; the pre-merger due diligence report;<sup>1</sup> a memorandum of understanding between the two institutions; various memoranda to parents, staff and students; several reports from the Joint Merger and Incorporation Task Team (JMITT), the Institutional Working Groups (IWGs) and the institutional co-ordinators; and other primary and secondary sources collected in 2004.

## Genesis of the merger

Transformation can be understood to be one body, institution or business changing, altering and or adapting to, or into, a new body, institution or business, according to a new ideological stance. In the case of private sector structures, the interest in transformation for business leaders lies more in 'the prospect of increasing profitability and market share by acquisitions' rather than relying on growth alone.<sup>2</sup> In the case of higher education institutions, the interest in transformation lies in the eradication of the apartheid legacy of institutional exclusion and separatism and the incorporation and inclusion of diversity. In other words, for the state, transformation becomes a 'streamlining' process where restructuring enables 'new institutional and organisational forms'<sup>3</sup> by means of mergers and incorporations. The value of transformation is seen in an institution or organisation that 'increases inclusion, has greater coherence and openness'.<sup>4</sup>

This chapter will show that the merger and incorporation between UWC and the US had definite transformative aspects. The merger of the Dentistry faculties was not only a mechanical exercise; it also involved changing relationships between people and institutions. For example, according to one senior manager at UWC, the aims and goals of the process went beyond the 'short term gains, making money and generating surpluses'.<sup>5</sup> Instead, the institutions strived towards improving relationships, co-operation and mutual respect. In other words, irrespective of the fact that UWC, as an institution, had plenty to gain from the incorporation process, making and maintaining relationships were seen as just as important – and arguably the merger attained this goal.

Central to a merger is the union of two different organisational cultures into one functional culture. Not only do individual employees have their own cultures, but the institution as a whole operates with its own ways and means. In the case of UWC and US, culture and race are central issues as prime examples of the ways in which access to higher education, during the apartheid era 'ensured that the black majority were denied the sort of learning experiences which would prepare them for tertiary study [and] that access to well resourced institutions of higher education was largely available only to white students'.<sup>6</sup> The US, as a historically advantaged, Afrikaans-medium institution, generated the perception that it provided the highest possible quality of education to its students. In contrast, UWC is a historically disadvantaged university with a significant history of political engagement, protest and unrest. In some quarters, this translated into the perception that UWC had a lesser ability to educate students, and provided poorer quality education to students before 1994. This factor of perceptions of differing quality became a major issue in the incorporation.



## History of UWC

If one considers the histories<sup>7</sup> of these two institutions, one is apt to agree that the institutions themselves were placed at different ends of the spectrum within the apartheid era. The perception of UWC stems from the fact that the institution was originally established in 1959 as an 'ethnic college for coloured students'.<sup>8</sup> At the time, the institution was governed by academics who supported racial separation and who saw their role as 'white guardians of their coloured wards'. UWC has a history of protest dating from 1970, when the students protested by 'burning their ties' because of their frustrations with the conservative administration. Three years later, students and staff once again launched a protest which culminated in the appointment of the first black rector in 1975. Professor Richard van der Ross was rector for 12 years (1975–1986). In 1982, a new mission statement was adopted. Under the leadership of Professor Jakes Gerwel, the university formally rejected apartheid ideology and its restrictions and committed the university to non-racialism and to the development of local communities in South Africa. Over three decades – from the 1970s through to the early 1990s – the students and staff consistently protested against segregation and inequality in society and, especially, in higher education.

Because of this activism and the racial divide, UWC was often locally considered a second-choice institution for some local students; the perception was that students could not be 'guaranteed' a quality education. However, some students were attracted to UWC precisely because its activist history brought the promise of a transformed educational experience. With the appointment of each new rector, especially that of Prof. Gerwel in 1987, UWC fought for 'access, equity and equality' and progressed towards an institution that was ready for the processes of transformation to occur when the veil of apartheid was eventually lifted in 1994. UWC had stated its commitment to becoming an institution that helped to build 'equitable and dynamic societies', but most importantly opened its doors to *all* to accept and 'nurture the cultural diversity' of the country.<sup>9</sup>

## History of Stellenbosch

According to Kissack and Enslin,<sup>10</sup> apartheid education on the whole aspired to 'preserve the unique cultural identity of the Afrikaner people ... not only [separating] white from black, and black ethnic groups from one another, but Afrikaans and English speaking whites from one another as well'. The University of Stellenbosch has been in existence much longer than UWC,<sup>11</sup> beginning its existence as Victoria College in the late nineteenth century. In 1916, the college received its official university status and independence. The US was and still is located in the town of Stellenbosch, about 40 kilometres away from Cape Town.

Stellenbosch was declared a 'whites only' area under the Group Areas Act, which meant that its university could only serve and accommodate persons who were classified as white. As a completely Afrikaans-medium institution closely connected with Afrikaner history, US was a university for white Afrikaners in an atmosphere of racial and ethnic exclusivity. In addition, universities serving white communities ensured that their students and staff 'behaved' within the parameters set by the government. These universities progressed because they had ready access to financial resources from the state. Ironically, because of these very factors, the university was perceived (like the neighbouring University of Cape Town) as an institution which consistently offered a prestigious and quality education.

In comparison to UWC, the US was at least institutionally quiescent regarding challenging the apartheid structures that had been introduced to provide a separatist society and separatist education, and at most enthusiastically supportive of such structures.

### **Institutional cultures and perceptions of academic quality**

Imenda, Kongolo and Grewal compared students' reasons for attending historically black institutions (HBIs) to students attending historically white institutions (HWIs) after 1994. They found that perceptions of quality were still a major factor. An institution which provided a good public image, 'quality of staff, teaching (perceived or real) and other facilities as well as stability associated with the institution', encouraged more students to enrol at that particular institution.<sup>12</sup> In this regard, they found that HWIs provided all, if not most, of these factors, whereas HBIs did not because of their very limited resources. Students enrolled at HBIs because of low fees, the 'institution's physical appearance', 'proximity to the home' and '[not feeling] comfortable to go anywhere else'. Thus, HWIs could offer students more than HBIs because of their greater resources, and students who could not attend the HWI's because of financial constraints went to HBIs. This ensured that generally, the HBIs became the second choice for many South African students after 1994. Clearly, apartheid 'protected' these resource-based differences in culture, and this was carried over to institutions as well.

The differing institutional cultures could be ascribed to the state-imposed racial and therefore separatist environments which were maintained during apartheid. For Barnes, the core of the institutional culture relates to a 'deeper issue than the labels and shorthand terminologies of "black" and "white" or disadvantaged/advantaged...'. She further suggests: 'Within the feature of being 'stamped with a racial mold,' universities developed distinctive organizational cultures around how much and how thoroughly to participate



in the reproduction of knowledge meant to uphold the particular institutional logic of apartheid and inequality.<sup>13</sup>

Thus, it is highly unlikely that there would have been either a merger or an incorporation between the US and UWC had the Ministry of Education not mandated such a move. The mandated incorporation, as it eventually occurred, flew squarely in the face of popular opinion.

This chapter narrates the discussions, meetings and processes which followed the decision of the Minister of Education that the US dentistry faculty should be incorporated into the structures at UWC. This story is an example of how processes were planned and structured, to the finest detail, to aid a possible positive outcome of integration and acceptance. While the chapter will highlight the technical aspects of the merger process, perceptions and feelings of individuals, including staff, students and parents about the merger, will also be discussed.

## **A decision from the minister**

As discussed in Chapter 6 of this volume, at the beginning of the restructuring era the NWG had proposed that UWC be merged with a neighbouring institution, Peninsula Technikon (commonly known as Pen Tech).<sup>14</sup> Other aspects of the NWG proposals were that the Dentistry faculties of UWC and US should also merge. Then, on 25 June 2002, the Minister of Education did an about-face and informed the chairpersons of the US and UWC Councils of the abandonment of the UWC/Pen Tech merger, but the retention of the Dentistry merger between US and UWC.<sup>15</sup> The Minister invited the two Councils to present comments on his proposal by 4 October 2002.

In response, at first the US proposed 'a single [dental] school, located in both institutions', 'under joint governance ... with each institution represented on a 50/50 basis in the joint governing body ... (with) joint certification by the two institutions'.<sup>16</sup> A senior manager at US explained this proposal:

...there's always the debates between Stellenbosch and UWC on the idea of having a single dentistry platform, so they both share in/of governance ... the idea was that it would be a dentistry faculty platform of the Western Cape with both institutions governing it ... [it would have] been one of the first participation models ... we told the Minister we want to go ahead in that direction ... the Minister said, 'No, you've got to go ahead with the incorporation' ...<sup>17</sup>

This manager highlighted the fact that there had already been talks about a possible merger of the dentistry programmes between the US and UWC. These talks had occurred in the discourse of mutual collaboration between the two institutions 'at least five years prior' – long before the merger. Thus the

platform had been set for either the consolidation of the programme and/or the incorporation of the two institutions. The manager felt that the driving force for both institutions at the time had been the reduction of duplication and the sharing of facilities and resources.<sup>18</sup> It should be noted that the US Dentistry School is not on the main Stellenbosch campus; it is physically located only about two kilometres from the UWC main campus, in the Tygerberg Hospital complex. UWC's main dental teaching facility, on the other hand, was 40 kilometres away in the dormitory community of Mitchell's Plain. The addition of a nearby, well-equipped teaching and research facility was thus a major attraction for UWC, as well as having in its favour the clear symbolism of ending an obviously illogical apartheid-era separation.

The preferred route for US would have been the establishment of a joint governing body between the two institutions. This idea was presented to the Minister of Education after his mandate, but it was refused. On 20 September 2002, the Rector of UWC, Professor Brian O'Connell, sent a letter to the Rector of US, Professor Chris Brink, indicating that the UWC Council supported the Minister's approach and did not 'favour an alternative approach' of creating a structure which needed to be jointly governed. Various meetings and discussions between the UWC and the US followed about the most appropriate approach to take, in light of the prevailing circumstances at and perceptions of the universities. Both rectors then responded separately to the Minister supporting the proposed incorporation 'with the proviso that good governance prevails'.<sup>19</sup> Finally, on 9 December 2002, the Minister issued a letter to the Chairpersons of the Councils finalising the outcome of the decision to incorporate the School of Dentistry at US into the Faculty of Dentistry at UWC. Although the Minister requested the Councils to provide a preferred date for the incorporation, the Minister stated his 'preferred' date was 1 January 2004.

## Constituencies respond to the merger

There were varying responses after the Minister's initial announcement. At US, people had 'different viewpoints all over the campus':<sup>20</sup>

On the one side there were people who felt that this is the beginning of the domino effect ... there were people with very strong voices and strong opinions about that ... but then we had people ... with a different approach to government policy; people who were willing to support the transformation and transformation goals of the government and of the country ... [which] made it possible for us to bring into play ... participating in transformation ... role-players in the transformation process ... responsibility is to level the playing field between institutions ... We had people who said Stellenbosch should be fighting and they



were very upset about the leadership ... [There were] parents ... who were very angry ... The first reaction was ... the management of the university misled the parents...<sup>21</sup>

At UWC a senior manager also had a negative response: 'initially there was a lot of resentment about the fact that a decision was taken up there ... the two institutions in fact were forced to implement a decision that at least one of the institutions did not find acceptable. It's almost like asking someone to participate in his or her own demise.'<sup>22</sup> He had 'received a lot of resistance from his colleagues' because many of them had thought about 'absorbing' the students and staff of the University of Stellenbosch into the existing UWC faculty rather than creating 'a new faculty' (see below).

A representative of the main trade union representing administrative and non-professional staff on both campuses reflected that they had been aware of the 'merger resistance' within the general Stellenbosch community; it did not emanate simply from the US management.<sup>23</sup> These included the negative perspectives provided in newspaper articles which challenged the incorporation, in which constituencies refused to send representatives to meetings with management. Significantly, US parents and students threatened to sue the Ministry to stop the merger.

## Preparations for the merger begin

On 17 December 2002, the Dean of the Faculty of Health Sciences of the US, Professor W.L. van der Merwe, sent a memorandum to the enrolled and prospective students for 2003 notifying them about the US's stance regarding the decision to merge with UWC.<sup>24</sup> Prof. van der Merwe emphatically stated that the US accepted the final decision by the Minister of Education and would therefore not oppose the decision to merge with UWC. He emphasised that US had not only a 'legal obligation' but also a 'moral responsibility' to participate in the merger. A similar memorandum was sent to the members of the Faculty Board (Health Sciences) and all the staff of the School of Oral Health Sciences.

A negotiation team was then established with three senior officials from both US and UWC. The three senior officials from the US were Professor Russel Botman, Vice-Rector (Teaching); Professor Usuf Chikte, Associate Dean, US Faculty of Health Sciences and Professor Jan Botha, Director: Division for University Education. UWC's three senior officials were Professor Tyrone Pretorius, Vice-Rector (Academic), Professor Hanif Moola, Dean of the Faculty of Dentistry, and Mr Larry Pokpas, Director of Strategic Planning and Executive Assistant to the Rector. The team was known as the Joint Merger and Incorporation Task Team (JMITT) with Prof. Pretorius as its chair.

Simultaneously, the legal advisors of both universities were also continuously consulted.<sup>25</sup>

The JMITT was responsible for the total planning of the incorporation.<sup>26</sup> The JMITT also had to offer recommendations to the two governing institutional Councils. If JMITT recommendations were accepted by the Councils, it then became the JMITT's responsibility to implement and co-ordinate the recommendations. The first meeting of the JMITT was held on 27 February 2003<sup>27</sup> and the first task was to construct a Memorandum of Understanding (MoU),<sup>28</sup> which was accepted by both Councils on 1 April 2003.

The MoU provided a framework within which the JMITT conducted its duties and set the tone of the institutional cooperation. Although the Minister had formally stated that the joining of the two faculties would be an incorporation, the two universities agreed to manage the process as a full merger of the two programmes rather than only an incorporation of the US dentistry school into UWC. The difference between these two approaches was that a merger implied cooperation between equals, while incorporation would have meant an unequal takeover. In retrospect, a senior manager at UWC thought the decision to treat the move as a merger was the best approach as both universities strongly agreed to be 'co-partners in creating a new school or faculty'. He emphasised that the use of the term 'new faculty' indicated their strong approach to the process. If they had not taken the approach of 'something new' and rather forged ahead with the idea of 'incorporating' or 'absorbing' US, the approach from Stellenbosch management would have been very different and the US would have felt 'bulldozed'.<sup>29</sup>

Based on the MoU, both UWC and US declared their intention to 'fully co-operate in an open, transparent and collegial manner to give effect to the decision'.<sup>30</sup> The basic purpose of the agreement was:<sup>31</sup>

- a) To regulate the interactions at various levels and to establish and regulate responsibilities for the process consisting of:
  1. merging the Faculty of Dentistry of the University of [the] Western Cape and the School of Oral Health Sciences of the University of Stellenbosch;
  2. the closing of both the Faculty of Dentistry of the University of [the] Western Cape and the School of Oral Health Sciences of the University of Stellenbosch on 31 December 2003; and
  3. the establishment and the incorporation of the new entity at the University of the Western Cape on 1 January 2004.
- b) To Facilitate co-operation between the merging entities in the period prior to the date of [the] merger and the date of incorporation and to ensure that



operational decisions by the merging entities in this period do not adversely impact on the operational and organisational integrity of the new single faculty/school of Dentistry incorporated into the University of the Western Cape.

Although the MoU stated the intentions and the visions for the merger and incorporation process, it also envisioned the possible challenges that the 'establishment of a new entity' could present. These included the possibilities that the merger in itself would 'inevitably cause stress for the affected people and institutions; fears about security and benefits; the quality of the new programmes; the use of facilities; continued investment by stakeholders and the profession; possible institutional clashes and extra work load for the affected people'.<sup>32</sup>

Hence, in order to forge ahead with the ministerial decision, the parties structured two guiding principles for the merger process. These were 1) *full disclosure of information* and 2) *to be equal partners* in the merger and incorporation process.<sup>33</sup> Further, the parties of both universities had to agree to particular areas of co-operation. These included 'operational functionality; staff appointments; staff promotions; staff remuneration; renewal of contracts; capital expenditure and agreement about Oral Pathology and the National Health Laboratory Service (NHLS)'.<sup>34</sup> The operationalisation of the merger process within the framework of the MoU required that the leadership style of the JMITT should be identified by 'swiftness, transparency, integrity and credibility, decisiveness, care and sensitivity, practicability and executability'.<sup>35</sup> Thus a clear framework was structured and the JMITT set the wheels in motion for the merger and incorporation process to begin.

By the end of March 2003, the JMITT decided to appoint an external management resource so that the planning process would be efficiently and professionally managed.<sup>36</sup> Henry Fairweather from PSP Icon (Pty) Ltd and Andrew Smith were appointed as project managers. The costs of the project managers, human resources consultancies, conveyancing costs and computing amounted to approximately R2 million rand.<sup>37</sup> These costs were borne by the Department of Education on behalf of the merging institutions. According to one of the institutional managers, the external managers were appointed for 'practical reasons' because their planning needed a 'project management approach' in order to steer the process through the different phases of the project.<sup>38</sup> Because both institutions were extremely committed to the 'broader agenda of transformation in South Africa' and they wanted the project to succeed, external appointees seemed the best way to ensure success.<sup>39</sup> A senior manager at UWC explained the rationale behind the decision to use external managers in the merger and incorporation process:

This enables somebody to talk without getting involved in any of the conflicts and so it doesn't become a negotiation ... if people have an emotional involvement ... they tend to be too involved or too close to particular processes and so they tend to make biased decisions and decisions based on other criteria and not about what one has to achieve ... essential to have an outside person ... enables the process to be done professionally sticking to all the guidelines ... allows the person to do the job and then walk away.<sup>40</sup>

The JMITT also appointed two institutional co-ordinators in April 2003: Dr Pam Naidoo, who was seconded from the Psychology Department at UWC, to serve UWC in process, and Ms Marthie Momberg for US. Ms Momberg was replaced by Professor Wynand Dreyer in July 2003. During this same period, the JMITT also established five Institutional Working Groups (IWGs). The IWGs formed an integral part of the Project Governance Structure. These IWGs were 1) academic/research 2) administration/finance 3) staff affairs 4) students affairs 5) systems and, later, 6) communication.<sup>41</sup>

## Setting up the structures for the merger

Before the practical application of the process started, the project managers, Messrs Fairweather and Smith, determined the factors to be 'used by the various IWGs to develop a list of recommendations to be presented to the JMITT'. These factors were structured following 'focus discussions with key role players, after thorough reading of the DoE's guidelines, using due diligence guidelines and an envisioning workshop attended by key people from both institutions'.<sup>42</sup>

The focus discussions with staff and students were held over many days, while the envisioning workshop occurred on 12 April 2003.<sup>43</sup> Participants who had attended the envisioning workshop were academic and support staff, student representatives, faculty management and institutional management. A draft of the vision statement for the 'new faculty' was structured and a decision was agreed upon that it would be finalised after the merger and incorporation process had occurred, possibly in January 2004.<sup>44</sup> The vision statement was set according to Department of Education guidelines. Possibly at this stage merger communication was not in place, as one UWC manager reported being unaware of the work having been begun before 2004.<sup>45</sup>

## The due diligence report

A due diligence report was prepared after an exercise by both US and UWC in order to provide detailed information on both institutions.<sup>46</sup> Although the focus of the due diligence report was on the US, UWC also provided a report as



an added measure of transparency between the two institutions. The objective of the exercise was to provide both institutions 'with a clear understanding of the implications, for their institution, of the merger and incorporation'.<sup>47</sup> The exercise included a complete inventory of entities, assets and liabilities, human resources (both academic and non-academic), intellectual capital, other support structures such as suppliers of equipment, curricular, undergraduate and postgraduate student profiles, selection criteria for entry into the professional programmes, and a list of donors and bursars.<sup>48</sup>

One of the major difficulties which arose at this stage was the fact that the School of Oral Health Sciences at US formed part of the larger Faculty of Health Sciences at the US. A clear distinction had to be drawn between the property of the School and those of the Faculty because whatever belonged to the School of Oral Health Sciences would eventually become the property of the Faculty of Dentistry of UWC.

Another factor which had to be considered was the dentistry building on the site of Tygerberg Hospital, which provided the dental students at US a space to offer a community dental service. However, the US had a legal agreement in this regard with the Provincial Administration of the Western Cape (PAWC).<sup>49</sup> Because the US provided a community dental service from the dental hospital located within the dental building at Tygerberg, the PAWC paid the US a 'rental' on a cost-recovery basis, for the use of the building. At the same time, the PAWC owned and maintained the equipment in the dental hospital. Concurrently, there were 'mixed' appointments, with staff appointed by the PAWC, or the US, or by both. These appointments were similar to those with the staff of UWC in its community dentistry facility in Mitchell's Plain.<sup>50</sup> Thus the relationship between the PAWC and the US was fairly deeply entrenched and by implication could have been viewed as 'stumbling block' for a smooth merger and incorporation. In terms of existing legal frameworks, if US did not further require the dentistry building, it would revert to state ownership. This was a 'tricky situation' in view of the fact that, if the US had wanted to, they could have '[made] life difficult' for UWC,<sup>51</sup> but US instead handed the building at *no cost* to UWC.

## Institutional Working Groups

The Institutional Working Groups (IWGs) became the core of the implementation of the merger and incorporation process as they had to formulate proposals and recommendations to the JMITT for consideration. These proposals and recommendations were further refined, approved or disapproved by the JMITT at the end of May 2003. The JMITT then prepared formal recommendations to the Councils of the respective universities by the middle of June 2003. Decisions were only possible once the Councils of both UWC and the US had approved the recommendations.<sup>52</sup>

The IWGs were structured according to the categories derived from the focus interviews which had been conducted with 30 to 40 individuals, based on the Department of Education guidelines. The categories were related to issues concerning staff, finance, students, administration, resources and communication.<sup>53</sup> The groups each consisted of only four individuals, two from each institution. The focus of each IWG was as follows.

The *Academic/Research IWG* was responsible for the academic and research activities for the new entity in January 2004; the curricula for both the undergraduate and postgraduate dentistry programmes, as well as the Oral Hygiene degree and diploma; the language policy for the new entity (US had a very strong Afrikaans culture and none of the UWC classes was conducted in Afrikaans); the academic structures in terms of service, teaching and training to serve the undergraduate and postgraduate students of the Faculty at the three 'new' sites for 2004; teaching support systems such as library facilities; admission policy; access programmes; re-admissions and promotions policy; certification for US students; community-based programmes; and quality assurance.

This IWG also had to deliberate upon the income from research and publication funds and its transference to UWC for the sustenance and maintenance for the continuation of research activities in the Faculty. The UWC team had to indicate how academic assistance from US would enable effective and efficient academic activities.

The *Administration and Finance IWG* managed each aspect of the administration and financing implications of the merger and incorporation process. These included: short-term insurance; accounts payable policy; ownership and transfer of assets and equipment; student fees, funding of student transport, contracts with the PAWC, and student deposits; outstanding debtors at US, student levies and alumni debit orders; infrastructure and support systems; and the location of the administrative and academic functions of the new entity (such as the location of the Dean's office).

The *Staff IWG* dealt with staff issues regarding the status of external staff related to academic and research activities; organisational structure; integration, benefits and conditions of service; staff participating in private work; promotions; appointments; and the work ethics code of UWC.

The *Student IWG* ensured that all matters concerning student life were addressed. These included academic administration and accommodation for 2004; sports and recreation; disciplinary codes and rules; student health services on all platforms; student financial aid; student governance structures; students with special needs; and support, development and counselling services. A major concern for US students was that they wanted to maintain their membership of the sports and recreation bodies at US. These were important aspects of student life at US. Further, US students wanted to be allowed to remain in US residences (dormitories) after the merger.



The *Systems IWG* provided information about the up-grading and purchasing of computers; standard software packages; computer laboratories at the Tygerberg and Mitchell's Plain sites; as well as sharing facilities with fellow students on the main UWC campus. This group was also responsible for taking care of the communication infrastructure such as telephone and fax services; internet access; file servers; web servers; database servers; mail servers; and student cards. US staff and student information also had to be transferred to UWC's system.

A sixth IWG was established in May 2003 because information to relevant stake-holders – such as donors, sponsors, suppliers of dental material, other universities, alumni and potential undergraduate and postgraduate students – had to be effectively communicated during the merger and incorporation. Although both Stellenbosch and UWC attempted to ensure transparent and reliable communication to students and staff, their communication efforts at least initially proved to be inadequate.<sup>54</sup> This last IWG was known as the *Communications IWG*. The responsibility of this group was to ensure that separate regular meetings occurred for students, parents, staff, alumni and unions. Because a large number of messages had to be sent at different times to different people and the media and press had many queries, a plan was cautiously developed, which was then approved by the JMITT. The Communications IWG needed to identify all the parties involved – who was accountable and responsible and who had to be consulted and informed. They also had to guarantee that information given to the media would not have negative implications for the merger and incorporation process when informing the general public. The communication strategy did not happen as planned, however, because after a full day's work people had to write letters to alumni, parents, students, staff and unions and this 'just did not happen'.<sup>55</sup> Although the team consisted of communication experts – they had the necessary skills – time pressures were a problem. They therefore thought that in this group a dedicated communications resource should have been appointed.

The due diligence report, the workshops, meetings and the formation of the IWGs all culminated in a work plan which the JMITT needed to approve and apply for the merger and incorporation to take effect. But the effect of this work plan was dependent on individual people and various stake-holders believing and accepting the plan and to a great extent being transparent in their dealings. At this point, the story necessitates the telling of the challenges, the fears, 'highs and lows' and the 'team spirit' that prevailed during the planning, interviewing and meeting processes.

## Overcoming the challenges

Many challenges or issues emerged when the merger and incorporation process was originally planned. The approach from UWC was that, in order for a 'smooth' merger to ensue, planning had to be 'all-encompassing', ensuring that the possibility of failure was minimised. Thus the structures of the JMITT and the IWGs became paramount. The major challenges with which they were faced are discussed below.

### *Institutional culture*

Institutional culture can pose a threat to, and can possibly unravel the process of, a merger because of the fact that 'things are done differently' at individual institutions. As previously discussed, because of the system of apartheid and the separatist environments that were created in higher education, a public perception was created that UWC offered a poorer quality experience than US – both in terms of education and administrative/management operations. This meant that the cultures at the two institutions would be very different. But, interestingly, according to the opinions of various individuals (as will be shown), this perception was a something of a misconception. Several of the people interviewed for this chapter expressed the view that they discovered that in fact the cultures of the two institutions were very similar in ways that they had not expected.

According to one senior manager at UWC, for example, the process of the merger and incorporation 'amplified that there are more similarities' between the different institutions than had previously been thought. The media mainly exaggerated the differences between the institutions in terms of a more social definition of culture rather than 'institutional culture' and therefore created false differences.<sup>56</sup> An example of this was expressed in an article in the media concerning the 'allegations that a degree in oral health at the University at the Western Cape is not recognised internationally', and that US students 'did not have to write an entry examination when applying for work overseas'. In this instance, Prof. Pretorius responded in defence of both institutions. He explained that after 2001, all South African university graduates in the health professions had to write entry examinations in order to practise in Britain. Prof. Pretorius also denied the allegation that there would be large-scale retrenchments of 'skilled Stellenbosch University personnel' because the amalgamation would not only improve the service delivery in oral health, but also 'join the two universities' intellectual capacity'. He stated that the aim of the amalgamation was to 'expand rather than cut down'.<sup>57</sup>

As there had always been many 'superficial perceptions' of the vast number of differences between the two institutions, the challenge lay in getting as much



detailed information about the two institutions and their cultures as far as possible. A senior manager at UWC alleged that it was a 'misconception' to believe that one institution offered training of greater quality than the other, because in the case of UWC and the US, at least 30 per cent of the Stellenbosch staff were UWC graduates – testifying to the quality of the UWC degree. In addition, oversight structures such as the Health Professions Council helped to create fairness and equality of standards in both institutions.<sup>58</sup>

In addition, the fact that both institutions were governed by the Dental Council or Health Professions' Council ensured a kind of 'standardisation', and therefore teaching and learning at both institutions were very similar, because they had to follow a strict professional framework. In addition, many of the staff at UWC originally came from Stellenbosch and many of the staff at US originally came from UWC. Thus, there had been a 'cross fertilization' which had contributed to a similar educational profile between the two institutions, which minimised the perception that the institutional and technological supports at US were superior.<sup>59</sup> There were differences in curricula and academic plans which had had to be merged – although the common PAWC accreditation factor meant that the two programmes were relatively closely aligned even before the merger.

However, there seemed to be a difference of opinion regarding the similarities in institutional cultures. A union representative<sup>60</sup> maintained that there were definite and 'distinct' differences in institutional cultures and this was something that could not be overlooked. As far as he was concerned, the academic content would not be significantly different, but factors such as 'how curricula are advised', the types of assessment and the way in which both institutions 'go about doing [their] business' were 'quite different'.

However, it should be noted that in terms of social rather than institutional culture, the two institutions were quite different. In particular, students' backgrounds diverged. At US, for example, parents of enrolled students often made their voices heard; at UWC parents were hardly a visible constituency (see below). According to one manager, these factors would affect how people, particularly the students, would perceive the coming change – either as a threat or a challenge.<sup>61</sup>

There were other differences. Another senior manager at UWC felt that there were considerable differences between the institutions, especially with regard to the benefits received by academic staff in the two institutions. The academic staff at UWC received less 'extravagant benefits' than the staff at US. Further, the salary systems of the US were a 'total package' approach rather than the 'basic remuneration and benefits' approach at UWC.<sup>62</sup>

## Staff

The issue of conditions of service was fundamental to staff accepting the merger and incorporation. Obvious questions that staff would have in a merger would be *Will I be retrenched?* or *Will I still receive the same benefits?* The biggest challenge for the UWC Human Resources Department in grappling with the merger in legal terms was the Labour Relations Act of 1997. The Act states that in the case of a merger/incorporation, 'on the whole people should not be worse off'. The national guidelines from the Department of Education included a phrase, 'notwithstanding the law, people will transfer as is'.<sup>63</sup> To sort out discrepancies such as differing staff benefits, the HR department had to consult labour lawyers, auditors and actuaries in trying to find a balance between the two sets of institutional policies in order to present the best possible scenarios to US staff. The policies were significantly different: US staff generally enjoyed better individual benefits than UWC dentistry staff. US staff could retire at the age of 60, but at UWC the age was 65. A continued challenge, which the UWC HR Department had difficulty in sorting out, was the fact that the staff at US enjoyed post-retirement subsidies, one of which was medical aid. The staff at UWC did not have this benefit, as it was very expensive. On the other hand, the staff at UWC belonged to a much better medical aid scheme than the staff at the US. The HR department spent four months trying to unravel how to proceed.

In the end, the Department developed a presentation to US staff and 'romanced them into it by showing them what the benefits and remuneration could be' in order to strike a balance between the conditions of service for the staff, rather than just give the best conditions from both institutions.<sup>64</sup> The staff was told that the best option was to 'harmonise their benefits before coming over to UWC' as there would certainly be less chance to negotiate afterwards. US staff accepted the conditions and agreed to being transferred rather than signing new employment contracts. This set of agreements removed a crucial potential obstacle to the merger.

The Vice-Chancellor of UWC, Professor Brian O'Connell, played a very important role in the merger/incorporation process. As a leader, he strongly encouraged the early implementation of the 'harmonization' process, engaging with US parents, students and staff on at least one occasion on a radio call-in show in Afrikaans. This was in line with UWC's desire to facilitate communication and instil trust and confidence in the institution.<sup>65</sup> The success of the 'harmonisation' of US staff originated from the involvement of Prof. O'Connell, as he had, from the very beginning, encouraged the 'romancing' process to start before the merger and incorporation process took effect. This alleviated fears and anxieties on the US side because they knew what to expect when the 'new faculty' opened in January 2004. It would have been 'traumatic' for people 'to make these types of moves, and to be left in limbo for almost twelve months'.<sup>66</sup>



Importantly, however, 'romancing' US staff before the merger and incorporation process meant that they were not strictly following DoE rules. These stated that the transferring processes should only happen after the formal date of merger and incorporation. For this reason, the HR Department at US did not approve of the way the HR Department at UWC addressed the transference process.

they wanted us to do it strictly according to the law ... all they wanted to do, they wanted a smooth transition; because once the people are in our employ on the 1<sup>st</sup> of January, then if it's a mess it's our mess. If the mess had to pop up during the transitioning, it was their [problem] so it became very hectic, and they tried to force us to do it in a different way ...<sup>67</sup>

The UWC HR department tried to follow the principle of finding an approach that worked for everyone. In general, the leadership had made a good impression and did not have to deal with a 'horrible situation of interim leadership that can't make decisions, because the permanent leadership may overturn them all'. Rather, there was 'one rector, one council, [with] no change in the decision making structures'. Thus the strength of the leadership, from both institutions, enabled a transparent, team effort.<sup>68</sup>

In providing a general opinion about the merger and incorporation, a senior manager at UWC felt that on the whole the process, from an HR perspective, had been successful. However, she stated that, in general, greater 'capacity building' of leaders needed to take place with regard to 'transformational leadership', especially when executive members of universities are faced with a merger. She further explained that in her opinion, academic leaders needed to think more 'about their country and students rather than themselves'. She believed that UWC had been lucky with their Rector. She stated that other institutions were not as fortunate in this regard. In her opinion, it was dangerous for so many 'key people' to continue being negative about transformation and the process as a whole. In this regard, she stated: 'I don't know why people are so change resistant ... it's because people cannot create collective identity. They cling to their individual identities. I find it particularly strong in academia, and I didn't expect to find it at UWC.' She had been astonished by people's 'lack of congeniality and lack of collaboration' as she felt many people worked 'individually rather than collectively' and this she believed was partly responsible for the 'low morale' within the institutions. She added that mergers should start by having interventions at a higher level rather than 'beginning at an operational level'.<sup>69</sup>

## Parents

Students and parents at US were aware of the merger and incorporation from the very beginning. The US 'took clear a stand' about the merger and incorporation as soon as they had received the mandate from the Minister of Education. The US management made it clear to US constituencies that there was no possibility that the merger and incorporation would not happen. The challenge for US was that the parents of US students traditionally played a major role<sup>70</sup> in the cultural and the administrative life of the university. 'The parents of the students at the US "fight the wars", while at UWC it was the students who would march up and down and protesting.'<sup>71</sup> The parents of US dentistry students were anxious and angry about the merger and incorporation, especially since the merger partner was UWC, which historically had been perceived as a 'low quality' university.

The initial reaction from parents was that the management of US had 'misled' them. Thus, US parents also had to be 'romanced' into the idea of the merger and incorporation. In 2003, in order to alleviate the fears of the parents, US held continuous meetings and issued memoranda on a regular basis. Nonetheless, there were parents wanted to go to court to stop the merger, and threatened on numerous occasions to do so. Eventually, the US Council asked for more time to consult with them. This was agreed upon and ensured that the parents did not go to court, because the university was still 'open to talk'. At the same time, the university issued large amounts of information to parents and had a lawyer present at every meeting. Thus, they were kept out of court and the parents reached a level of acceptance. Once the parents were more accepting of the merger and incorporation, they had a meeting with the Minister of Education about their concerns. Reportedly, this was the first time the Minister of Education met the parents of any institution. '[W]e realised that there's nothing that we could do – there was no ways. It was better for him to see them than to see them in court.'<sup>72</sup>

It is worth noting that it was not just a group of white parents reacting negatively to the merger and incorporation. In fact the irate parents were a racially a diverse group, as the racial profile of US had changed somewhat. Ultimately for these parents, the issue was about the certification of the degrees. They wanted the all-important 'Stellenbosch degree' which they perceived would give their children greater employment options after graduation. The Minister told them that because of the merger, their children could not 'get a Stellenbosch degree', they would get a UWC degree, but he agreed that for the first two years the students would receive a certificate fully recognising the University of Stellenbosch 'in a sentence at the bottom' of the certificate.

Transport, safety and costs were also a concern for the parents. A senior manager at UWC stated that he believed that the exposure of students to other South Africans 'beyond the narrow confines of race and culture', as well as the



different facets of South African society were important and could either be seen as a threat or a challenge.<sup>73</sup> The students of the new Faculty would be exposed to all the teachers and service platforms within the province – the Red Cross, Groote Schuur, and Tygerberg Hospitals and the Mitchell's Plain and Tygerberg dentistry campuses – and different places, teachers and communities. A major difficulty for the parents of US students was that their children would be going to Mitchell's Plain, an area on the Cape Flats which was (and is) often considered dangerous because of stereotypes of the area as a ghetto, rife with gangsterism. US parents did not want their children going in and out of Mitchell's Plain and wanted their safety ensured.

### *Students' affairs*

The following table provides the 2003 enrolments and residence occupation for the dental students of US and UWC.<sup>74</sup>

**Table 6. Enrolments and students in residence, dental programmes, Universities of Stellenbosch and Western Cape, 2003**

	<i>No. of students enrolled</i>	<i>Proportion in residence</i>
University of Stellenbosch	561	34%
University of Western Cape	338	30%

Within the context of the merger and incorporation being a 'joint effort' and being 'co-partners' rather than the process being a 'hostile takeover'<sup>75</sup>, the US and UWC reached agreements about issues concerning the students with regard to:

1. *Student residency and membership of clubs and societies*

The US Council agreed to allow students to remain in the students' residence in Stellenbosch for the duration of their studies. Students were also allowed to maintain their membership at the clubs and societies at US.

2. *Resources*

The Tygerberg building, as explained previously, was 'handed over' to UWC at no cost by US.<sup>76</sup> The US also agreed to all the students having long-term access to teaching space, laboratories as well as other facilities, to which the students at US previously had had access. It was agreed that all the existing facilities at all the places of teaching would be utilised by the new Faculty. These included the main campus of UWC, the medical centre at Mitchell's Plain and the Tygerberg Oral Health Sciences Centre.<sup>77</sup>

### 3. *Academic programmes and medium of instruction*

The IWG report showed that the curricula of the two faculties were very similar and only had minor differences.<sup>78</sup> The differences lay in the fact that some students had completed courses in a particular year, while other students still needed to complete the same courses in following year. However, the curricula of both institutions for all the year groups were the same – with approximately 90 per cent concordance. The US community was assured that all the dentistry students at US and UWC would follow a curriculum which would lead to the qualification for which they had been registered and thus care would be taken not to disadvantage any students in the process.<sup>79</sup> Thus the JMITT recommended that a single curriculum be followed with transitional measures for all current US and UWC dentistry students, as permitted by the applicable legislation.

As the medium for instruction at the US was Afrikaans, consensus was reached that the medium of instruction for the 'new Faculty' would be English, but students would be allowed to write examinations in Afrikaans or English.

### 4. *Admission policy, students' fees and financial aid*

Prior to the merger and incorporation process, the tuition fee structures for certain year groups at US were significantly higher than those at UWC. The dental student fees included the transportation costs between the five different teaching and clinical sites of Mitchell's Plain, Tygerberg, UWC Main Campus, Red Cross Children's Hospital and Groote Schuur. In order to accommodate all and not disadvantage some students, UWC imposed an annual increase of nine per cent for all student fees in 2004 – for Dentistry, as well as for all other UWC students. The UWC Council approved this decision.<sup>80</sup> This increase plus the transport fee brought the new fees to almost the same level as the old US student fees.

### 5. *Admissions*

Regarding admissions for 2005, a joint selection panel was instituted by the JMITT to consider the applications received by both institutions. Based on legal advice, a single set of criteria was developed by the Academic IWG.

### 6. *Financial Aid*

Finally, because UWC did not have a bursary and loan system similar to that of US, it was agreed that the bursaries and loans that had originally been allocated to existing Stellenbosch students would be honoured.<sup>81</sup>

## ***Union involvement***

The involvement of the National Education, Health and Allied Workers Union (Nehawu) in staff issues was very important to ensure smooth practices in the work environment. There were differing opinions about Nehawu's involvement



in the process of the merger/incorporation. On the one hand, a senior manager at UWC stated that the union had been regularly consulted in the planning process of the merger and incorporation,<sup>82</sup> while on the other hand a Union representative said that there had been 'virtually no involvement in the process'. However, the Union emphasised that they were 'quite happy with the kind of arrangements' which had been constructed for the staff and the achievements they had made in the process.<sup>83</sup>

## **The merger proceeds**

Once the challenges had been noted and overcome, the application of the merger and incorporation process was applied. The Incorporation and Implementation Team (IIT) started work in August 2003<sup>84</sup> and thus extra appointments needed to be made. In order to have a smooth operation, a 'change manager' was appointed for six months to assist with HR matters. A communications co-ordinator was also appointed as part of the implementation team.<sup>85</sup> The IIT's responsibility was to carry out the approved recommendations of the JMITT upon the approval of the UWC and US Councils. Ultimately, the IIT had to ensure that the newly incorporated Faculty of Dentistry opened its doors on schedule in January 2004.

After meeting these expectations and legal obligations, the 'new' Dentistry Faculty was in full swing in January 2004 and it was 'business as usual' for the Dentistry students. Everyone waited for the legal incorporation to take effect with underlying expectations about the interactions of two differing cultures.

## **Post-merger: Students' opinions and feelings**

In October 2004, 1 085 students at UWC participated in a research project and provided their views with regard to service delivery at UWC.<sup>86</sup> The 'new' Dentistry students were part of the sample. Specifically, students were asked their opinions in terms of whether UWC, as an institution, was meeting the expectations and needs of its students. One hundred Dentistry students participated in the study. While this chapter cannot provide a detailed analysis of the entire study, key information is highlighted of the Dentistry students' perceptions, experiences and feelings of satisfaction of service delivery at UWC.

### ***Student characteristics***

The majority of the Dentistry respondents were first years (95 per cent), female (69 per cent), not married (95 per cent), had English as the first language (50 per cent), registered as full-time students (97 per cent), and were from the Western

Cape Province (59 per cent). Only 2 per cent of the participants were Xhosa-speaking, while 32 per cent were Afrikaans-speaking. Ethnicity was equally divided between whites (30 per cent) and coloureds (30 per cent), followed closely by Indians (26 per cent) and Africans (12 per cent).

### ***Satisfied?***

These 'new' Dentistry students clearly stated their levels of satisfaction or dissatisfaction with UWC as an institution. In this way, students possibly highlighted key information to significant role players that was needed to further develop the incorporation process. It should, however, be noted that a majority of the students were first years and therefore may not have had the same perceptions, experiences and feelings as those of the third or fourth years.<sup>87</sup>

As a global question, students were asked their 'overall levels of student satisfaction' with their experience at UWC. The majority (64 per cent) of students stated that they were 'satisfied' or 'very satisfied' with their overall experiences at UWC, while 27 per cent of the students were either 'dissatisfied' or 'very dissatisfied'. The responses for overall levels of 'satisfaction' according to racial/ethnic backgrounds were almost evenly spread. Sixty per cent of whites, 67 per cent of coloureds, 54 per cent of Indians and 42 per cent of students from an African background were 'satisfied' with overall university experience at UWC. Interestingly, the African students were the least likely to be 'very satisfied', while the white students were the most likely to be 'very dissatisfied'.

Although 42 per cent of the Dentistry students affirmed that they would return to UWC if they were to start 'all over again' as undergraduates, 33 per cent stated that they were 'not sure' if they would register at UWC again. Of the 22 per cent who indicated that they would not return to UWC, the distance of UWC from their home was cited as the main reason 11 per cent of the time. However, 'inadequate academic quality' was cited as the main reason why 22 per cent of the Dentistry students would not want to return to UWC for postgraduate work.

Students' satisfaction with an institution can normally be divided into two main areas: the quality of the academic and administrative services of the institution. Students were specifically asked to rate their levels of satisfaction with the 'quality of instruction' and the 'overall quality of service from administration' at UWC. The majority (58 per cent) of the Dentistry students felt 'satisfied' with the 'quality of instruction' at UWC, while 21 per cent were 'dissatisfied'. As was the case with the study results overall, Dentistry students were less satisfied with the quality of services they were receiving from the non-academic side of UWC (student services, registration, residences, the financial aid office, etc.). Among the Dentistry students, 46 per cent reported that they were 'satisfied' or 'very satisfied' with the 'overall quality of service from the



university administration', but 47 per cent were 'dissatisfied' or 'very dissatisfied' with the overall quality of these services.

### **Conclusion: An example for others to follow?**

While the merger and incorporation of the School of Oral Health Sciences of Stellenbosch University and the Dentistry Faculty of the University of the Western Cape was comparatively smaller than the other mergers that had occurred between other institutions, the procedures followed within the process remained the same.

Although there had been initial responses of shock and resistance to the merger and incorporation, a significant measure of acceptance was eventually achieved. The evidence compiled by this study suggests that this can be explained by the approach from the management of both institutions. Both institutions agreed to be *equal partners* and to be *transparent* in their dealings with each other. Another important factor was that UWC's approach was one of quiet diplomacy towards the US community. Despite temptations to the contrary, UWC refrained from criticising US and its apartheid ideological and institutional history; US refrained from labelling UWC as a sub-standard institution.

The effective and successful application of the merger and incorporation process was ensured by specific structures which had been put in place to facilitate a smooth application. These structures were the Joint Institutional Task Team, the Institutional Working Groups and the Incorporation and Implementation Team.

The story of the development of a single dental faculty in the Western Cape unfolds as one which had almost minimal difficulties, leading to positive outcomes. In other words, whether intentionally or unintentionally, individual stories about the merger and incorporation process provide a tale of a well-oiled process achieving an almost 'perfect merger'. What stands out is the quantity of resources – external and internal – applied to this merger. There was a great deal of outside help, which meant that the institutions were well-resourced. For example, two project managers, a change manager and a communications coordinator from the private sector were appointed to 'ease' the merger process. Because these managers were from outside the two institutions, they had no emotional involvement or attachment to either institution, resulting in a 'get down to business' approach. This led to the institutions reaching the goals timeously. It is also significant that these costs were borne by the Department of Education rather than by either of the two institutions.

It is important to note that this smooth merger was achieved, technically, by breaking the merger guideline rules to some extent. For example, the HR Department of UWC talked US staff into agreement on conditions of service

before the actual merger date. Technically, however, such agreements could only be made after the legal merger date. In the words of one senior manager: 'We went outside the process to make it work.' This suggests that the framework provided by the state was in fact too narrow and restrictive. It also demonstrates the vital importance of stable institutional leadership, which in this case facilitated the provision of the necessary flexibility.

Stable and legitimate institutional leadership also ensured effective and most times efficient communication with and between important stakeholders such as parents, students, staff and alumni. Our evidence suggests that the management of both UWC and US were very cooperative, accommodating and supporting of each other, which possibly facilitated in trust and eventual acceptance. There was an agreement from both parties to be transparent and equal partners from the beginning of the merger and incorporation process. There were also substantive links between the institutions, such as senior managers who had previously been employed by UWC who were employed by US at the time of the merger and could have encouraged the 'UWC-case' for the merger. The fact that the two communities are bilingual also provided a substantive link as UWC and US team members could engage with their counterparts in 'the other's language' if needed.

Based on the histories and perceptions of both institutions, institutional culture could have posed the biggest challenge. But, as various participants highlighted, there were more similarities than participants originally expected. There were certainly cultural differences, but it was discovered that these were based on a more social definition of culture of how and where people had been raised. Also, it was interesting that people's perception that US provided a better quality of education than UWC was unfounded, as there were strict accreditation requirements from the Health Professions Council of South Africa.

Thus, as the new Dental Faculty opened in January 2004, it was acknowledged that bridges had been crossed. The new Dental Faculty of the University of the Western Cape faces the challenge of maintaining its past reputation of producing excellent students, addressing and managing the diverse cultures of its student population and the multi-campus environment. Student satisfaction provides the key to the many unanswered questions about the successes of the merger. Thus, this study suggests that special attention be given to a detailed post-merger study regarding student and staff satisfaction with regard to the Dentistry Faculty and UWC, as an institution, in the years following the legal merger process.