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An Analysis of Governance in Further Education and Training Colleges in KwaZulu-Natal, South Africa

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Abstract

The governance of Further Education and Training (FET) colleges in South Africa has been cited as an obstacle to the sector contributing to the developmental needs of the country. There has, however, been little academic research in this area. This thesis analyses the governance of FET colleges in KwaZulu-Natal (KZN) by means of constructing a conceptual framework which examines governance from an organisational perspective and applies this framework to two FET colleges in the province. This is achieved through a largely qualitative methodology.

The key question posed in this thesis is: Is the governance of FET colleges significantly affected by the environment? Through this investigation, this study is able to determine: (i) the external environmental characteristics that affect the governance of FET colleges; (ii) the effects of the external environment on FET colleges; (iii) how FET colleges respond to these external environmental demands; and (iv) why the FET colleges respond in the manner that they do. In answering the key question, the economic, political, policy and geographic environments in which FET colleges in the province operate are explored. It is concluded that the state of governance in these colleges is the result of external environmental influences and resource dependency. This investigation has highlighted that the external environment has placed demands on the system of further education, which has resulted in adaptive and avoidant governance practices in FET colleges that have been adopted out of necessity.

While the study has not reported on all colleges in South Africa, it does identify factors that impact on the manner in which FET colleges are governed. The concern is raised that any national government interventions need to be cognisant of the policy implementation challenges that the external environment will impose on FET colleges. Failure to do so will lead to ongoing and increasing governance practices of avoidance and adaptation.

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Lastly, I would like to express my gratitude to the Further Education and Training college employees who made themselves available for interviews.

<div align="center">In nómine Patris et Fílii et Spíritus Sancti. Amen.</div>

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Abbreviations

ANC	African National Congress
DA	Democratic Alliance
DANIDA	Danish International Donor Agency
DHET	Department of Higher Education and Training
DoE	Department of Education
FET	Further Education and Training
FETBU	Further Education and Training Bargaining Unit
FTE	Full Time Equivalent
HSRC	Human Sciences Research Council
IEC	Independent Electoral Commission
IFP	Inkatha Freedom Party
KZN	KwaZulu-Natal
MEC	Minister in Executive Committee
NATED	National Education (curriculum)
NBFET	National Board of Further Education and Training
NCFE	National Committee on Further Education
NCV	National Certificate Vocational
NDP	National Development Plan
NQF	National Qualification Framework
NSFAS	National Student Financial Aid Scheme
PFMA	Public Finance and Management Act
RSA	Republic of South Africa
SETA	Sector Education and Training Authority
SRC	Student Representative Council
UNDP	United Nations Development Fund

CHAPTER ONE

General Orientation

1.1 Introduction

The study of governance and policy management in Further Education and Training (FET) colleges in South Africa is a complex task which requires a focused approach. The aim of this chapter is to focus and frame this thesis. To this end, the chapter discusses background (historical and contextual) information. In so doing, previous studies conducted in this area are discussed, which allows the investigation to be situated in the current body of literature. This chapter also includes the rationale for pursuing such an investigation as well as its aims and objectives. The last section maps out the structure that the remainder of this thesis will follow.

1.2 Background

Vocational educational institutions have a history of over a hundred years in South Africa. The white colonialists as well as leading black intellectuals recognised the importance of technical education and thus established various institutions in the country (Wedekind, 2008: 8). From this period, technical or vocational education and training developed in an uncoordinated fashion with varying degrees of state regulation (Wedekind, 2010: 302; Badroodien and Kallaway, 2003: 5).

After the democratic elections in 1994 the new South African government inherited an education system that was fragmented and unequal. This stemmed from Apartheid era policies[1] where the nature and quality of education delivered were determined by race. To remedy this, the new democratic government instituted large-scale overhauls of the education

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[1] Under the previous Constitution (Act 110 of 1983, section 14(1)) education was defined as an 'own affair.' To this end, there were separate education departments for African, Indian and Coloured and White learners.

sector. The vocational education sector was also subject to such policy reforms, which began in 1995. In addition to reforms addressing the fragmented and unequal nature of the system, changes were also necessitated by the inability of technical colleges to contribute to the developmental needs of the country (McGrath and Akoojee, 2009:150). This was due to the inability of the colleges to respond to or articulate with the labour market. Changes in the global labour market have meant that South Africa requires a sufficiently skilled labour force to adapt to rapid technological change. The aforementioned authors argue that the numerous policy interventions for skills development have failed to lead to an increase in numbers of skilled workers. In addition, the students leaving the FET system are not equipped with the skills that are needed by the South African labour market (McGrath and Akoojee, 2009:150).

The first, perhaps symbolic, reform was the re-naming of the 152 technical colleges which delivered vocational and technical education. These colleges became known as Further Education and Training (FET) colleges. Initial reforms culminated in the FET Act of 1998. These reforms included new governance mechanisms which provided for the establishment of a National Board of Further Education and Training (NBFET). NBFET was tasked with advising the Minister of Education on matters relating to FET transformation and development. Colleges were to be governed by a college council, with strong stakeholder involvement. The provincial Departments of Education would remain the employers of educators at colleges (Department of Education, 1998). Other governing structures of a FET college included an Academic Board and a Students Representative Council (SRC).

These reforms did not have the desired effect and consequently, in 2000, a national task team was mandated by the Department of Education to provide a provincial analysis of the problems experienced in the FET sector. The report that resulted from this process was *A New Institutional Landscape for Public Further Education and Training Colleges*. It set out the new form a FET institution would take: the 152 colleges were merged into 50 multi-site 'mega-colleges.' The merging process was carried out between 2002 and 2006. The colleges would be granted increased autonomy in relation to their governance (Department of Education, 2001). These reforms were argued to have resulted in fragile operating systems within colleges (Wedekind, 2008: 10; McGrath, 2010: 526).

Again, the policy and structural reforms did not achieve the aims of quality vocational education, which is to produce a skilled labour force. At that time the FET sector was characterised by:

- poor-quality programmes and qualifications;
- low technical and cognitive skills of the graduates; and
- a lack of understanding of vocational education.
  (Department of Education, 2008).

With the dawn of the Zuma[2] administration in 2009 came the splitting of the Department of Education into two distinct departments: the Department of Basic Education and the Department of Higher Education (DHET). FET colleges became the mandate of DHET, headed by its Minister, Blade Nzimande. Nzimande has, during his term, emphasised the role that FET colleges should be playing in the country. He stated that: "[DHET plans] to expand Further Education and Training colleges to become a significant locus of delivery of vocational and continuing education and training with strong links to industry in order to meet critical skill shortages" (Nzimande, 2010(a)). For this goal to be achieved, it is imperative that the governance problems that exist are addressed.

1.3 Review of literature

The importance of vocational education at an international level is perhaps evident in the literature, both grey and academic, that has emerged on this area. Much has been written with a skills-centric lens, examining the fit between the skills that vocational education institutions equip people with and the labour market. There is also a body of literature that examines the governance of the institutions that deliver vocational educational qualifications.

The environmental factors that influence the governance of vocational education institutions, discussed in the international literature, point to uniqueness in each governance system which cannot be divorced from that particular context. For this reason the review of international literature examines broad governance factors. This literature review begins by describing

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[2] In the 2009 national elections, the African National Congress political party received a majority of votes. The party's president, Jacob Zuma, subsequently became the President of South Africa.

international trends in the discourse surrounding the governance and policy management of vocational educational institutions and systems. This is followed by a review of South African literature.

1.3.1 International discourse on the governance of vocational education and training

Vocational education and training can be traced back to organised guilds and informal apprenticeships as far back as the twelfth century in Europe (Wollschläger and Guggenheim, 2004: 8). Since then, vocational education has become a formalised education sector internationally. The growth and development of each country's sector have been influenced by, and been in response to, a number of political, social and economic forces. In the USA, vocational educational became a prominent political topic in the early twentieth century when it became apparent to the state that main-stream schooling could not keep up with the demands of the shift from an agrarian to an industrial economy. In Britain the Industrial Revolution highlighted the need for vocational education systems, and in France the realisation that skilled workers were needed to keep up with modern engineering placed vocational education on the policy agenda (Wollschläger and Guggenheim, 2004: 8-10). International agencies such as the International Labour Organisation and the World Bank also directed support towards the establishment and expansion of public vocational education and training systems, and to legitimising pre-employment training as an important component of public education (Middleton, et al., 1993: 4).

Globally, the discourse surrounding public education has often centred on identifying the relevance of schooling systems in providing human capital necessary for occupational and market-competitiveness. Industrialised countries have looked toward reform of the vocational education systems within their countries as a means of increasing economic success in the global economy (Oketch, 2007: 221). From a macro-level perspective, global political and economic changes were found to have a bearing on the vocational education and training sector. States are increasingly moving away from being "welfare states" to becoming "competition driven" states. Economic globalisation has not only raised the value of skills, but has also highlighted a need to look at the nature of vocational education and training systems domestically (Cope, et al., 2003: 185).

Vocational education and training has also been viewed as a means of poverty reduction through skills training (Oketch, 2007: 221). The basic argument is that people cannot contribute to the labour market if they are unskilled (McGrath, 2005: 4). Vocational education and training, it is posited, provides skills training, which in turn makes people employable, leading to incomes and reduced poverty levels (Oketch, 2007: 221).

There has been growing recognition of vocational education and training as a solution to the problem of youth unemployment (Wolf, 2011:8). Oketch argues that in Africa, vocational education and training is put forward as a cure for the "NEETs"- youth who are Not in Education, Employment or Training. By providing the youth with pre-employment vocational education and training, governments will not only equip them with skills that would be necessary later in the labour market but also take the youth off the streets (Oketch, 2007: 221). Coupled with this, vocational education is seen to be a viable avenue to academically less abled students who are not able to advance through the school system.

The acknowledgement of the potential economic and social utility of vocational education and training has led to numerous governance reforms across countries. Vocational education reform agendas have been influenced by external actors, with strong views on the way in which these systems should be reformed (McGrath, 2005: 5). Reforms have, in some cases, been necessitated by the policies of international organisations. The World Bank had previously strongly advocated the value of vocational programmes and had invested heavily in it internationally. During the 1984-5 period for example, 25% of educational project funding was devoted to vocational education. The Bank has since progressively limited funding for vocational education projects, dropping drastically to 3% of educational project funding by 1996 (Bennell and Segerstrom, 1998: 271). The rationale behind this is the neo-liberal economic argument that vocational education should be left to the private sector with limited government intervention. According to the neo-liberal philosophy, government-funded vocational education and training (as opposed to private provision) was viewed as an obstacle to reducing poverty (Bennell and Segerstrom, 1998: 285). This, coupled with the effects of the 1990 Conference on Education for All[3] and the absence of vocational education in the Millennium Development Goals, has meant that vocational education and training has

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[3] The delegates at the Conference on Education for All in Jomtien resolved to make primary education accessible to all children and to massively reduce illiteracy before 2000.

lost favour with donor organisations, with funding being concentrated on primary education (McGrath, 2005: 5).

The consequence of the above has been the range of government approaches being adopted in various countries. The public provision of vocational education still remains a prominent feature in the domestic agendas of a number of countries. One common governance approach was to decentralise decision making power from the central government to the institutional level. This was the case in England, the USA and Australia. The aim was to decrease the governance burden on the state, by allowing institutions to become responsive to their local environments. Knott and Payne (2004) argue that the rationale for this was that centralised systems of governance were unable to plan and coordinate resource allocation. The degree of centralisation was found to influence the ability of vocational education and training institutions to respond to political priorities, for example decentralisation in the USA was found to provide a climate for innovation (Stone and Lewis, 2010: 285). In England the governance reforms led to a process which saw the introduction of local management of colleges, institutional autonomy and independence from local authority rule (Gleeson, 2001: 182). In this process of decentralisation, colleges were accorded responsibility for staff, assets and financial management. Core funding is provided by the Further Education Funding Council (FEFC). The reforms in the English vocational education system were intended to promote accountability through the redistribution of power from local education authorities to governing bodies and the central government (Simkins, 2000: 320). In response, vocational institutions developed new systems to manage data, finance and tracking of students, and to monitor quality (Briggs, 2005: 28). Management has become outcomes based with the establishment of performance targets such as: specific enrolment patterns and academic performance. However, in England the apparent devolution of power to the local level was found to be over-stated as the state would ultimately step in when minimum standards were not met (Avis, 2009: 645). State interventions to curb the effects of economic crises were found in Australia and Germany. In the latter case, the state secured places for trainees in private institutions when an economic crisis led to a shortage of places in industry (Keating, et al. 2002).

Government policy is argued to have the most marked effect on the manner in which vocational education institutions operate (Harris, Simons and Clayton, 2005). The legislated rules and control mechanisms that states employ influence the behaviour of vocational

education institutions. France provides an example of a vocational education system which is highly regulated by the state and consequently has developed a highly centralised system of governance (Keating et al., 2002: 30). This system has been criticised as being non-responsive to local needs due to the high level of state control. While this system may not be an optimal form of governance, a system with little to no state intervention is also susceptible to problems. Chile provides such an example. Since 1974, the country has introduced major reforms that were based on decentralisation, privatisation and marketisation of a number of sectors, including vocational education and training in line with the principles of neo-liberalism (Keating, et al., 2002: 125). While the government still funds vocational education institutions, the institutions are under private management with the aim of ensuring labour market relevance of the skills produced. The lack of state intervention has been found to make the Chilean system highly vulnerable to economic cycles (Keating, et al., 2002: 133).

The increased regulation of the sector in England was aimed at creating institutions that could be more accountable to central government. This accountability, Cope et al., (2003) argue, has enhanced the control of the central government on the provision of vocational education (Cope, et al., 2003: 201). However, the changes that intensified the focus upon systems of accountability for all college managers have had negative consequences. Where response to change has not been effective, colleges have suffered financial and evaluative sanctions (Briggs, 2005: 28). In addition, the internal tensions between competing policies may prevent institutions from being flexible, innovative and collaborative. Apart from regulation, funding has been used as a tool to direct policy in colleges (Simkins, 2000: 319). The Further Education Funding Council for England encouraged growth through enabling colleges to obtain additional funding by increasing student enrolments. Efficiency was encouraged by standardising funding to the colleges, and wastage was reduced and academic performance increased, by diverting funds to successful programmes (Simkins, 2000: 319). In other words, the governance approach in England has been to strongly regulate, while devolving some lower-level functions to institutions.

Invariably, vocational education institutions operate in an environment characterised by increasing diversity in client base and the expectations of those clients (Dickie, et al., 2004). The interventions emphasise the needs of the users of vocational education institutions (Avis, 2009: 636). This consumerist approach is identified by Moynagh and Worsley (2003) as a

critical driver of change in the English system. The managers of these institutions have increasingly had to focus on the external environment and building links with stakeholders.

The global socio-economic landscape of vocational education and training has always been complex and differentiated. This complexity has made institutions highly vulnerable to that environment (Spours, Coffield and Gregson, 2007: 207). Political, cultural, economic as well as government policy conditions play a significant role in how these institutions are governed (Knott and Payne, 2004: 27). Vocational education and training institutions are also affected by their immediate environments, local labour markets, demography, social conditions and geography (Spours, Coffield and Gregson, 2007: 207).

The discussion now presents a brief description of South African studies that have been conducted in the area of governance of vocational education and training institutions.

1.3.2 South African Literature

The nature of the South African literature is such that studies focus on a wide range of problem experienced by the FET sector. At the broadest level the literature on environmental influences on vocational education includes the historical developments and policy reforms. Within the discussion of policy reforms, the literature on curriculum reform is also examined. A small part of the literature also considers how the vocational education sector has been articulated with other educational institutions and industry. The articulation between the former Department of Education and the Department of Labour has also been investigated previously. The next grouping of literature looks at the vocational education institutions themselves, including technical colleges and FET colleges. With regard to governance, the functioning of college councils features prominently here. College capacity and policy implementation studies are also discussed in this section.

Environmental level

Most research on the vocational education in South Africa has incorporated policy reforms or historical developments in the sector as contextual information. The purpose of these reviews has been to shed light on the system which was inherited by the democratic government in 1994 and also contextualise the scope of the policy reform required.

Literature on the policy developments after 1994 has focused on the policies leading up to, including and stemming from the Further Education and Training Act 98 (RSA, 1998) which created FET colleges from Technical Colleges (c.f. Gewer, 2001; McGrath, 2000, 2004; McGrath and Akoojee, 2009). Besides the creation of FET colleges from technical colleges, the major reform after 1994 was the merging of institutions. On the whole, these reforms resulted in fragile operating and governance systems within colleges (McGrath, 2000: 68; Wedekind, 2008:10). From a broader perspective, policy changes in the sector have been found to have made a limited contribution to the national development goals of South Africa.[4] This is because the identity, activities and purpose of the FET sector were ambiguous and vague in the policy promulgated.

FET colleges occupy a position that straddles both the education and labour priorities of government. The policy up to and including the FET Act 98 of 1998 assumes an integrated education and training ministry. The separate Ministries of Labour and Education that were established in 1994 resulted in confusion for FET colleges since each ministry developed its own priorities and goals (Gewer, 2001:135). There was a disjuncture between the goals of the former Department of Education and the Department of Labour. This hampered the ability of the FET sector to respond to the education and training needs of the country. In fact authors have gone as far as stating that the two ministries created an obstacle to the development of the FET sector (Gewer, 2001: 135; McGrath, 2004: 140; Wedekind 2008: 11). The proposed solution to this problem is the development of a coherent articulation system between the departments. Such arguments point to interventions at a systemic level rather than an organisational level.

Organisational level

A number of studies have used FET colleges as the unit of analysis in examining the governance of these colleges. As the main governing structure in FET colleges, college

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[4] The National Development Plan states that South Africa needs to improve the quality of further education and training as the system is not effective in meeting the skills demand of the country (National Planning Commission, 2011: 18).

councils have been examined to determine their representivity, authority, functioning and capacity. The following discussion is grouped into these themes.

An early study that included an overview of college councils was conducted by Kraak and Hall (1999). This study was a quantitative overview of technical colleges in KwaZulu-Natal and was conducted prior to the merger process which resulted in the 50 FET colleges. All 25 technical colleges in KwaZulu-Natal were investigated by the use of a postal survey of the principals of each college. In this book, Hall (1999: 142) assesses the governance of these colleges. The two main areas examined in this study were the racial composition of councils and the perceived authority of those councils. This was useful at the time as it was only in 1994 that councils were accorded certain powers of governance. While student representative councils were found to reflect the racial distribution of KwaZulu-Natal, it was found that racial imbalances existed in the composition of councils (Hall, 1999: 143). A different picture emerged when the data were disaggregated by state (former DET) colleges and state-aided colleges. The study found an over-representation of white council members in state-aided colleges. Even in state colleges previously designated for Black learners, there was an under-representation of Black council members.

The discussion has evolved as the merger process occurred and the racial composition of councils changed significantly. In 2010 there was average of 85% of council members who were Black, Indian or Coloured per FET college (Cosser, et al., 2011: 9). Here the definition of representivity was broadened to include the number of areas of expertise in which council members were competent.[5] The calculated national average was four areas. This is perhaps a superficial finding as the audit found tension between expertise and demographic representivity in the composition of councils. This finding echoed what earlier studies found (c.f. McGrath et.al. 2006, Powell, 2005).

Another type of representivity discussed in the literature, though not always explicitly, is that of the constituencies that council members represent. In some cases external council members are viewed as either representatives of the province or as representatives of the community (McGrath, et al., 2006: 49). With regard to internal council members, they were found to act as constituency members rather than council members, advancing the priorities

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[5] Areas of expertise considered in the study were: education, law, human resources and finance.

of the staff and/or students of the college. Council members were reported to have often discussed a constituency agenda rather than college concerns at council meetings.

The functioning of a college council has been assessed in a number of ways. Powell (2005) and Cosser, et al., (2011) have examined the number of council meetings held and the attendance at these council meetings as an indicator of how they function. In both the studies, the college councils were found to have met at least four times a year. The suite of HSRC studies, which examined the impact of the Support to Education and Skills Development programme[6], assessed this area by examining whether councils exhibited strategic leadership that operationalises the vision of the FET sector in the country (Badroodien and McGrath, 2003: 3; Badroodien, 2004: 9).

A number of studies and reports have made reference to issues that negatively affect the functioning of councils. These include:

- The processes of councils are often marred by the discussion of constituency agendas rather than college concerns (McGrath, et al., 2006: 34);
- Individual members of a council, which are opportunistic and try to force their perceived rights onto the members of a council, could fall into the trap of micromanagement which leads to anarchy and chaos (Coetzer, 2008: 31);
- Committees that had been established by a council did not convene or carry out mandates (McGrath, et al., 2006: 33); and
- Conflict between internal and external council members. In some instances each group saw the other in a negative light (McGrath, et al., 2006: 49).

The functioning of college councils was also hampered by confusion regarding the distinction between governance and management and, in particular, whether council members understood their council's role in governance. Respondents were asked about the distinction between management and governance practices. There was little mention of the oversight of management practises by a council, financial governance and strategic planning, all of which are functions of college governance (McGrath et al., 2006: 37).

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[6] This Programme was funded by the Danish government starting in 2002. The aim was to provide assistance to seven FET colleges to become effective and efficient (Badroodien, 2004:9). The impact assessments where carried out in six-month intervals by the HSRC.

A number of reports have found the capacity of councils to be lacking (Powell, 2005, Wedekind, 2008, Coetzer, 2008, Cosser, et al., 2011). This refers to the level of technical skill required for the governance role and also the capability to exercise judgement and make informed decisions (McGrath, 2006: 34). This echoes the problem of a lack of expertise which was discussed earlier. A consequence of this incapacity is that council members felt ill-equipped to participate fully in council matters.

An obvious remedy to the lack of capacity is skills development and training which is intended to remedy the matter. In Powell's (2005) study principals felt that a council's member needs training in marketing, legal issues, finances and policy implementation *inter alia*. The training process was found to be problematic as the coverage of content was found to be inadequate and the length of training was thought to be too short. Attendance at training was often problematic (McGrath et al., 2006: 36).

Policy implementation

Policy implementation studies are lacking in the literature under review. One dissertation that examines implementation was conducted by Sooklal (2005), who investigated the structural and cultural constraints of policy implementation in FET colleges. Her dissertation argues that along with the process of restructuring in the sector, there was a need for a "re-culturing" of all stakeholders (Sooklal, 2005: 259). This can be thought of as ensuring acceptance of policy from all those involved in order to implement policies effectively. McGrath et al., (2006) stated that there was tension between compliance and the active embrace of change. The authors argue that while colleges seem to be complying with policy, it is superficial. This is because there is no proactive acceptance of the policy changes. As with other areas of change in FET colleges there appears to be a great deal of compliance yet less real proactive embrace of the changes and the possibilities they could bring.

In general, studies on the governance of FET colleges have not been undertaken according to perspectives of public policy or public administration. For example, Coetzer's (2008) dissertation examined the role of a college council in terms of business management, Mohlokoane's (2004) thesis formulated a leadership model for FET colleges as an exercise in education management and, in a similar fashion, Sooklal (2005) examined policy

implementation from an education management stance. Moyo (2007) examined the relationship between policy and management practices in colleges also in terms of education management. He argues that policy implementers need capacity, power and authority to plan and make decisions on policy implementation. However, decision-makers at higher levels of the system often subjugate these powers. These studies do, however, provide useful insight into the issues facing FET colleges.

The available scholarship seems to be dominated by quantitative overviews of the further education and training sector such as Kraak and Hall (1999), Powell and Hall (2000; 2002; 2004), Powell (2005) and Cosser (2011). The consequence is that complex constructs such as governance are reduced to a numerical score (c.f. Powell, 2005; Cosser, 2011). While up-to-date information is important in terms of management information systems, studies are needed that provide a more thorough investigation of the sector.

There is a tendency in previous studies to attribute the problems that FET colleges are facing to internal (college level) factors without consideration of the wider environmental context. For example, the attribution of governance problems to only the capacity of a college council, leads to the recommendation that skills development needs to take place. This reasoning does not take into account that council members are appointed by the state. This is a systemic problem which would require a number of interventions rather than just capacitating council members.

A consequence of the rapid policy changes that have occurred in this sector is that the literature becomes outdated fairly quickly. The current body of literature does not adequately incorporate the recent changes in the FET sector.

1.4 Rationale for the study

In May and June 2010 the Human Sciences Research Council (HSRC) undertook, on behalf of the National Board for Further Education and Training (NBFET), an audit of the Further Education and Training (FET) college sector in South Africa. The corporate campuses of all fifty colleges were visited over two-day periods. I was a member of the HSRC research team whose brief was to focus on college governance and management. This was an attempt to

address the question of whether colleges were ready to be absorbed into the newly-formed Department of Higher Education and Training (DHET) and whether they could operate according to a defined level of autonomy. As a member of the core research team, I was involved in the conceptualisation of the project, the development of instruments, data gathering and data analysis. In the course of the audit, the HSRC collected information on college governance and management, staff and student profiles, and on student efficiency rates (Cosser, et al., 2011: 6). In addition, qualitative interviews were conducted with the principals, council representatives and management team of each college.

As part of the research team, I conducted fieldwork in four FET colleges in South Africa. The fieldwork included completing three 'check box' instruments and conducting structured interviews with the principals and council chairpersons. I was also part of the writing team which produced an audit report for each of the 50 FET colleges in the country which are publically available[7].

During the research process it became apparent that the issue of governance of the colleges was a point of contention between the principals, council chairpersons and the colleges and the provincial Departments of Education. Due to the quantitative nature of the HSRC audit, these issues were not interrogated in the final reports. In fact, most colleges in the country scored relatively well in terms of the establishment of governance structures[8] and the formulation of policies plans and procedures[9] (see Table 1.1). These scores, however, did not correspond with the information gathered from the interviews.

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[7] These reports are publically available at : http://www.hsrc.ac.za/en/research-outputs/keywords?keyword=FURTHER+EDUCATION+%26+TRAINING+%28FET%29&letter=A&page-num=3

[8] Under "Governance structures" the following were included: V1.2-3; V8.1-5; V9.1-4; V9.6-7; V9.9; V11.1-5 contained in Appendix A (Cosser, et al., 2011:10).

[9] The following variables were included under "Policies, plans and procedures": V4.1-8; V4.18-33; V5.8; V12.2-7 contained in Appendix A (Cosser, et al., 2011:10).

Table 1.1: Governance scores for KZN FET colleges from the HSRC Audit

FET college	Governance structure establishment	Policies, plans and procedures
Coastal	30	58
Elangeni	38	53
Esayidi	35	37
Majuba	30	53
Mnambithi	34	40
Mthashana	38	57
Thekwini	34	48
Umfolozi	21	46
Umgungundlovu	27	26
POSSIBLE TOTAL	**38**	**64**

Source: Cosser, 2011

The interviews conducted revealed that governance problems were attributed to external factors that were beyond the control of the FET colleges. If this is the case, there are serious implications for any policy intervention that are aimed at the FET colleges, rather than with the FET system itself.

My involvement in the project at the HSRC gave me an opportunity to contribute to the collation and distribution of their research findings. However, this data was not solely used for this particular study. Rather, I identified a gap for further research. It led me to question the nature the external factors; and in what way these impact on the governance of a FET college.

1.5 Research questions

This study is based on the premise that governance and policy management are integral aspects of the FET sector in South Africa. The key question of this investigation is: Is the governance of FET colleges significantly affected by the environment? Organisations do not operate in vacuums and thus influences from the environment are expected. However, this investigation examines the significance, causes and outcomes of these influences. The following questions guided this research:

1. What characteristics of the external environment affect the governance of FET colleges?

2. What are the effects of the external environment on the governance of FET colleges?

3. How do FET colleges respond to the external environment?

4. Why do the FET colleges respond in the manner that they do?

In order to answer these research questions the following considerations were taken into account:

(i) On the general state of the FET sector in South Africa:

  a. What are the policy changes that have taken place in the FET sector?

  b. What policy currently regulates this sector? What are the goals/ intentions of the policies?

  c. What characteristics of the policy environment influence the governance of the colleges in KwaZulu-Natal?

(ii) On the FET colleges in KwaZulu-Natal:

  a. What environmental factors may have an impact on the functioning of FET colleges in the province? What is the nature of these environments?

  b. How is the provincial FET sector structured?

  c. What are the general governance issues that colleges in the province face?

(iii) On governance in specific FET colleges:

  a. What elements or characteristics of the environment influence the governance of the colleges?

  b. What are the indicators of the influence of these environments on the colleges?

This study is rooted in two fields: governance and vocational education. As such the broader issues relate to these fields. With regards to governance, this study has implications for the more general issue of the governance of public institutions that deliver services. Service delivery is a salient issue in the South African context. An examination of how the FET institutions deliver education services may provide insight into the manner in which other services are delivered in the country.

At present South Africa is faced with a massive skills shortage. In addition to this problem the youth in South Africa exhibit alarmingly high levels of unemployment. Statistics South Africa (2007) reported an unemployment rate of 50% amongst the country's 15-24 year old age group. Through the efforts of the Department of Science and Technology, South Africa is on the path of attempting to become a knowledge-based economy. Such an economy relies on the transfer and accumulation of knowledge rather than an over-reliance on commodities. A knowledge-based economy rests on a foundation of developing skills within the labour force. FET colleges have been earmarked by the government to be producers of skilled labour. The governance of these FET colleges may affect the ability of these colleges to produce skilled graduates. This is turn might have consequences for the developmental capacity of the country.

1.6 Structure of the thesis

This thesis is presented in eight chapters. In what follows, Chapter Two is presented in three parts. The first part examines governance in general. The second part looks at the Ecological and Resource Dependency Model. The last section presents the conceptual framework upon which the study will be based. It applies the framework to FET colleges and identifies indicators of the variables discussed. Chapter Three presents the methods adopted during the course of the research.

Chapter Four is devoted to the policy environment. This examines why policy reform was necessary in the FET sector and identifies the factors that contributed to the path that this reform took. After a brief overview of all the major policy developments, the developments specifically related to governance are discussed in detail. These include autonomy, financial governance and corporate governance. The last section discusses the current regulatory framework relating to governance.

Chapter Five provides a comprehensive overview of the political, economic and structural environments in which the FET colleges in KwaZulu-Natal operate. The information conveyed here goes beyond mere background information.

Chapters Six and Seven concentrate on the two case studies, namely Thekwini and Mthashana FET Colleges. The first focus here is to determine whether ecological (external environmental) factors and the resource dependency of a college on other actors have had an impact on the functioning of each college. The second focus is to examine at how these impacts have affected the governance of the colleges.

The eighth and final chapter concludes the argument and draws together the themes that will have been explored in the preceding chapters. This is undertaken by drawing substantially on the conceptual framework arrived at in Chapter Two in an endeavour to consider how the concentration of power, munificence and the interconnectedness of the environment in which FET colleges operate have all affected their governance.

CHAPTER TWO

Conceptual framework

2.1 Introduction

The preceding chapter has made numerous references to the term 'governance'. It is a term that often lacks definitional clarity, though it is used commonly (Bache, 2003: 301). The purpose of this chapter is to firstly explore the meaning of governance and then locate it in an organisational setting. This is necessary in order to frame the broad area within which this study falls. This section is guided by the question: "what is organisational governance?" The second purpose of this chapter is to determine how governance is manifested in public organisations such as the FET colleges in question. For this, the ecological and resource dependency model developed by Pfeffer and Salancik (2003) is developed into a framework which will guide the investigation of how environmental factors have shaped the governance in and of FET colleges in KwaZulu-Natal. This framework also provides variables of governance that will inform the analysis of the data in later chapters.

2.2 What is governance?

While governance does have its foundations in the traditional notion of 'government', the terms are now theoretically distinct from each other. Historically, a government or public administration was characterised as a functionally uniform, hierarchical organisation which was led by strong leaders and run by civil servants. In recent times, public services have been administered through multi-organisational programmes in the form of networks. Implementation structures have moved from being considered to be a government (noun) to now being governance (verb) (Ewalt, 2001: 14). Governance refers to the process of governing. It is seen, theoretically, as a new way in which society is governed (Stoker, 1998: 21). Governance differs from government in numerous ways. Table 2.1 compares a traditional bureaucratic government to governance.

Table 2.1: Differences between traditional bureaucratic government and governance

Traditional bureaucratic government	Governance	Change
Provide services that are of public interest	Produce results that citizens value	Standardisation is replaced by practicality
Efficiency and equity	Quality and value	Citizen expectations must be met, this does not require uniform treatment
Administration of resources	Production of outputs	Move to market competition focus
Control of employees, environment	Winning adherence to norms	Change in organisational culture
Specifying functions, authority, structures	Identifying mission, services, customers and outcomes	Incentives and sanctions
Justification of costs	Delivery of value	Funding is linked to performance
Enforce responsibility	Build accountability	Control is internally enforced.

Adapted from: Ewalt, 2001: 14

There are numerous (sometimes conflicting) definitions of governance. Definitions from developmental agencies differ slightly from those in academic literature. Such agencies have a strong human rights basis for governance. For example, the United Nations Development Programme sees governance as:

> *...the exercise of political, economic and administrative authority to manage a nation's affairs. It is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences...* (UNDP, 1997: 4).

This definition makes reference to the spheres of government and how citizens' interests are mediated (or processed) through these spheres. The World Bank's definition looks at how governments are elected and (similarly to the UNDP definition) whether government can meet the interests of its citizens with a more developmental focus. It sees governance as:

> *...the manner in which power is exercised in the management of a country's social and economic resources for development. Governance means the way those with power use that power...* (World Bank, 1992: 3).

The above definitions speak to governing practices that occur at a national or international level. The discussion now turns, more specifically, to how governance is examined in terms of public administration. Governance might not occur at one level, but at multiple levels (Bache, 2003: 301). Multi-level governance occurs when authority and decision-making powers are dispersed from the national government to other jurisdictional levels (Hooghe and Marks, 2003: 234).

2.2.1 Governance and public administration

Cleveland (1972, cited in Frederickson, 2005: 283) is cited as being the first to use the term governance as an alternative to public administration. He stated that organisations will begin to operate in systems with multiple centres of power; as such, decision-making will become a complex process involving internal and external actors. These early writings had a continuing influence on current discourses on governance.

Contemporary academics, such as Lynn, Heinrich and Hill, define governance as "regimes, laws, rules, judicial decisions and administrative practices that constrain, prescribe, and enable the provision of publicly supported goals and services" (2001: 7). Kooiman and Van Vliet (1993: 64) argue that these governance practices create structures in which a collection of governing actors operate.

To better understand governance Stoker (1998: 18) puts forward four propositions which aid in unpacking the dense definitions offered by authors such as Lynn, Heinrich and Hill (2001) and Kooiman and Van Vliet (1993). The propositions will each be discussed in turn.

Firstly, *governance refers to institutions and actors from within and beyond government* (Stoker, 1998: 18). Governance is not a unitary process but is devised for a complex mix of institutions and organisations. This mix allows for a functionally differentiated system, where departments can specialise in particular areas. This mix of institutions has often led to the "hollowing out"[10] of the state as powers (usually held by the central government) are

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[10] C.f. Rhodes, R. A. W. 1994, "The Hollowing Out of the State: The Changing Nature of the Public Service in Britain", *The Political Quarterly,* vol. 65, pp. 138–151.

devolved to the local or provincial level (Stoker, 1998: 19). This proposition draws attention to the role of the private and voluntary sectors in governance. Governments are increasingly contracting-out service delivery functions to organisations in these sectors.

The issue that arises here is that of legitimacy. Policy convention teaches that an important factor in effective policy implementation is the level of perceived legitimacy of that policy or the implementing organisation (Hill and Hupe, 2002: 15). The extent to which those with decision-making power are seen to be legitimate (in the normative sense) will directly impact on their ability to mobilise resources and promote cooperation and build and sustain partnerships. According to Beetham (cited in Stoker, 1998: 21), legitimate power rests on three conditions: (1) conformity to established rules; (2) the justifiability of the rules by reference to shared beliefs; and (3) the consent of the subordinate and dominant actors to the particular power relationship. It is also important to establish where the legitimate locus of power within the organisational mix lies.

Secondly, *governance identifies the blurring of boundaries and responsibilities for tackling social and economic issues* (Stoker, 1998: 21). This shift in responsibility goes beyond the public-private dimension to include notions of communitarianism and social capital (Ewalt, 2001: 9). The focus is on broadening 'who' delivers services and, by implication, 'who' governs. This proposition provides for active involvement by citizens in the process of governance. All of these activities contribute to uncertainties on the part of policy makers and the public about who is in charge (responsibility) and who can be held accountable for performance outcomes (accountability) (Stoker, 1998: 21).

Thirdly, *governance identifies the power dependence involved in the relationships between institutions involved in collective action* (Stoker, 1998: 22). Organisations are dependent upon each other for collective action. This process involves an exchange of resources and negotiating shared understandings of objectives and terms of engagement. This shared understanding is important because institutions enter into relationships with specific intentions. These relationships need to be negotiated in order to decrease the likelihood of subversion and opportunism occurring.

Fourthly, *governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority* (Stoker, 1998: 18). Here, governance is

seen as being able to use new tools and techniques to steer and guide as opposed to row (Osborne and Gaebler, 1992: 34). As seen in Table 2.1, traditional government relies on force to achieve compliance whereas in governance more intrinsic techniques are used.

The dilemma of governance in this context is the potential for the failure of leadership, differences among stakeholders and goal priorities, and social conflicts, all of which can result in governance being unsuccessful. Stoker draws on Goodin in suggesting that the challenges of designing public institutions can be addressed in part by "revisability, robustness, sensitivity to motivational complexity, public dependability, and variability to encourage experimentation" (Goodin cited in Stoker, 1998: 26).

Stemming from the theoretical views discussed in this section, many governments have undertaken a process of reforming governance. As such, new policies have been implemented in numerous countries. The next section discusses the rationale for adopting such reforms.

2.2.2 Reforming governance

When examining issues of policy implementation, it is important to examine the policy capacity of government. In broad terms, capacity refers to the ability of government to fulfil its obligations (Grindle, 1997: 3). Merquior (cited in Grindle, 1997: 3) states that many governments are faced with the problem of 'too much state' and 'too little state,' simultaneously. 'Too much state' refers to state-led development initiatives that are centrally controlled. Public participation is non-existent. This has led to authoritarian states that are fraught with corruption. 'Too little state' refers to the inability of states to formulate and implement appropriate policy. Such states fail to even perform routine administrative functions (Grindle, 1997: 3).

Internationally, a trend in reforming governance has been the adoption of principles of 'good governance'. This was spearheaded (in part) by the World Bank in an attempt to promote democratic principles in Third World countries (Rhodes, 1996: 653). These reforms have been promoted under the banner of structural adjustment programmes. The second association of 'good governance' is with Western governments. This form of good

governance is more political in nature. While it involves improvements in administration, it also includes an insistence on competitive democratic politics (Leftwich, 1993: 606).

With specific regard to public administration, good governance typically involves:

- An efficient public service;
- An accountable administration of public funds;
- An independent public auditor; and
- The bureaucratic capacity to design and implement appropriate policies.
  (Leftwich, 1993: 610).

Apart from good governance, corporate governance is a form of governance that is being increasingly adopted in the public sector. It refers to the system by which organisations are directed, managed and controlled (Rhodes, 1996: 652). Organisations must be able to meet legitimate expectations of accountability and regulation. In the United Kingdom, these principles were adapted for use in the public sector by the Chartered Institute for Public Finance and Accountancy. In South Africa, the King Commission Report (Institute of Directors in Southern Africa, 2009) has been adopted by the public sector. It sets out 74 principles that governing boards must adhere to. The report refers to the ethical leadership of institutions as "the foundation of and reason for corporate governance" (Institute of Director in Southern Africa, 2009: 21). The report distinguishes between the ethical values of governing councils and the moral duties of the council members of an institution. The fundamental principle of corporate governance is the adoption of a more commercial style of public management.

Thus far the discussion has focused on governance with reference to the state. The question now is: how does governance of and in organisations occur? To answer this question it is necessary to examine theoretical perspectives on the governance of organisations. The next section discusses a number of these theories with the aim of identifying one approach with which to guide this investigation.

2.2.3 Theoretical perspectives on governance in organisations

Within the public administration and public policy paradigms, governance has been studied in the following ways:

- The study of contextual factors that influence public administration;
- The study of inter-jurisdictional relations and external policy implementation; and
- The study of the influence (power) of non-governmental public collectives. (Frederickson, 2010: 283).

Much of this scholarship on organisations, both public and private, has taken one of two perspectives to examine organisational phenomena: internal or external. This differentiation has been important as the causal attributions differ depending on which perspective is taken. Those favouring the internal perspective have drawn the inference that the people in an organisation, their feelings, actions and motivations affect its performance (Pfeffer and Salancik, 2003: 6-7). This is a logical assumption as the actions of individuals, and the presence of those individuals is visible to researchers. Pfeffer and Salancik (2003: 6) suggest that this is a convenient and adequate focus for research. However, even though actors and participants tend to attribute phenomena to situational (environmental) factors, researchers have interpreted the outcomes as the result of personal characteristics and actions of the individuals. Kelly (cited in Pfeffer and Salancik, 2003: 7) states that such a perspective is attractive since by concentrating on individuals, the solutions to any problems require individually-focused activities, such as replacing an individual. Attributing causation of problems to environmental factors requires solutions that are more difficult to implement.

Rainey attempts to provide a holistic organisational framework for the analysis of public organisations. He argues that public organisations have a distinctive character that is different from that of private organisations. Public organisations (or the analysis thereof) can be broken into a network of interrelated components (2009: 20). These components include: environments, structure, processes leadership and culture *inter alia*. This framework incorporates the environment as one factor that influences the outputs of an organisation. The emphasis here still remains on the internal workings of an organisation. Rainey attempts to effectively integrate these components into a comprehensive framework. This framework draws on organisational theory as well as on public policy theory.

The organisational environment is discussed as a component of this framework. The environment is from where public organisations draw resources (Rainey, 2009: 20). The challenge faced by organisations is to respond appropriately to this environment. Organisations must either adapt or respond to changes in the environment in order to meet their goals and needs. The analysis of environments is thus achieved by means of categorising environmental conditions into general groups such as legal/policy, political, economic, technological and cultural conditions (Juan, 2011: 104).

Drawing from political science theorists such as Waldo (cited in Rainey, 2009: 108), Rainey focuses on the government and the political economy as major political environmental components. Political actors in government often set out performance criteria for public organisations. The government specifies these criteria when providing financial resources, promulgating legislation and performing an oversight role.

The internal perspective of organisations is built on the understanding that problems can be explained and solved by changing elements within an organisation without consideration of the organisational environment. This thesis does not discount the internal processes of organisations. The body of scholarship on leadership, behaviour and actions within organisations cannot be ignored. It is, however, argued that results from such studies must be treated with caution for three reasons. Firstly, personnel selection processes lead to homogeneity among organisational leaders. This leads to a restriction on the array of behaviours, skills and characteristics of people in such positions. Secondly, the discretion that any one person within an organisation has is limited. Decision-making is curtailed by lines of accountability and may require the approval of other members of the organisation. Lastly, organisations are, simply, affected by environmental factors as they do not operate in a vacuum (Pfeffer and Salancik, 2003: 7). This study will therefore focus on the external perspective of organisations.

Lenz and Engledow (1986: 330) group the various environmental theories together by using common disciplinary roots. From this exercise they put forward five distinct models which represent the external organisational environment. Table 2.2 sets out these models. In order to determine which model is most appropriate for this study, the models are evaluated according to two dimensions:

i.   The description of the structural properties of the organisational environment

ii. The assumptions regarding the reasons for organisational change.

To determine which model would be most appropriate for this investigation, each model is presented in Table 2.2 in terms of properties of the environment and assumptions regarding environmental change.

Table 2.2: Models for external organisational environmental analysis

Theoretical view of the organisational environment	Properties of the environment	Assumptions regarding environmental change	Usefulness for this study
Industry structure model	Pattern of industrial competitiveness from the actions of competing organisations.	Change occurs at an uneven rate and is the result of evolutionary processes. Organisations use strategic decision-making to counter change.	FET colleges are public institutions that do not operate in the competitive environments of industry. The model is thus not appropriate.
Cognitive model	Environmental factors lead to a cognitive structure (shared understanding of the environment by management) which is enacted in retrospect by the organisation.	Change is reflected in the replacement of cognitive structures as understandings of organisational experiences.	The focus of this model is individual managers and how they interpret, understand and respond to the environment. This is too narrow a focus for this study.
Organisation field model	Numerous interdependent organisations (a field) are influenced by and influence a focal organisation.	Change originates in the general environment and affects the organisation's task environment.	The conceptualisation of the environment is limited to organisations in the environment. Other dimensions of the environment are not examined.
Era model	Environments are a set of social structures specific to a time period (era).	New technology and experiments by individuals are the source of change.	This model is far too broad for the purposes of this study.
Ecological and resource dependency model	The environment is a system of resources and inter-connected organisations.	Change is perpetual and affects the resources needed for an organisation's survival.	The environment is where organisations draw resources from. The characteristics of the environment affect the operation of the focal organisation. This model best fits the intentions of this thesis.

Adapted from: Lenz and Engledow, 1986: 338

The models described in Table 2.2 each have merits; however, four of the models are not appropriate to guide this investigation. For example, the industry structure model cannot be used to analyse public organisations that operate in an environment free of competition. The cognitive and era models define the environment and its effects too vaguely. While the organisational field model does hold some promise, the focus on the organisations in the environment limits the nature of the organisational environment to one variable. The ecological and resource dependency model is deemed the most appropriate for this study. The next sections explore this model more fully.

2.3 The ecological and resource dependency model

The framework of the ecological and resource dependency model places emphasis on the environment and the challenges associated with responding to them (Rainey, 2009: 102). Pfeffer and Salancik's (1978) research found that only ten percent of organisational performance can be attributed to internal factors. The remaining ninety percent is determined by external factors. The conclusion they reached was that organisations alter their goals so as to accommodate favourable external environmental conditions and make sacrifices to avoid other conditions.

The resources required for the survival of an organisation are the most relevant consideration in characterising organisational environments (Dess and Beard, 1984: 52). Other organisations form part of this environment. The focal organisation relies on other organisations for resources (Powers, 2000: 6). Managers hold a crucial position as the decisions that they make may relate to resource acquisition and to how an organisation responds to changes in the environment. As such, internal power structures are important as decision-making requires a certain level of autonomy. Also, the locus of power rests with those that possess resources.

Components of an external environment can be analysed by determining its structural characteristics. Figure 2.1 sets out the relationships between these characteristics.

Figure 2.1: Relationships among dimensions of the external organisational environments

Adapted from: Pfeffer and Salancik, 2003: 68
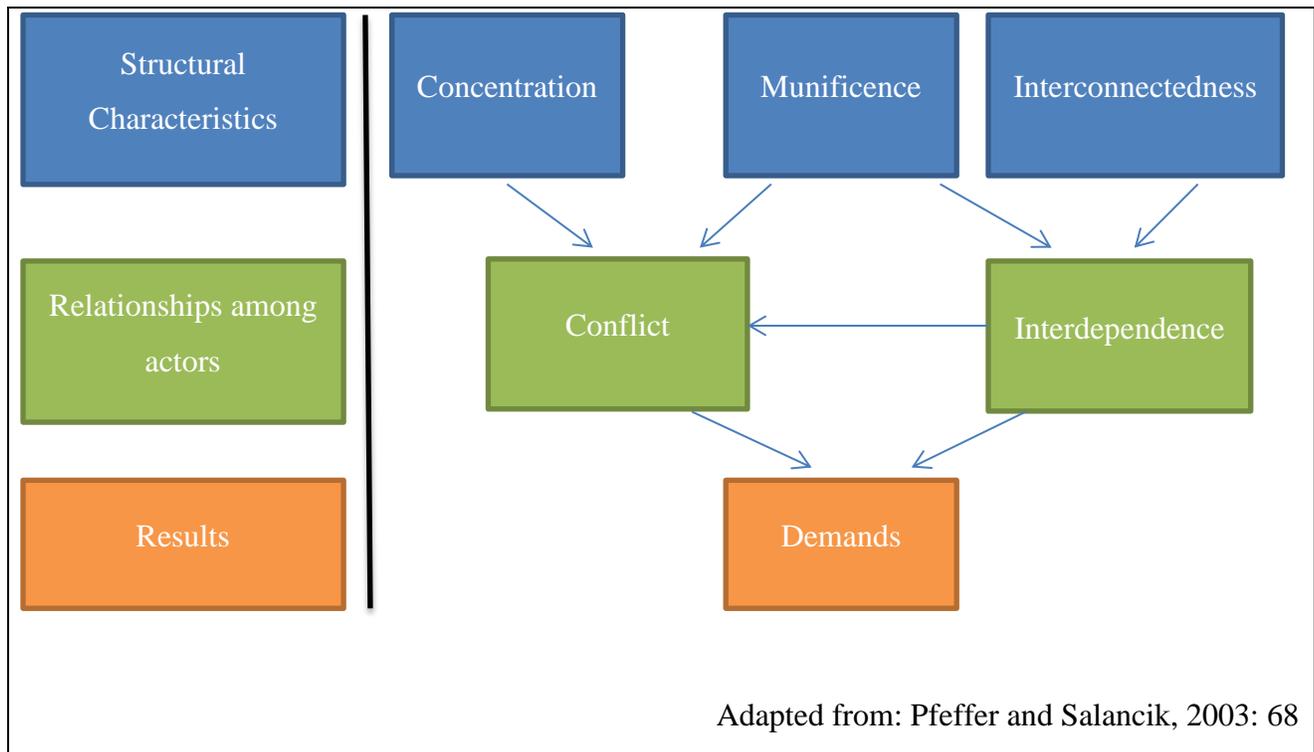
According to this model, the structural characteristics of an external organisational environment influence the relationships (conflict or interdependence) among the actors in the environment. The degree of conflict and interdependence then determines the demands placed on the focal organisation (Pfeffer and Salancik, 2003: 68). These dimensions (structural characteristics, relationships among actors and results) will be discussed fully in turn.

2.3.1 Structural characteristics

The three fundamental structural characteristics of the environment are: concentration, munificence and interconnectedness (Pfeffer and Salancik, 2003: 63). Concentration refers to the dispersion of authority and power in the environment. Munificence is the availability or scarcity of resources in the environment on which an organisation can draw. Interconnectedness refers to the nature of the relationships between organisations or actors within the environment. These concepts will be clarified in the following sections.

Concentration

Concentration in an organisational system refers to how authority and power are dispersed within it: the greater the dispersion of power, the greater the probability of uncertainty in the system. The issue is to determine which actors have the authority or power to participate in decision-making processes. The level of power that any organisation possesses can be linked to: the legitimacy of power; levels of resources at an organisation's disposal; and the degree to which organisations are dependent upon other entities to function adequately (Hall and Tolbert, 2005: 90-91). Power may be based on the ability to bestow or withhold rewards, the ability to coerce action through the threat of forceful action and the control of information (French and Raven, cited in Rainey, 2009: 341). Power is also determined by the extent to which actors are dependent upon each other for information, resources and services (Pfeffer, 1992: 93). The concentration of power has an impact on the degree of regulation, autonomy and accountability in organisations. These related factors will now each be discussed as they provide indicators of how power is concentrated (Figure 2.2).

Figure 2.2: Variables of concentration
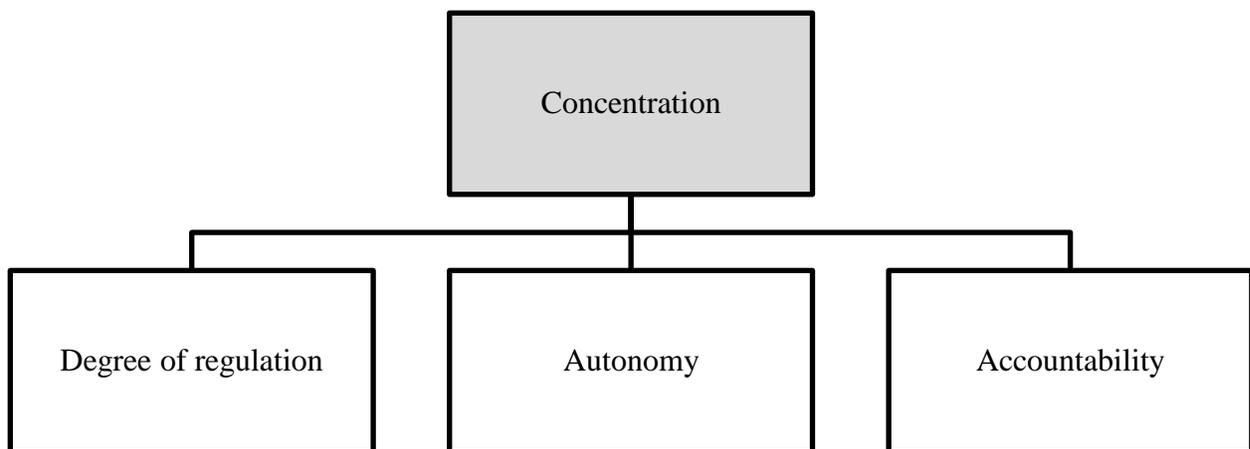
While examining the external environment is important in understanding public organisations, it is also important to recognise the role of internal processes occurring in an organisation. The locus of power in any organisation impacts on the process of creating legitimacy for any policy that is to be

implemented. The legitimacy of a policy refers to the process whereby the policy is seen by those in power as credible, necessary and worth the cost involved in implementing it. Power is gained by personality traits (such as being charismatic), personal property, as well as from organisational structures (Galbraith, 1984: 40). Those in power have the ability to make people and organisations act in a manner that they would not normally act (Lukes, 1974: 18). It follows that, if those with significant political power endorse a course of action, it has a good chance of being recognised as credible.

The *degree of regulation* refers to the legislated rules and control mechanisms that influence the behaviour of an organisation. An analysis of legislation and other pertinent policy can be used to determine the level of regulation that an organisation is subject to. It is argued that organisations become *accountable* to central government through regulation (Cope, et al., 2003: 190). Over regulation is often seen as a 'knee-jerk' reaction to highly publicised failures in a specific sector. The *degree of regulation* is also closely related to the level of *autonomy* that an organisation has. The greater the degree of regulation, the less autonomy an organisation has (Cope, et al., 2003: 202). The implication is that public organisations cannot govern themselves (be autonomous) unless the government allows them to do so (Kooiman, 2003: 91).

In the simplest sense, *autonomy* refers to the quality of an entity to be self-governing. In any given organisation, it is determined by the ability to function independently. The process of giving more autonomy to public organisations has become prominent on the reform agenda in numerous countries (Verhoest, et al., 2004: 101). With specific reference to public organisations, this is referred to as 'bureaucratic autonomy' (Egeberg, 1998:1; Yesilkagit, 2004: 528) and is strongly linked to New Public Management reforms. The theorised benefits of this are superior economic performance, efficiency and effectiveness. 'Bureaucratic autonomy' is defined as the formal exemption of an organisation from full political supervision by the government. The first condition for autonomy is the acknowledgment of the legitimacy of an organisation by its (political) supporters as well as the beneficiaries of its program (Yesilkagit, 2004: 529). The second condition is the extent to which an organisation possesses a distinctive area of competence, a clearly demarcated clientele, and legitimate jurisdiction over a function (Clark and Wilson cited in Yesilkagit, 2004: 529).

The formal break from a government hierarchy may happen by granting structural autonomy. This is achieved by inserting an alternative level of supervision like a governing board or council, by giving a degree of financial autonomy, or by giving legal autonomy to the organisation (Verhoest, et al., 2004: 104). Government intervention is excluded by legislation authorising the head of an organisation to make decisions in his/her own capacity.

Based on the research of authors such as Politt, et al., (1998) Smullen, et al., (2001) and Christensen (1999), Verhoest,et al., (2004:108-109) construct a multi-dimensional conceptualisation of autonomy which, in their opinion, broadens the concept. The dimensions of organisational autonomy which they identified are: policy, structural, financial, legal and interventional (Verhoest et al., 2004: 105). The characteristics of each dimension are set out in Table 2.3.

Table 2.3: Characteristics of the dimensions of organisational autonomy

Dimension of autonomy	Characteristics of autonomy
Policy	The ability of an organisation to specify rules, standards and norms concerning: processes, policy instruments and objectives.
Structural	The extent to which an organisation is shielded from influence by the government through lines of accountability.
Financial	The extent to which an agency depends on governmental funding or own revenues for its financial resources and the extent to which it is responsible for its own losses
Legal	The extent to which the legal status of an agency prevents the government from altering the allocation of decision-making competencies or makes such changes more difficult.
Interventional	Governmental control by influencing an organisation's decisions by means of reporting requirements and auditing provisions against externally set goals and by the threat of sanctions or direct interventions.

Adapted from: Verhoest, et al., 2004: 105-106

Policy autonomy indicates that an organisation may make decisions on individual cases within the bounds of externally set regulations and policies (Verhoest, et al., 2004: 105). An agency has a high level of policy autonomy when it may issue general regulations. Policy autonomy is distinct from the other dimensions of autonomy as it has a decision-making competency. Another expression of autonomy is the exemption of constraints on decision-making. Thus an organisation's ability to use its policy autonomy can be dependent on the other dimensions of autonomy.

The second dimension discussed here is structural autonomy which is the degree to which an organisation is protected from influence by government through lines of hierarchy and accountability. The following issues are in question here:

- the extent to which the head of an organisation is appointed and is accountable to government or to the supervisory board;
- the extent to which members of a supervisory board represent government or other stakeholders; and
- the extent to which these members are appointed by government.
  (Christensen 1999 cited in Verhoest, et al., 2004: 105).

Financial autonomy refers to the extent to which an organisation depends on governmental funding or generated revenues for its financial resources. Also of importance is the degree to which the focal organisation is responsible for its own losses (Verhoest et al., 2004: 106).

Legal autonomy is the extent to which the legal status of an organisation prevents the government from changing the allocation of decision-making powers or makes such changes more difficult. The decision-making competencies delegated to internal autonomous organisations without legal personality can be withdrawn easily by government (Verhoest, et al., 2004: 106). Withdrawing devolved decision-making competencies is difficult when agencies have a legal personality which is established by a national legislature.

Interventional autonomy refers to the extent to which an organisation is free from reporting requirements, evaluation and auditing provisions to government. A high level of this type of

autonomy means that an agency is free from the possibility of government sanctions or interventions.

The dimensions of autonomy that appear in Table 2.3 allow for the construction of indices of autonomy. These indices will be discussed in the latter section of this chapter with specific application to the FET colleges.

The last dimension of concentration, discussed here, is *accountability*. Accountability can be seen as the extent to which an actor must answer to a higher authority, legal or organisational, for its actions (Kearns, 1998: 141). In political and academic discourse 'accountability' is used as a conceptual umbrella that covers various concepts, including transparency, equity, democracy, efficiency, responsiveness, responsibility and integrity (Bovens, 2007: 449). In defining the broader meaning of accountability, Kearns (1998: 145) argues that accountability is achieved when organisations assume responsibility for responding to the needs of society.

Accountability in public organisations is argued to follow a specific process (Bovens, 2007: 454), which is presented in Figure 2.3. In this process an actor informs a forum on the actions carried out. The forum debates the actions and passes judgment on their correctness. Such judgement could lead to sanctions being instituted against the actor.

Figure 2.3: Accountability process
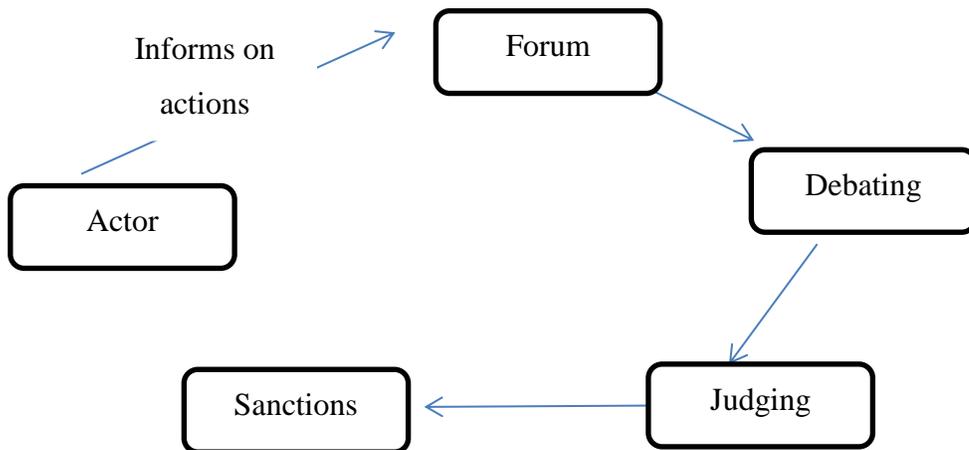
Adapted from: Bovens, 2007:454

Accountability is an evaluative concept and attributes a quality (positive or negative) to a state of affairs (Mulgan, 2000: 555). In functional terms, public accountability rests on five elements: (1) the account giving must be accessible to the public; (2) the accounter must justify and explain their actions; (3) this explanation should be directed at a particular forum or group; (4) the accounter must feel obliged to produce the necessary information; and (5) the possibility of judgement and sanctions by the forum must exist (Bovens, 2007: 452). The possibility of sanctions makes the difference between non-committal provision of information and being held to account. These sanctions can be formalized, such as disciplinary measures, but they can also be informal, such as in the case of the accountability of a minister to parliament, where calling for the minister's resignation might be a possible sanction.

Managers of public organisations are often subject to multiple lines of accountability. In analysing the mechanisms of accountability in an organisation, two elements must be examined: the actors, and the action that requires accounting. Using these elements, the various forms of accountability can be identified. Bovens (2007: 461) and Sinclair (1995: 221) identify a number of forums of accountability: organisational, legal, administrative, professional, political and social (Table 2.4).

Table 2.4: Forms of accountability

Dimension	Features
Organisational	Accountability to superiors, both administrative and political.
Legal	Specific responsibilities, formally or legally conferred upon authorities. Accountability is based upon detailed, prescribed statutes or legal precedents.
Administrative	Relates to external and financial supervision and control.
Professional	Implies accountability relationships with professional associations and disciplinary tribunals. Standards are monitored and enforced by professional supervisory bodies on the basis of peer review.
Social	Relationship between public agencies and citizens or civil society, where the agencies account for their performance.
Political	Accountability to elected officials

Source: Bovens, 2007: 455-456; Sinclair, 1995: 221

Organisational accountability refers to established lines of accountability to superiors, both administrative and political. Legal accountability is based on specific responsibilities, which are formally or legally conferred on an organisation. It is the most unambiguous type of accountability, as the legal scrutiny will be based on detailed formal documents (Bovens, 2007: 456). Administrative accountability refers to the exercise of financial and administrative inspection, often on the basis of prescribed norms and standards. Heads of public organisations are, apart from being general managers, professionals in a technical sense. They have been trained in a particular profession (Bovens, 2007: 456). This may result in accountability relationships with professional bodies and disciplinary hearings. Social accountability refers to direct relationships of accountability between public agencies, and citizens and civil society. A variant of social accountability is political accountability, where the organisation is accountable to elected officials (Bovens, 2007: 457).

As with the indicators of autonomy, this framework will be used to generate specific indicators of accountability in the FET colleges. The next section examines the munificence of the environment.

Munificence

The second fundamental structural characteristic of the environment discussed here is munificence, which is defined as the abundance or scarcity of vital resources in the environment for organisations (Castrogiovanni, 1991: 542, Pfeffer and Salancik, 2003: 67). Munificence is seen as the extent to which the environment can support sustained growth. Organisations tend to seek out environments that permit organisational growth and stability (Dess and Beard, 1984: 52). Such growth and stability may allow an organisation to generate a contingency fund, which can in turn provide a buffer for an organisation during times of scarce resources. Staw and Szwajkowski (1975: 350) found that organisations operating in less munificent environments were more likely to commit illegal acts.

The resources available from the environment impact on the survival and growth of organisations sharing that environment. This is because environmental munificence is positively linked to the range of strategic decisions that can be made. When resources are abundant, it is easier for

organisations to survive. The opposite is true for an environment of scarce resources as organisations are forced to change their structures and processes. This impacts, for example, budgets, planning systems and infrastructure (Castrogiovanni, 1991: 543). It is relatively easy for organisations to survive when resources are ample, and are thus more able to pursue goals other than survival. However, when resources become scarce, competition intensifies. This adversely affects an organisation's profitability and contingency resources. This in turn causes changes in intra-organisational characteristics and the behaviours of organisational members (Castrogiovanni, 1991: 543).

Perhaps the most vital resource for an organisation is monetary funding. The magnitude (amount) of funding and the criticality are important. This points to the level of reliance that an organisation has on a particular source of income. The degree of vulnerability of any organisation is related to the importance of any given resource.

Resource accumulation also involves building the necessary capacities for the implementation process. To this end, there needs to be adequate human, financial and technical resources. This task of resource accumulation is significant when there is an environment of scarce resources. This could mean that financial resources might have to be diverted from old policies to new ones (Brinkerhoff and Crosby, 2002: 58). This refers more specifically to the issue of capacity within an organisation.

The literature speaks of munificence being vital to the survival of an organisation; however this may not be the case with South African public organisations which may be financially rescued by the state. This investigation will thus explore how environmental munificence relates to a public organisation. The last fundamental element used to analyse the concentration of power in the environment is interconnectedness. Its characteristics are discussed below.

Interconnectedness

Interconnectedness refers to the number or patterns of linkages between organisations. Higher levels of interconnectedness result in an unstable environment for organisations. Organisations that

are connected are influenced by decisions or actions taken by other organisations. Increasing the number of interconnected organisations (that is the complexity of the structure) also increases the number of potential actions that can have an impact on the organisation in question (Dess and Beard, 1984: 56). Interconnectedness is not only dependent on the number of organisations within the environment, but also on how tightly those organisations are interconnected (centralisation). Actions by organisations in a tightly interconnected system affect other organisations faster and with more intensity (Pfeffer and Salancik, 2003: 69). This increases the likelihood of problems occurring in those organisations where there are multiple, regular points of conflict. Adaptation is argued to be easier in loosely connected systems.

From the resource dependence perspective, organisations competing in sectors that require many different inputs or that produce many different outputs should find resource acquisition or disposal of outputs more complex than organisations competing in sectors with fewer different inputs and outputs. This is due to the large number and variety of organisations with which they must interact in their environments (Evan cited in Dess and Beard, 1984: 57). The increase in structural complexity of the environment tends to increase the need for strategic activities. Structural complexity is determined by the number of subunits within the overall structure and the degree of differentiation between those subunits. While authors such as Blau and Schoenherr (cited in Rainey, 2009: 206) have counted the number of subunits to determine the complexity of structures, the relationships between subunits is also relevant. A structure is also determined by strategic decisions made by those in positions of authority. Those in authority divide and organise organisations in specific ways in order to respond to environmental factors.

The discussion now moves to the relationships among the actors in the environment that result from the structural characteristics discussed previously.

2.3.2 Relationships among actors

The levels of concentration, munificence and interconnectedness of an organisation's environment have an impact on the relationships that the organisation has with other actors. To explore these resulting relationships it is useful to recall the model of resource dependency (Figure 2.4).

Figure 2.4: Structural characteristics and relationships among actors
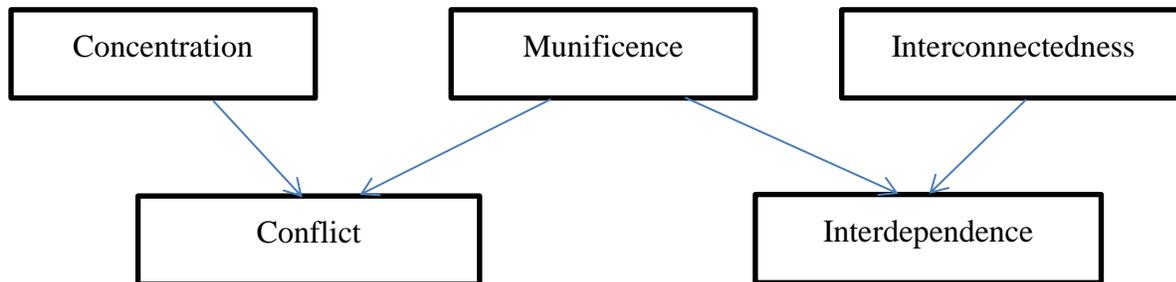
Adapted from: Pfeffer and Salancik, 2003: 68

The combination of structural characteristics can result in conflict or interdependence between the actors and the focal organisation. If, for example, the interaction between concentration and munificence is examined, it can be argued that low levels of concentration of power and a scarcity of resources (munificence) have a greater chance of creating *conflict* between the actors. On the other hand, a scarcity of resources in a highly interconnected system can result in high levels of *interdependence*.

Conflict refers to the lack of consensus among actors on coordinated independent activities (Pfeffer and Salancik, 2003: 67). In situations of conflict the focal organisation and other actors disagree about the goals of the system. Conflict is dependent upon interconnectedness, as an absence of connection between the actors provides no point of interaction for conflict to occur. Interconnectedness is also related to *interdependence,* which is the degree to which the focal organisation is dependent upon other actors for resources. The levels of conflict and interdependence in turn result in either organisational uncertainty or in demands placed on the organisation. These results on the nature of such relationships between actors will be discussed below.

2.3.3 Uncertainty and demands placed on an organisation

Uncertainty and *demands* placed on a focal organisation are the result of the environmental structures discussed previously. *Demands* refer to any insistent and peremptory requests made by other actors to the focal organisation. *Uncertainty* is the inability of a focal organisation to predict the immediate or long term future of the organisation (Anderson and Tushman, 2001: 683).

Uncertainty is not necessarily problematic. It becomes problematic when uncertainty involves interaction with other actors for resources that are important to an organisation (Pfeffer and Salancik, 2003: 68). The first problem that arises from this situation is that the focal organisation cannot prepare effective adaptive strategies. In unpredictable environments organisations face the risk of committing to strategies that turn out to be maladaptive (Anderson and Tushman, 2001: 683). The second problem is that uncertainty raises the probability of the focal organisation not reaching its desired goals. This results in organisational failure. The last problem that an uncertain environment brings is that the focal organisation is more likely to have internal political turbulence (Anderson and Tushman, 2001: 684).

This account of the ecological and resource dependency model has explored how the environment can be analysed by examining: (1) the structural characteristics of the environment; (2) the relationship between the actors; and (3) the uncertainty and demands faced by an organisation. The next important step is to determine how an organisation responds to its environment and by implication, how the environment impacts on the organisation.

2.4 Organisational responses to the environment

How does a focal organisation respond to the characteristics of the environment? The course of action followed is determined by how an organisation *assesses the environmental demands*. There are problems that may arise which inhibit certain courses of action. Such problems include misreading the interdependence of external groups and the importance of those groups and misreading the demands of external groups. In addition, conflicting demands placed on the focal organisation by the environment may require meeting certain demands while ignoring others. These

problems can constrain the manner in which an organisation can respond to the environment. Typically three responses may be followed: compliance, avoidance or adaptation. Each of these will now be considered.

2.4.1 Compliance

Compliance refers to a focal organisation acceding to the demands placed on it by other actors in the system. The enactment of a legal or policy environment does not necessarily mean that organisations are quick to comply with demands. Pfeffer and Salancik (2003) argue that this is the case when, even though compliance is important for maintaining the regulator-regulated relationship, such compliance may not be in the long term interest of the organisation. They state that: "compliance is a loss of discretion, a constraint, and an admission of limited autonomy" (Pfeffer and Salancik, 2003: 94). It is a matter of strategic choice as to which response to follow. Compliance is based on a number of factors, which include:

a. The focal organisation is aware of the demands;
b. The organisation obtains resources from the actor who is making such demands;
c. The resource is vital to the operations of the focal organisation;
d. The actor (in b) controls the allocation and utilisation of the resources;
e. The focal organisation does not control the allocation and use of the resource;
f. The compliance of the focal organisation to the demands of the actor is not in conflict with demands from other social actors;
g. The outputs of the focal organisation can be evaluated by the actor to determine if compliance has been achieved;
h. The focal organisation does not have influence in the formulation or expression of the actor's demands;
i. The focal organisation the capacity to meet the demands; and
j. The focal organisation desires to survive.
   (Pfeffer and Salancik, 2003: 44).

The organisations that are responsible for the implementation of policies must, in most cases, adjust their structures according to the requirements of policy and to the demands of the environment. This may involve changing the way the internal structures of an organisation work or by adjusting the manner in which the organisation interacts with its environment (Brinkerhoff and Crosby, 2002: 29). Altering organisational structures may be difficult because the organisation may be dealing with numerous projects to which the existing organisational structure is tailored. Restructuring may require procedures that are not feasible for existing structures. The staff concerned may not have the necessary capacity to implement the new policy (Brinkerhoff and Crosby, 2002: 29). These factors must be taken into account when managing the implementation of policy.

Apart from compliance, organisational responses can be classified as adaptation or avoidance.

2.4.2 Avoidance and adaptation

Organisations can also respond to environmental pressures by avoiding influences that may constrain behaviour (Pfeffer and Salancik, 2003: 92). This may also be done in an environment of competing demands. Organisations, here, must choose which demands to meet and strategically avoid the others. Instead of always satisfying the demands of one entity, an organisation may attend to one set of demands at one time and another set later on, depending on the immediateness of those demands. One response to environmental uncertainty is for organisations to adapt to the environment. Adaptation refers to changes in organisational structure or ideology as a response to the demands and uncertainty of the environment.

2.5 Empirical confirmation and scholarly criticism of Ecological and resource dependency theory

Empirical studies tend to support the theory of ecological and resource dependency. Confirming scholarly studies have come from a number of authors. Table 2.5 sets out the propositions tested and the results of a selection of these authors.

Table 2.5: Empirical studies supporting Resource Dependency Theory

Propositions	Results	Author, year
Organisations controlling resources that other organisations need have power	The more relationships a non-profit organisation has, the higher its power	Proven, Beyer and Kruytbosch, 1980
	Positive effect of the importance of a resource of a resource on the power of that resource	Burkhardt and Bras, 1990 Saidel, 1991
The larger the dependency on resources of organisation A from B, the more likely A is to meet the demands of B	Organisations dependent on jobs from the state are more likely to meet the demands of the state	Salancik, 1979
	The higher the power of employees (unions) the higher their wages	Pfeffer and Davis-Blake, 1987 Hambrick and Finkelstein, 1995
Uncertainty triggers off strategies to reduce uncertainty	Organisations gain control over new technologies in order to reduce dependency and increase control	Dunford, 1987
Reducing uncertainty has a positive effect on organisational performance	Positive effects of resource control strategies ad structures on organisational performance or survival.	Pfeffer, 1972 Boyd, 1990 Sheppard,1995

Adapted from: Nienhauser, 2008:24

No studies were found that dispute the propositions made by the ecological and resource dependency theorists, however there are conceptual criticisms lodged against it. Donaldson (1995: 152) argues that economic theories could explain organisational change as well as, or better than ecological and resource dependency theory. Empirical studies are said to measure the exchange of resources which is common place in economic theory. Thus economic and not political power cause the correlations found in studies. This criticism can be overcome by not isolating the political environment but also considering economic environmental effects.

Other criticisms relate to the definitions of power and resources. Clegg and Rura-Polley (1998: 541) state that the theory is based on a narrow concept of power that is derived from controlling resources. This however, true if the power is interpreted in a materialistic manner.

2.6 Conceptual framework

The preceding discussion has described the various components of a model that will be used to guide the remainder of this thesis. In this model, the structural characteristics of the organisational environment (concentration, munificence and interconnectedness) influence the relationships (conflict or interdependence) among the actors in the environment. The degree of conflict and interdependence in turn determines the demands placed on the focal organisation and may lead to uncertainty in the organisation. When faced with uncertainty or demands, the focal organisation must assess what is required. Consequently, the organisation responds to the environment.

This study aims to determine how and why the Thekwini and Mthashana FET Colleges have responded to their respective external environments using the conceptual model presented in Figure 2.5 as an analytical framework. It is anticipated that the findings of this study will provide valuable insight on the organisational responses aspect of the conceptual model presented here.

Figure 2.5: Conceptual framework

Environmental level

Structural characteristics of the environment

Relationships between focal organisation and other actors

Organisational level

Environment

Policy, political, economic and geographic context

Concentration
- Degree of regulation
- Autonomy
- Accountability

Munificence
-Funding
-Capacity

Interconnectedness
-Complexity of structure

Conflict

Interdependence

Uncertainty/ demands

Assessment of environmental demands

Compliance

Avoidance

Adaptation

46

2.7 Ecological and resource dependency and FET colleges

Figure 2.5 depicts the conceptual framework of understanding how the environment can affect a focal organisation. The question is how this framework can be applied to FET colleges in order to investigate their governance. The discussion will proceed from the broadest level of the model, the environmental level. Next the structural characteristics of the environment will be considered, followed by the relationships among the actors and the activities that occur at the organisational level. Each of the elements presented will be operationalised by stating what indicators will be used.

2.7.1 Environmental level

As discussed in Chapter One, FET colleges are located in an environment which is rapidly changing. The colleges are faced with meeting the demands of this environment. To understand this environment fully, the different types of environments (legal, policy, political, geographical and economic) will be discussed. Chapter Three will provide a detailed analysis of the policy environment. The political economic and geographical environments will be considered in Chapter Four, which looks specifically at the province of KwaZulu-Natal. The case studies in the subsequent chapters will incorporate the economic, political and geographic environments in the analysis.

2.7.2 Structural characteristics of the environment

The data obtained from the colleges will be discussed with reference to the structural characteristics of the environment, that is, concentration, munificence and interconnectedness. While it is important to examine these environmental factors it also pertinent to examine the colleges' response to them. Accordingly, Figure 2.6 portrays the environmental demands on an FET college. Its ability to address these determines its ability to function successfully.

Figure 2.6: Requirements for a functioning FET college
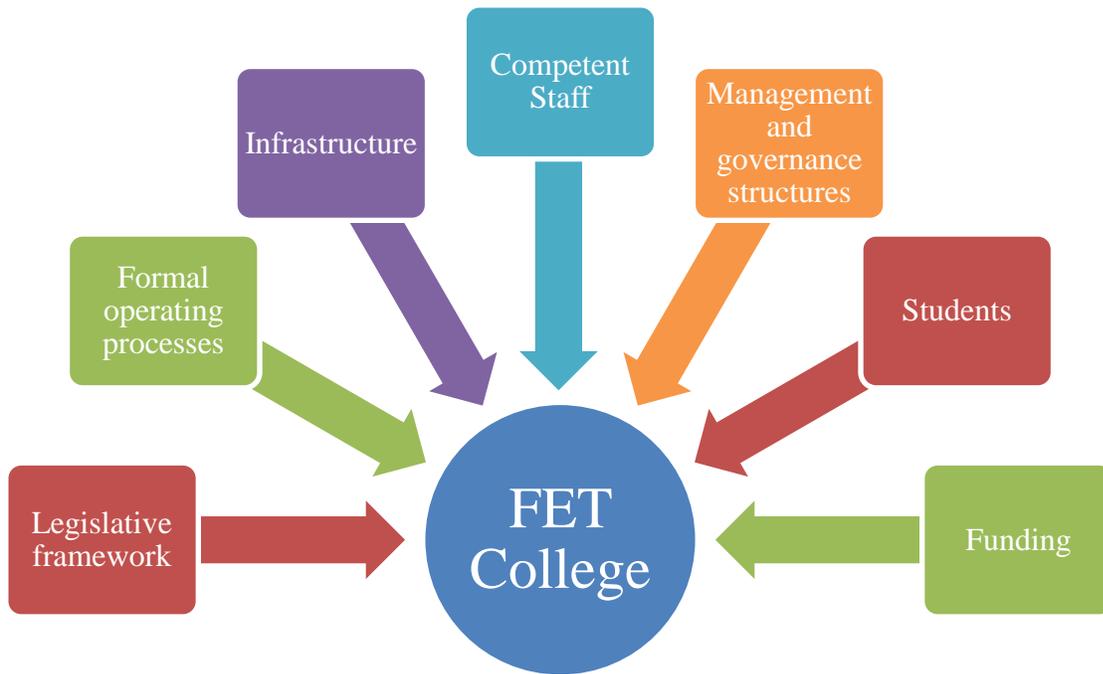
Concentration

The concentration of the environment of a FET college will be examined by looking at: the degree of regulation; autonomy; and accountability. To determine the concentration of power, this study will research the actors who possess power in the specific FET colleges, the sources of power and how the use of that power has impacted on the colleges. In order to examine the concentration of power the first step will be to identify the actors involved in the FET system. Next the source of the actors' power will be discussed. The complex question: 'who is dependent on whom for what?' will guide this part of the investigation.

The *degree of regulation* will be assessed by an analysis of all the relevant policy documents. Here the rules and regulations with which FET colleges are expected to comply will be identified. The analysis will also determine the level of flexibility of governance in the system.

The *autonomy* of FET colleges will be examined by using the indicators which are specified in Table 2.6.

Table 2.6: Indicators of autonomy of a FET college

Dimension	Indicators
Structural autonomy	• Establishment of a college council • The council is functioning • The extent to which the council members are appointed by the government
Policy autonomy	• Ability to formulate policies • The existence of policies • Policies are utilised in the colleges
Interventional autonomy	• Existence of reporting requirements • Possibility of sanctions exist • Evidence of direct state interventions
Financial autonomy	• Reliance on external funding • Responsibility for own losses

The general indicators of organisational autonomy, which were discussed earlier, are drawn from Verhoest (et al, 2004), but they have been adapted here so as to measure specifically autonomy in FET colleges. Thus the indicators relate to processes, structures and functions of FET colleges. From these indicators an assessment will be made regarding the level of autonomy exhibited by each used as a case study of a FET college (Table 2.7).

Table 2.7: Degrees of the different dimensions of autonomy pertaining to a FET college

Dimension	High	Moderate	Low
Structural autonomy	The principal of a FET college is appointed and evaluated by the council in which external members have a majority vote.	The principal of a FET college is appointed and evaluated by the council in which external members have a majority vote. These members could be dismissed by the state at any time.	The principal of a FET college is appointed by the state and is accountable to both the state and the council, the external members of which could be dismissed by the state at any time.
Policy autonomy	The FET college may decide upon all aspects of policy. The college is also authorised to issue general regulations.	The FET college may decide on what policy instruments to formulate and use, within the bounds of state regulations.	The decision concerning the structure and content of policy instruments are taken by the state.
Interventional autonomy	The FET college has no reporting requirements to the state and is not subject to evaluation or audits commissioned by the state. There is no threat of sanctions or intervention by the state.	The FET college has limited reporting requirements to the state. Evaluations or audits are commissioned by the state on an ad hoc basis. There is a limited threat of sanctions or state intervention.	The FET college has extensive reporting requirements to the state. Deviations result in sanctions or possible intervention by the state.
Financial autonomy	The FET college is financed exclusively through sources other than the state.	The FET college is financed primarily through other sources than the state but a small part of funding is from the state.	The FET college is primarily funded through the state, but a minor part is from other sources.

Adapted from Verhoest, et al., 2004: 107-108

Table 2.8 sets out the dimensions of accountability that will be used in this investigation:

Table 2.8: Indicators of accountability relating to FET colleges

Dimension	Indicators
Organisational	Accountability to superiors, both administrative and political.
Legal	Legislation conferring specific responsibilities, formally or legally conferred on the FET colleges.
Administrative	Evidence of external and financial supervision and control.
Political	Accountability to elected officials.
Social	Accountability to public agencies and citizens or civil society .

The dimensions of accountability - organisational, legal, administrative, political and social are derived from Bovens (2007) and Sinclair (1995), with the indicators rendered suitable to a study of FET colleges.

Munificence

The resources required for the survival of an organisation are the most relevant focus in characterising organisational environments. In terms of munificence, funding and council capacity will be analysed. *Funding* of FET colleges can be investigated in terms of the level of reliance on the source (magnitude) and dependability of funding, as Table 2.9 shows.

Table 2.9: Framework for analysing a FET college's dependence on and dependability of funding

Source of funding	Level of reliance on source	Dependability of funding
Example: Student fees	High	Low

The *capacity* of a college council will be determined by scrutinising the expertise and experience of the council members in each of the FET colleges in question. This is illustrated in Table 2.10.

Table 2.10: Framework for analysing capacities of the council members of a FET college

Council member	Background	Expertise
1	Labour union	Labour/labour law
2	Municipal ward councillor	Public needs/opinion

Capacity building will also be examined. Any form of training that the council members have undergone, and the perceived quality and utility of that training, will be considered.

Interconnectedness

Structural complexity is determined by the number of subunits within the overall structure and the degree of differentiation between those subunits. The interconnectedness of the actors in the FET system will be mapped. It will be important here to determine how the actions of the actors affect the FET colleges.

2.7.3 Relationships among the actors

The levels of concentration, munificence and interconnectedness of an organisation's environment affect the relationships that the organisation has with other actors. To determine if the structural characteristics of the environment have resulted in conflict, indications of a lack of consensus amongst the actors in the system will be identified. Interdependence will be examined by investigating the level of dependence between the actors for specific resources. This is distinct from the issues of power dependency which were discussed previously. Here the focus is on resources.

2.7.4 Organisational level

As a result of all the environmental factors a number of processes occur at the organisational level. The first is that a climate of uncertainty can be created. Second, demands are placed upon the FET colleges. The colleges must in turn respond to these demands, in one way or another. Demands will be examined by identifying any requirements external actors might expect of a

FET college. One possible impact of the environment on FET colleges is uncertainty. Uncertainty will be explored with reference to a college's ability to forecast, ability to budget for the future and conflict between sub units of the colleges. The exact manner in which the FET colleges in question have responded to the uncertainty and demands forms a crucial part of this investigation.

2.8 Conclusion

Governance is a broad, all-encompassing term. Following a short account of national forms of governance, this chapter has linked the concept to organisations and their administration. There have been calls for governance reforms under the banner of good governance. While these calls have been made at an international and national level, they have filtered down in many instances to public organisations at regional and local levels as well.

Within organisations, the study of governance can take either an internal or external point of view. While the internal perspective is attractive, as policy recommendations can be easily put forward, it is the external perspective that can offer more in terms of understanding governance in the South African FET sector. To this end the ecological and resource dependency model was presented and adapted to suit the intentions of this investigation. A conceptual framework has been constructed to guide the remainder of the study. This framework shapes the analysis of the environment in which FET colleges operate.

Chapter Four will be devoted to the policy environment. It will examine why policy reform was necessary in the FET sector in South Africa, discussing factors that contributed to the form that this reform took. The next chapter will discuss, in detail, the methodology that was employed in order to apply this conceptual framework to FET colleges.

CHAPTER THREE
Plan of inquiry

3.1 Introduction

Chapter Two concluded with the presentation a conceptual framework which will be used throughout this study to identify and analyse the external environmental factors and how these impact on the governance of two FET colleges in KwaZulu-Natal. Chapter One of this thesis made a cursory reference to the research methodologies that were employed in this study. This chapter provides a brief background on research methodology and explains and justifies why this study adopted the specific research methods that it did.

This chapter outlines the methods used in the data-gathering and analysis part of this study. Throughout this chapter the appropriateness of the methodology chosen is discussed with reference to the research aims of this investigation. In addition the ethical considerations, scope of the study and the limitations of study are discussed.

3.2 Research methodology

The purpose of this study is to determine the external environmental influences on the governance of the FET colleges in question. In choosing a research methodology, a number of factors were considered. These include: the purpose of the research; perspective of the researcher; sample; research strategy; data analysis; and notions of objectivity. The dominant research methodologies that exist in the social sciences are quantitative and qualitative. These methodologies are distinguished by the assumptions regarding the nature of phenomena which form the basis for investigations. Quantitative methodology is associated with the positivist paradigm which assumes that a phenomenon can be measured independent of context (Babbie and Mouton, 2004: 273). This type of methodology is prominent in the natural sciences. Here

researchers are concerned with controlling variables and ensuring the results are reliable and valid. A danger in using such an approach in social sciences is the loss of the human element as phenomena are reduced to numbers (Schurink, 1998: 242).

In contrast to quantitative methodology, qualitative research adopts a constructivist, interpretive philosophy which asserts that knowledge regarding phenomena is constructed by the people involved. The main aim of such research is to understand social life and the meaning attached to it (Schurink, 1998: 241) Table 3.1 sets out further differences between these methodologies with a view to selecting a methodology appropriate for the intentions of this study.

Table 3.1: Theoretical differences between qualitative and quantitative research methodologies

Factor	Qualitative	Quantitative
Purpose	- To understand behaviour or phenomena - To compile a detailed description - To understand phenomena in terms of context	- To quantify and measure constructs - To generalise results from a sample to the population of interest - To control for sources of error in the research process
Perspective of the researcher	Insider	Outsider
Sample	Usually a small number of non-representative cases. Respondents are purposively selected based on a set of criteria.	Usually a large number of cases representing the population of interest. Respondents are randomly selected.
Research strategy	Deductive with a view to contextualise results.	Inductive with a view to generalise results.
Data analysis	Various analytical techniques used to find patterns.	Statistical
Notions of objectivity	Trustworthiness	Reliability Validity

Adapted from: Babbie and Mouton, 2004:273

Table 3.1 shows that quantitative research is aimed at isolating constructs or phenomena from their context. This research methodology was considered not suitable for the purposes of this investigation due to the focus on isolating the unit of analysis from the context. The context is of vital importance to answering the research question. However, as will be discussed later, quantitative data can be, and was, used to supplement the use of a qualitative research methodology.

As stated earlier, qualitative research refers to a generic research approach which attempts to understand phenomena rather than explain it. This research paradigm is distinguished by a number of key features. Firstly, research is conducted in the natural setting of the actors. Here there is no intervention by the researcher as the aim is to understand the "normal" course of events without being intrusive. Secondly, the focus is on the social process rather than the outcome of the processes. While it is preferable for research to be conducted while events occur, this is not always possible. Thus the events can be reconstructed in retrospect. The third feature refers to first describing phenomena, such as governance practices, in great detail. The next step is to understand these phenomena in terms of beliefs, history and context. The argument is that if one understands the phenomena against the context and how this context confers meaning on the events concerned, then one can claim to understand the phenomena (Babbie and Mouton, 2004: 270). In this way the complexity of a phenomenon may be captured. This research methodology was thus deemed appropriate for the intentions of this investigation.

The next section explores qualitative research designs, following which the characteristics set out in Table 3.1 will be explored in reference to the specifics of this investigation.

3.3 Qualitative research designs

Qualitative methods are often criticised for lacking scientific rigour and being too subjective (Flyvbjerg, 2006: 220). However, qualitative studies do employ various mechanisms to ensure objectivity and robustness. These mechanisms must be included in the research design. The research design is distinguished from the research methodology, where methods are concerned with the kinds of tools and procedures that should be used, research designs specify the plan of

how the study will be conducted and the evidence needed to address the research questions (Babbie and Mouton, 2004: 75).

All qualitative research design should, to some degree, share the features discussed previously. That is: a detailed engagement with the subject, a small number of cases, openness to multiple sources of data, objectivity and a degree of flexibility that allows the researcher to adapt the process where necessary. Table 3.2 sets out the main types of qualitative research designs and discusses the appropriateness of each design with regard to the intentions of this study.

Table 3.2: Summary of the features of different qualitative designs and the appropriateness for this study

Research design	Main features	Appropriateness for this study
Ethnographic studies	Data is collected from direct observation of behaviour in a particular society. It is essentially the description of culture largely through the researcher becoming part of a culture they wish to student through direct observation.	Inappropriate as the focus of this investigation is not on culture.
Life histories	A biographical study detailing a full account of a person's life in their own words. Data is usually collected over a number of years.	Inappropriate as the unit of analysis is not an individual and his/her life experience.
Phenom-enology	The identification and examination of a particular significant human experience (eg. Phenomenon) through the descriptions of the people affected. Sometimes referred to as "lived experiences."	Inappropriate, the focus of analysis is the governance of an organisation and not the life experiences of its members.
Grounded theory	Data is collected and analysed with a view to developing a theory which is grounded in the data.	Appropriate design as it enables one to revise and refine one's understanding of the research questions as research unfolds. The end result of grounded theory is to generate broad themes, and not to generalize.
Case study	An in-depth analysis of people, organizations, events, and relationships bounded to a focus area of investigation. It involves the examination of multiple variables.	Appropriate design as case studies are not necessarily people-focused and may include an organizational analysis. This study also entails an analysis of multiple variables.

Adapted from: Babbie and Mouton, 2004; Flyvbjerg, 2006

Based on the summary presented in Table 3.2 above, ethnographic studies, life histories and phenomenology as research designs are deemed inappropriate for this study due to the emphasis these research methods place on human experience and consequent behaviour. The case study

research design was employed in this investigation as it is deemed the most appropriate to answer the research questions of this study. This is because the investigation into governance required a research design that can be used to analyse a complex construct which involves numerous actors, behaviours and processes. The case study design allows for the use of multiple variables from multiple sources of data (Meyer, 2001: 346).

The execution of the case study takes place adjacent to grounded theory. As the literature on governance is examined, and the case study findings are analysed, themes on the governance of FET colleges emerge and can be analysed. The next section discusses the features of case studies and how this research design was followed in this study.

3.4 Case study research design

Early scholarly writings on case study methodology reject it as having no scientific value as one cannot generalise from a single case and that such studies contain a bias towards verification (Campbell and Stanley, 1966 cited in Flyvbjerg, 2006: 220-221). However, case studies have gained popularity as a valid research design that offer necessary and sufficient method for inquiry (Flyvbjerg, 2006: 222).

There are numerous types of case studies which are differentiated by the unit of analysis. Table 3.3 sets out the different types of case studies and the key features thereof. It can be seen that an organisation or institution, such as a FET college, does fall into one of the categories.

Table 3.3: Features of the different types of case study designs

Type of case study	Features
Individual	A detailed account of one person.
Community studies	A description and analysis of patterns of, and relations between aspects of community life.
Studies of organisation and institutions	The focus is on a formal institution. Research may involve studies of best practice, policy implementation and evaluation inter alia.
Studies of events, roles and relationships	Focus is on a specific event and the people which are connected to that event.
Studies of countries and nations	This research is often comparative.

Adapted from: Babbie and Mouton, 2004; Meyer, 2001

Case studies need not necessarily be single. The benefit of using more than one case is that the element of bias is reduced. Miles and Huberman (1994: 29) argue that by examining more than one (similar or contrasting) case, researchers are able to shed light on the findings, by determining how, where and why behaviour occurs.

Case studies, as with any qualitative research design, must follow general design principles. These include conceptualisation, the importance of contextual detail, using multiple sources of data and the use of analytical strategies. The principles employed in the research design sequentially are: gathering contextual detail, gathering data on the FET colleges in question and analysing the data. These processes will be discussed in turn with specific reference to what was done in undertaking this investigation.

3.4.1 Contextual detail

In case studies, the unit of analysis cannot be isolated from its context (Yin, 2004). It is thus of vital importance that the context is examined in detail more so for this particular investigation as the main research questions concern the external environment.

As the context is a broad construct that may encompass anything external to the unit of analysis (FET colleges), it is necessary to categorise elements of the context that are relevant to the investigation. This process also limits the scope of the investigation.

Three levels of context are considered here: the national, provincial and institutional environments. Within each of these levels a number of environmental factors are put forward as being relevant to the investigation. Figure 3.1 sets out the levels of the environment as well as the factors within each level that will be explored.

Figure 3.1: Features of the contextual detail explored in this investigation
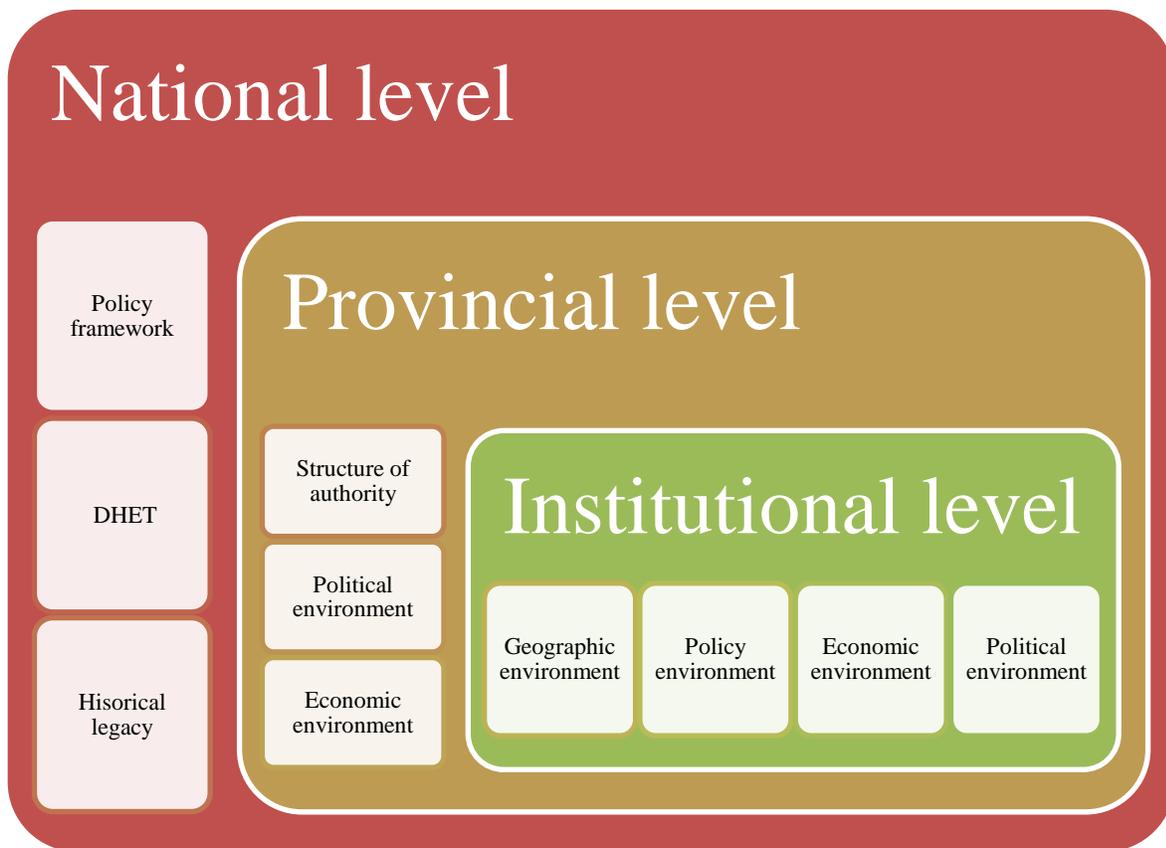
The description of the respective contexts appears in various chapters of this thesis and will be discussed according to this structure.

A key research objective in this thesis relates to determining the general legislative and policy environment of South Africa. The general policy framework in South Africa is established in order to contextualise public policy concerns. This policy framework in turn establishes the framework for the general governance of the DHET. This is regarded as important because the degree of regulation of the general policy environment impacts on the governance of FET colleges. Public policy emanating from this and relating directly to the FET sector and skills development in South African is then analysed. A historical narrative is also presented in order to describe the legacy, and how the current legislative framework aims to redress this.

The case study focuses on two FET colleges in one province, KwaZulu-Natal. As such a contextual description of the political, economic and geographic context of KwaZulu-Natal is presented. Much of the data is obtained from the KwaZulu-Natal Treasury. In addition secondary sources are used to provide a comprehensive contextual picture of the province. The purpose of this chapter is to provide a holistic overview of the political, economic and structural environments in which the FET colleges in KwaZulu-Natal are governed. The material presented here goes beyond mere background information and is integral to the investigation as a whole.

Information on the institutional level is derived from the case studies themselves. The following sections describe the selection of the cases and the data derived therefrom.

3.4.2 Selection of cases

As stated earlier, it is perfectly valid to base an investigation on a single case (Flyvbjerg, 2001: 220). However, to gain a more thorough understanding of the external environmental factors that impact on governance in FET colleges, it was felt that at least two cases, embedded in vastly different contexts should be investigated. The criterion used to determine differences in context was initially the location of colleges (or most of their campuses) in rural or urban settings. This was revised later to base the selection on experiences of multiple deprivation. Townsend (1993: 79) views deprivation as a measure of a society's health, and in particular, defines it as an observable and demonstrable state of disadvantage. From this perspective, socio-economic conditions are used to measure deprivation, where people may be said to be deprived if they do

not have sufficient conditions of life. This measure provides a better means of differentiating FET colleges as it takes into consideration a number of environmental conditions of deprivation: income and material deprivation; employment deprivation; education deprivation; health deprivation; and living environment deprivation (Cosser, et al, 2011: 131). These ranks are categorised into five groups: the most deprived category with a score between 1 and 5000; the second most deprived category (5 001 – 10 000); the middle category (10 001 – 15 000); the second least deprived category (15 001 – 20 000); and the least deprived category (20,001 – 22,164) (Cosser, et al, 2011: 131). Based on this assessment, the main administration campuses of FET colleges in KwaZulu-Natal were placed into two categories: those with a score above 15 000 (less deprived) and those with a score below 15 000 (more deprived). Table 3.4 sets of the categories.

Table 3.4: Multiple deprivation categorisation of FET Colleges in KZN

Less deprived	More deprived
Umgungundlovu FET College	Mthashana FET College
Majuba FET College	Coastal FET College
Easyidi FET College	Mnambithi FET College
Umfolozi FET College	
Elangeni FET College	
Thekwini FET College	

Adapted from Cosser, 2011:145- 157; Statistics South Africa, 2006: 40-41

The intention of this exercise was to have a case study from each of the two categories in Table 3.4. At the outset two colleges were under administration and therefore did not have a college council or principal[11] and were not eligible for selection. Thus seven colleges (five less deprived and two more deprived) remained. Of these, two college principals refused to participate and two colleges did not respond to repeated requests to participate in the research. Thus three colleges

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[11] Any FET college that is functioning poorly may result in the appointment of a person to conduct an investigation of a college. Should this uncover serious maladministration, an administrator can be appointed to assume the authority of the council, perform the council's functions and ensure the constitution of a new council (Section 46 of FET Colleges Act of 2006).

remained (one more deprived and two less deprived). The final decision between the two more deprived FET colleges came down to personal pragmatism[12]. The Thekwini and Mthashana FET Colleges provide the case studies for this investigation. The context of these two colleges contrasts markedly. Thekwini FET College is situated in a major metropolitan city, whereas Mthashana FET College is in the rural hinterland. The range of data sources from each college is outlined in the next section.

3.4.3 Multiple sources of data

With a view to provide thick, in-depth descriptions, the use of multiple sources of data is essential. This involves using numerous types of evidence, a variety of informants and multiple interviews. The nature of the research design is dependent on the research questions. Multiple sources of data are used with the notion of triangulation and replication in mind (Babbie and Mouton, 2004: 282). Replication refers to the notion that the more occurrence of a phenomenon in the data, the more confident one can be regarding the reliability of the information. Triangulation refers to obtaining numerous sources of information regarding the same construct. This is done to overcome any deficiencies that may come from a single source (Babbie and Mouton, 2004: 277).

This investigation relies on a wide range of sources, both qualitative and quantitative, in order to identify and analyse the governance of FET colleges in KwaZulu-Natal. Official documents, interviews and fieldwork notes were the main types of sources. Table 3.5 sets out the sources of information used for each of the case studies.

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[12] The problems of gaining access to the FET colleges is acknowledged as a limitation of this study.

Table 3.5: Sources of information used for the case studies

Source of information	Thekwini FET College	Mthashana FET College
College policies	✓	✓
HSRC Audit data (2010)	✓	✓
Interview with college principal (2010)	✓	✓
Interview with college principal (2012)	✓	✓
Interview with college council chairperson (2010)	✓	✓
Interviews with management team	✓ (2010)	✓ (2012)

The nature of the data from these sources is discussed below.

College policies

Policy documents were collected from the two FET colleges in 2012. These documents were compiled by the colleges in question. The review of such documents provided insight into the various forms of internal governance in colleges. According to the FET Act 16 of 2006, all FET colleges must develop specific policy documents, which include a strategic plan, conditions of employment for all staff, admissions policy and a language policy. Colleges must also comply with financial, quality assurance, student support, strategic and general governance requirements. These requirements necessitate supporting documentation such as a code of conduct.

The HSRC audit data (2010)

The HSRC audit made use of three instruments which examined (i) governance practices, (ii) management and administrative practices and (iii) student and staff profiles. With regards to the governance instrument[13], provisions in the FET Colleges Act 16 of 2006 were broken into specific requirements in term of the establishment of governance structures, the formulation of policies (including plans and procedures) and the adherence to financial governance principles.

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[13] See Appendix A for the governance instrument used in the HSRC audit.

The compliance with these provisions was documented using "check boxes." The data gained from the instruments was captured onto a Microsoft Excel spreadsheet. This spreadsheet was used for this investigation.

Interviews

Semi-structured open-ended interviews were utilised for each of the interviews conducted. In such interviews there are no fixed questions. The interviewer instead has a general plan of inquiry (Babbie and Mouton, 2004: 289). This allows the interviewer to probe the interviewee for more information.

Two sets of interviews were utilised for this investigation. The first set was conducted in 2010 for the HSRC audit. For all nine FET colleges in KwaZulu-Natal, transcriptions of the interviews with each college principal, chairperson of the college council were analysed[14]. These findings appear in Chapter Five which provides an overview of FET Colleges in Kwa-Zulu Natal and the governance issues that exist therein. This set of interviews also included interviews with various members of the Thekwini FET College management team. All the interviews at this college were conducted by me. Although I did not conduct the interviews at Mthashana FET College, the general structure of the interviews was the same, allowing for comparability. The interview schedules spoke directly to governance matters within each college and the relationships that the colleges had with provincial and national governance structures.

The second set of interviews was conducted specifically for this investigation in 2012. These included interviews with the Principals at both colleges as well as the management team at Mthsahana FET College. All interviews (both in 2010 and 2012) were held at the main administrative campuses of the colleges. Each interview lasted approximately one and a half hours[15]. In 2012 I was given a tour of the facilities by both principals, which allowed for informal observation and the chance to informally speak to administrators. The data gained from the interviews was recorded digitally and then transcribed.

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[14] See Appendix B for interview schedule.
[15] See Appendix C for interview schedule

This information gathering strategy yielded information which required organisation and analysis. This is discussed in the next section.

3.4.4 Analytical strategies

The organisation of case study data can be problematic due to the volume of data collected. This highlights the importance of a conceptual framework, as discussed previously, as well as the need for an analytical strategy. Yin (2004) puts forward two methods of analysis: pattern-matching and explanation building. The former refers to matching patterns that emerge from the data with patterns in the theory. The occurrence of patterns points to the internal validity of the study. Explanation building refers to a specific type of pattern building which aims to develop explanations about the case.

This investigation employs the pattern-matching method to analyse case study data in Chapters Six and Seven. The aim of these chapters is to determine whether ecological (environmental) factors and the resource dependency of the college on other actors have impacted on the functioning of the college. The second focus is to examine how these have affected the optimal functioning of the college. To this end the data is presented according to the conceptual framework developed in Chapter Two.

The generalisability of case study findings (referred to as analytic generalisation) is the linkage between the findings and previous knowledge. Thus the findings will be discussed in reference to both the theory used to inform the conceptual framework and the previous studies conducted in the field. This forms the concluding chapter of this thesis.

The discussion now moves to the notions of objectivity that informed the methodology of this study.

3.4.5 Notions of objectivity in qualitative research

In order to maintain standards of objectivity, qualitative research must be trustworthy. This notion was put forward by Lincoln and Guba (1985). A study can be considered trustworthy if it is credible, transferrable, dependable and confirmable. The basic question here is: how can the researcher convince the audience that the findings are worthy of taking account of?

Credibility refers to the internal validity findings. Here the researcher is concerned with actually understanding the construct under investigation (Denzin, 2009: 149). There are numerous ways in achieving credibility including: prolonged engagement, persistent observation, peer debriefing and triangulation (Babbie and Mouton, 2004: 276). As stated earlier the findings in this study were triangulated using multiple sources of data. Thus if it was found that the views elicited from the 2010 HSRC audit interviews were markedly different to those elicited from the 2012 interviews, the influence of my role as HSRC researcher first and postgraduate student later, would impact the credibility of the study. This however was found not to be the case.

Transferability is the degree to which the findings can be applied in other contexts or to other units of analysis, this is it relates to the external validity of findings (Shenton, 2004: 69). As stated earlier, qualitative research does not seek to generalise findings statistically, here it is the researcher's obligation to ensure that knowledge gained from one context will have relevance in another, similar context in a different time frame. This is achieved by ensuring that enough information is collected to form a thick description of the context (Shenton, 2004: 70). To maximise the richness of information gathered, purposive sampling is used to select respondents or cases that differ for example in location. In this investigation a considerable amount of data was gathered (both secondary and primary) on the environments in which the colleges operate. The colleges were also selected based on the different levels of multiple deprivation experienced by each college.

Dependability is very closely related to credibility. In practice, demonstrating credibility aides in achieving dependability. It refers to the researcher providing enough evidence that should the study be conducted in a similar context, the results would be the same (Shenton, 2004: 71). To

ensure dependability the research processes used in the study must be described in detail. This enables future researchers to repeat the work. This description allows the audience to gauge the extent to which proper research processes were followed.

The last feature of trustworthiness discussed here is confirmability. This refers to the degree to which the findings of the research are the outcome of the inquiry and not the biases of the researcher. Triangulation of data is particularly useful here (Shenton, 2004: 72). A study is considered confirmable when conclusions, interpretation and recommendations can be traced back to the original sources. This involves setting out the plan of inquiry in enough detail so that an outsider would be able to trace the link between the sources of data and the eventual findings. To this end, the general plan of inquiry has been laid out in this chapter in detail. In addition the use of a conceptual framework, which is based on academic scholarship, through which to reconstruct data and synthesise theme and findings reduces any biases that I, as a researcher, may have.

3.5 Ethical considerations

The nature of ethical problems in qualitative research exist with regard to how a researcher gains access to data as well as respondents and the effects that the research may have on those respondents (Orb, et al., 2001). The ultimate aim is to protect the respondents from any harm or negative effect that the research may have on them. This is achieved by adhering to the established ethical principles of autonomy and beneficence. These principles will be discussed in turn.

Autonomy refers to the recognition of the respondents' right to (1) be informed about the study, (2) the right to decide whether to participate and (3) the right to withdraw from the study at any point without penalty. This is accomplished by ensuring informed consent is gained from the respondent (Orb, et al., 2001).

During the collection of primary data, to ensure that the interviewees' autonomy is maintained, each respondent was given an information sheet which outlined the purposes of the investigation

and what was required of them. This sheet also stated that participation was voluntary and consent could be withdrawn at any time[16]. This pledge was honoured when one of the interviewees withdrew consent after data collection had taken place. At each interview I went through the information sheet and consent form verbally and asked if there were any questions. The respondents signed the consent form, if they agreed to participate in the study, which I retained. The information sheet was left with them. With regard to the HSRC audit data, the study was subject to a mandatory ethics review by the HSRC's Research Ethics Committee. All the respondents in this audit were provided with an information sheet and a consent form. The informed consent sheet used to gain the consent of the participants appears in Appendix E. The form states that the names of the interviewees will be removed or changed before results are made public. The contents of the form were explained to the interviewees who then signed this form. They were thus aware of the possibility of data sharing. After the conclusion of the study, the generated data set (in Excel format[17]) and the 50 individual college reports[18] of findings (including direct quotes from interviewees) were uploaded onto the HSRC's public website in 2011. The data that was used is thus in the public domain. It was not deemed necessary to gain consent from the colleges to use the data. However, permission to use the data was gained from the Education and Skills Development research programme of the HSRC.

Beneficence refers to doing good to others and preventing harm either physical or psychological. The research must identify dangers and risks and guard against them (Babbie and Mouton, 2004: 522). The simplest way of doing this is to ensure that respondents remain anonymous and that their responses are kept confidential. This principle proved extremely tricky in this investigation. This topic may be viewed as a sensitive one as those who are being interviewed may be hesitant to raise concerns. In addition, there was found to be political and legal issues surrounding the colleges. The views expressed during the interviews may have negative consequences for the interviewees.

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[16] The informed consent sheet appears in Appendix D

[17] This data set has since been removed in the transition from the HSRC's old to new website in 2013

[18] These reports are publically available at : http://www.hsrc.ac.za/en/research-outputs/keywords?keyword=FURTHER+EDUCATION+%26+TRAINING+%28FET%29&letter=A&page-num=3

The problem that I faced was that the immediate context of the college required detailed descriptions. Thus even if the name of the college was not used, the information could be linked back to the college and to the principal. Anonymity and confidentiality would thus be a superficial attempt at ensuring beneficence. I thus added a section onto the consent form which asked the interviewee if they were comfortable to divulge their names and the name of the FET college which they represent. If the respondent agreed, they would sign this section of the consent form as well. Thus a respondent could consent to the study without their names being used. In this event, their responses were captured in general terms. For both FET colleges that were used as case studies the respondents agreed for their names and the names of the FET colleges to be made public. In fact, in both cases the respondents felt that this study would benefit the FET college sector in South Africa and thus were happy to be identified. However, in the interests of beneficence I have opted to use their positions and FET college names and not to use the names of the interviewees. This also applies to the interview data obtained from the HSRC audit. Thus, particularly in Chapter Five where I draw on this data, I have only used the position and institutional affiliations of the respondents.

3.6 Delimitations of this study

This investigation builds on the HSRC audit but delves deeper into the governance issues which emerged from it. This thesis posits that governance problems at FET colleges in South Africa are the result of external environmental forces which are beyond the control of the FET colleges and need to be understood otherwise ongoing policy interventions will remain futile.

Governance in this thesis is explored from an external rather than an internal perspective. This differentiation is important since the causal attributions differ depending on which perspective is taken. Those favouring an internal perspective have drawn the inference that the people in their organisation, their feelings, actions and motivations affect the performance of any organisation, whereas an external perspective emphasises an organisation's context, its environment (Pfeffer and Salancik, 2003: 7).

This study is confined to the KwaZulu-Natal province of South Africa for two reasons. Firstly, prior to 2012 FET colleges were a provincial mandate. Thus all the colleges in the province have interacted with the provincial Department of Education and are interconnected with the provincial administration. Other environmental dimensions, economic, political and social, are unique to this province. This is in part due to the changing administration in the province and a shift in political supremacy. Consideration was given to the inclusion of international examples of governance systems. However, due to the vastly different environments in which vocational institutions operate, in other countries, the areas of comparison would have been minimal.

The unit of analysis in this thesis is the FET college as an organisation. It is from this perception that governance is assessed. This thesis will not consider the views of the provincial Department of Education or the national Department of Higher Education (DHET). With regards to the FET colleges, the views of the principals and chairpersons of the college councils were considered to be significant in understanding the governance of the organisations as these actors have knowledge gained from direct experiences with the governance of each college. The staff and students of the colleges were not included in the analysis as their insights into governance matters would not result from regular and direct experiences and would thus possibly be anecdotal as best.

This investigation reflects on governance in the FET sector based on information from 2007-2012. 2007 was the year after the latest legislation governing FET colleges in the country was promulgated (FET Colleges Act 16 of 2006). The research therefore examines the changes in governance that have taken place as a result of this legislation.

3.7 Conclusion

This chapter outlines not only the plan of inquiry used in this investigation but also sets out the rationale for following it. While taking into account the complexity of governance, notion of objectivity and ethical consideration the methodology employed in this study is designed to gain as much information as possible (within the given time frames) regarding the governance of the FET colleges in KwaZulu-Natal.

CHAPTER FOUR

Policy Environment

4.1 Introduction

The Apartheid government used the separation of education departments to address the "native problem" (Fiske and Ladd, 2004: 41). Under the previous Constitution Act 110 of 1983, (Section 14(1)) education was defined as an "own affair." This means that separate education departments for African, Indian[19], Coloured[20] and White[21] learners were established. Thus, the nature and quality of education delivered was determined by race. Technical colleges reserved for white students were well resourced and offered a higher quality of education. This system was incongruent with the ideals of the new democratic dispensation in South Africa which was established in 1994 (Hoppers et. al., 2000: 6).

The new government instituted large scale overhauls of the entire education sector. The vocational education sector was subjected to policy reforms, which began in 1995. At this time the technical education sector consisted of 152 technical colleges which delivered vocational and technical education. These colleges were reconceptualised as Further Education and Training (FET) colleges. While this may be regarded as a superficial reform, the change of name signalled an ideological shift in the manner in which vocational education was viewed in South Africa. The first part of this chapter presents a historical narrative of this vocational education reform process between 1996 and 2012. It illustrates the various iterations that the policy has undergone and the reasoning behind those changes.

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[19] The House of Delegates was a body in the Tri-cameral Parliament of South Africa which existed from 1984-1994. It was reserved for Indian South Africans.
[20] The House of Representatives was a body in the Tri-cameral Parliament of South Africa which existed from 1984-1994. It was reserved for Coloured South Africans.
[21] The House of Assembly was a body in the Tri-cameral Parliament of South Africa which existed from 1984-1994. It was reserved for White South Africans.

The second section uses the ecological and resource dependency model presented in Chapter Two in order to analyse the current FET regulatory framework. The historical narrative is also followed in this part in order to establish how the current framework emerged. The argument of this chapter is that in South Africa the structural characteristics of the environment are directly influence by the policy environment.

4.2 Policy developments (1996-2012)

As with any legislation in South Africa, the reform legislation governing the FET sector stemmed from provisions in the Constitution of South Africa Act 108 (RSA, 1996). The Constitution is the highest law of the land and any law inconsistent with it is invalid. Section 29 (1) of the Constitution entrenches all citizens rights to education. This section provides that:

> *Everyone has the right to a basic education including adult basic education and to further education, which the state, through reasonable measures must make progressively available and accessible* (RSA, 1996).

The Constitution embodies the values of redress, transformation, equity and equality. By implication, legislation on the FET sector must reflect these values.

Besides the democratic need for reform of the FET system, there were economic reasons for reform. FET colleges are viewed by the government as crucial to the production of a skilled and semi-skilled labour force (Department of Education, 1997: 1). The development of such a labour force features prominently in the government's growth and development plans. The discussion now turns to the manner in which reform took place in the FET sector.

In 1996 the National Committee on Further Education (NCFE) was established to explore the problems faced by the FET sector and to make recommendations for transforming it (Department of Education, 2008: 1). The Committee published *A Framework for Transformation in FET in South Africa* in 1997. The report highlighted several problems facing the sector. These included the sector lacking an identity, inadequate governance and management structures, inadequate

administrative and organisational structures (McGrath, 2004: 138). The report also highlighted the need to address historical imbalances in colleges. It recommended reforms in governance, finance and certification. On the issue of governance, the report called for increased autonomy in the governance of colleges. It was recommended that representative councils be established to govern colleges.

The NCFE report formed the basis of the Green Paper for FET: *Preparing For The 21st Century through Education, Training and Work* (Department of Education, 1998). This Green Paper took a more inter-sectoral approach to reform. It mentioned policy reforms taking place in the Department of Labour (DoL). Particular attention was paid in the Green Paper to a *Skills Development Strategy for Economic and Employment Growth in South Africa*. It proposed a task force to liaise with the DoL on the operation of learnerships (McGrath, 2004: 140). The Green Paper located the proposed reforms within the wider social and economic context of South Africa. It took into consideration the country's employment figures and the main forms of employment for South Africans. It recommended that task teams be set up to assist the sector in transformation. These teams were tasked with developing proposals on the following areas: management capacity development, management information systems, funding; and programmes and qualifications (Department of Education, 1998: 93).

More than 130 written submissions by individuals, organisations and institutions were received by the DoE, commenting on the Green Paper (Republic of South Africa, 1998:10). Criticisms lodged against the Green Paper included the exclusion of cultural and humanistic factors, inadequate attention paid to the link between FET and higher education, and that the link between FET policies and the Department of Labour policies had not been given adequate attention. The *Education White Paper 4: a programme for the Transformation of FET,* (RSA, 1998(a)) attempted to respond to the criticisms lodged against the Green Paper. It begins by acknowledging the difficult terrain that needs to be navigated in order to build a coherent FET system. The FET band falls under the mandate of both the Departments of Labour and Education. In addition, the paper noted possible points where the Departments of Education and Labour could collaborate and cooperate.

The White Paper (RSA, 1998 (a)) proposed a new framework for FET colleges, which consisted of four main areas. First, new governance mechanisms were identified (RSA, 1998(a): 26). This included the establishment of a National Board of Further Education and Training (NBFET). NBFET would be tasked with advising the Minister of Education on matters relating to FET transformation and development. Colleges were to be governed by a college council, with strong stakeholder involvement. The provincial Departments of Education would remain the employers of educators at colleges (RSA, 1998(a): 28). Other governing structures included an academic board and a students' representative council (SRC).

The second aspect of the framework focused on the qualifications offered by colleges (RSA, 1998(a): 29). The new framework proposed a new, integrated curriculum. This curriculum should allow for multiple entry and exit points. The aim was to eradicate the divisions between vocational and academic education (RSA, 1998(a): 30). Quality assurance formed the third part of the framework. External and internal evaluation methods should be employed to ensure that the programmes and colleges meet the objectives set by the DoE and the college councils. It was proposed that NBFET play an advisory role in this process.

Funding formed the last aspect of the proposed reforms (RSA, 1998(a): 33). Funding was considered a means of ensuring that the FET sector remained responsive to the social and economic needs of the country. Budgetary allocations would come from a provincial government. However, only specific programmes would be funded. This would ensure that FET colleges respond to the human resources and socio-economic priorities of the country. Other funding would be allocated for 'special purposes' such as staff development and capacity building.

The FET Act 98 (RSA, 1998(b)), was based largely on the White Paper (RSA, 1998(a)). Section 8 (1) of the FET Act 98 (RSA, 1998(b)) stipulates that FET colleges fall under the primary jurisdiction of the provincial Member of the Executive Council (MEC)[22] for Education. Colleges

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[22] The Executive Council of any province in South Africa consists of the Premier and other members appointed from the provincial legislature. These members have the title "Member of the Executive Council", commonly abbreviated as "MEC". The Premier allocates powers and functions to the MECs;

were to be governed by a college council, with a strong involvement of stakeholders. The legislation does not go into great detail on the nature of council members, or on the number of stakeholder representatives. For example "not more than five persons appointed by the MEC" is open to any number from naught to five members. In addition the clause begs the questions: who are these members? And whom do they represent?

The promulgation of the FET Act 98 (RSA, 1998(b)) was followed by the DoE's strategy for implementing the stipulations in this legislation. This strategy, the *National Strategy for Further Education and Training* (Department of Education, 1999), focused strongly on the funding of FET institutions. It proposed a phased approach. Core funding of colleges was to be programme-based. Additional funding would be allocated for 'special purposes'. The programme funding would be based on Full Time Equivalents[23] (FTEs) and on the attainment on certain pass rate targets. This is to encourage efficiency within the colleges (McGrath, 2004: 142).

McGrath (2004: 143) states that the DoE realised that the large number of FET colleges and the significant geographic and resource disparities between the colleges made for an unsustainable system. In 2000 a national task team was mandated by the DoE to provide a strategy to consolidate the FET sector. The report that resulted from this process was *A New Institutional Landscape for Public Further Education and Training Colleges* (Department of Education, 2001). This document significantly changed the structure of FET colleges in the country as it instituted a process of merging. As a result the 152 FET colleges in South Africa were merged into 50 multi-site 'mega-colleges'. Thus each FET college now had a number of campuses. The mergers allowed for governance and management of the colleges to be concentrated at the main campuses of each college. The merging process was carried out between 2002 and 2006.

This reorganisation of the FET sector necessitated changes in the regulatory framework. These changes were promulgated in the form of the Further Education and Training Colleges Act 16 of 2006 (RSA, 2006). This Act radically changed the governance roles of college councils. It also

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conventionally they are assigned portfolios in specific areas of responsibility. In this case reference is made to a MEC for Education.

[23] Full Time Equivalents are calculated by aggregating all part-time or part-year students into full-time, full year students.

conferred general, strategic and financial governance powers and duties on college councils (Chapter Three, RSA, 2006). In addition, the lines of accountability changed as a council became the employer of the college staff (Section 20, RSA, 2006). The college principals remained employees of the provincial Department of Education. These principals, however, are now also accountable to the college councils for the management and administration of their respective FET colleges (Section 13, RSA, 2006). This complex accountability structure will be problematized later on in this chapter.

The promulgation of the FET Colleges Act (RSA, 2006) was followed by the *National Plan for Further Education and Training Colleges in South Africa* (Department of Education, 2008). This plan contains the current strategies for implementing the FET Colleges Act (RSA, 2006). The strategies focus on: the identity of the sector; increasing access to FET education; improving quality; promoting autonomy of institutions; and monitoring and evaluation. Each of these thematic areas sets out a number of strategies that a FET college must employ and the measurable outputs which a college should achieve (see Table 4.1).

Table 4.1: Summary of strategies and measurable outputs contained in the National Plan for Further Education and Training Colleges in South Africa

Theme	Strategies	Outputs
Creating a unique identity of the FET sector	• Establishment of a central coordinating structure • Defining the FET college sector • Prioritising and targeting programmes and students • Reshaping the FET college institutional landscape	• Improved public perception of the FET sector • Quality programme offerings • Improved quality of staff and students • Efficient management and governance • Registry of skills programmes that address socio economic needs • Norms and standards for resourcing colleges
Increasing access to FET education	• Capacity and infrastructural development • Student enrolment planning • Funding as a driver of access, quality, equity and redress • Student recruitment • Creating a viable interface between further and higher education	• Availability of adequate infrastructure • One million students in FET colleges by 2014 • Average pass rate of between 60% and 80% • Implementation of funding norms and standards • Number of students progressing to higher education institutions
Promoting autonomy, responsiveness and relevance of institutions	• Allow FET colleges to determine their missions • Allow greater autonomy in governance and management	• Partnerships between FET colleges and industry • Industry inputs into curricula
Monitoring and evaluation	• Establishment of FET management information systems	• Management information systems in all FET colleges • The culture of research and tracer studies

Adapted from: Department of Education: 2008

The Department of Education published an extensive toolkit for FET colleges which encompassed all aspects of how a college should function. In this toolkit, colleges were required to adhere to corporate governance principles. The National Plan highlights the importance of college councils in establishing and maintaining practices of good corporate governance. This is aimed at enhancing the quality, standing and public perception of the FET sector.

The current presidency in South Africa came into power in 2009 and a decision was made by the new administration to split the Department of Education into two distinct departments: the Department of Basic Education and the Department of Higher Education (DHET) (Presidential Minute No. 690 of 2009). Following this re-organisation of government, Proclamation No. 44 of 2009, published in Government Gazette No. 32367 (RSA, 2009) transferred the administration of the Adult Basic Education and Training Act. 52 (RSA, 2000), and the Further Education and Training Colleges Act 16 (RSA, 2006), from the Minister of Basic Education to the Minister of Higher Education and Training. FET colleges now fall under the DHET and its (current) minister, Nzimande. Minister Nzimande has, during his term, emphasised the role that FET colleges should play in the country. He stated that:

> *We plan to expand FET colleges to be a significant locus of delivery of vocational and continuing education and training with strong links to industry in order to meet critical skill shortages (*Nzimande, 2010(b)).

The new focus on the FET sector has led to further policy reforms. In policy statements made in 2010, the Minister alluded to changing FET colleges from a provincial mandate to fall instead under the national DHET (Nzimande, 2010(a)). This was promulgated in the Further Education and Training Colleges Amendment Act 3 (RSA, 2012). The Amendment Act has transferred all provincial functions to national government. Such a transfer of powers required a constitutional amendment in terms of Section 44 (1) of the Constitution. The changes were set out in the Further Education and Training Colleges Amendment Act 3 (RSA, 2012) which altered the phrase "Education at all levels, excluding tertiary education" to "Education in schools". Currently only education at school level is a functional area of concurrent national and provincial

legislative competence; all other levels of education (including FET) are exclusive national legislative competencies.

The latest direction in which the FET sector is heading is put forward in the Green Paper for *Post-School Education and Training in South Africa* (Department of Higher Education and Training, 2012). The foci in the policy are employment and economic growth and on how the higher and further education system could contribute to this goal. The Green Paper acknowledges that the FET sector faces the largest deficit in the tertiary education system and thus needs the greatest intervention. A growth target of four million learners enrolled in further education by 2030 has been set. With regards to college governance the Green Paper proposes a differentiated system, with some college councils being given greater functions than others. Those colleges which have the capacity to govern themselves would be encouraged to do so. As such their councils would have greater decision making powers. Weaker colleges would be steered and supported centrally and their councils would have more limited powers until their colleges develop the necessary capacities and systems.

The preceding discussion is aimed at providing a general overview of the numerous policy developments that have taken place in the FET sector since 1994. One policy document that stands out on its own is the third King Report on Corporate Governance[24] (Institute of Director in Southern Africa, 2009). While the principles contained in the report do overlap with stipulations in the FET policy discussed thus far, the King Report will be considered separately as these principles are put forward from a private sector perspective.

4.2.1 Corporate governance

The high levels of accountability, financial governance and strategic governance now required of FET colleges have dramatically altered the manner in which the colleges operate. These changes have resulted in a concerted move toward the adoption of private sector governance principles. In the Department of Education's (2003) toolkit for FET colleges, colleges are required to adhere to corporate governance principles. In particular:

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[24] Referred to as the King Report.

The Code of Corporate Practices and Conduct contained in the King Report applies inter alia to State-owned enterprises and agencies that fall under the Public Finance Management Act. In this regard, it is applicable to FET colleges (Department of Education; 2003: 13).

The King Report on corporate governance is now in its third edition. It sets out 74 principles that governing boards (such as FET college councils) must adhere to. The report refers to the ethical leadership of institutions as "the foundation of and reason for corporate governance" (Institute of Directors in Southern Africa, 2009:21). The report distinguishes between four ethical values of governing councils and five moral duties of the council members of an institution (see Box 4.1). The DoE toolkit implies that these principles have been incorporated in the provisions regarding college governance.

Box 4.1: Corporate governance principles

Four ethical values:

Responsibility: A college council should assume responsibility for the assets and actions of the institution and be willing to take corrective actions to keep the institution on a corrective path that is both ethical and sustainable.

Accountability: Providing necessary parties with the means to query and assess actions of the council and its committees.

Fairness: Ensuring a council gives fair consideration to the legitimate interests and expectations of stakeholders.

Transparency: College councils should make necessary information available which enables stakeholders to make informed analysis of the institution's performance and sustainability.

Source: Institute of Directors in Southern Africa, 2009

Five moral duties
Conscience: Council members should act with intellectual honesty and independence of mind.
Inclusivity: Stakeholders should be taken into account in decision-making.
Competence: Council members should have the required skills and competencies. These skills should be continually developed.
Commitment: Council members must be diligent in performing their duties; this requires unwavering dedication and effort.
Courage: Council members should have the courage to take risks associated with directing and controlling the institution.
Source: Institute of Directors in Southern Africa, 2009

The King Report devotes a chapter to the roles and functions of the board (college council) and directors (college principals) of an institution (Institute of Directors in Southern Africa, 2009). Principle 2.1 states that a council should be the focal point for and custodian of corporate governance (Institute of Directors in Southern Africa, 2009: 21). This includes effective control of the institution. In its governance duties, a council should monitor relationships between itself and the management body as well as between the council and its stakeholders. Stakeholders who could significantly affect the institution must be identified and assessed as part of the institutions risk management processes. The council should understand that strategy, risk, sustainability and performance are all part of effective governance (Institute of Directors in Southern Africa, 2009: 29). This principle speaks to effective long- and short-term planning. Other principles detail the composition of a council:

Principle 2.16: a [council] should elect a chairman who is an independent non-executive director. The CEO should not fulfil this role.

Principle 2.17: a [council] should appoint a CEO and establish a framework for the delegation of authority.

Principle 2.18: a [council] should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.

(Institute of Directors in Southern Africa, 2009: 29).

The discussion now moves to a more focused examination of the different characteristics of the policy environment to which FET colleges are exposed. The relevant elements of the theoretical framework which was developed in Chapter Two will be followed.

4.3 Using the ecological and resource dependency model

In applying the ecological and resource dependency framework, the structural characteristics of the policy environment of the FET sector are concentration, munificence and interconnectedness. This is presented in Figure 4.1.

Figure 4.1: Relationship between the policy environment and the structural characteristics of the environment
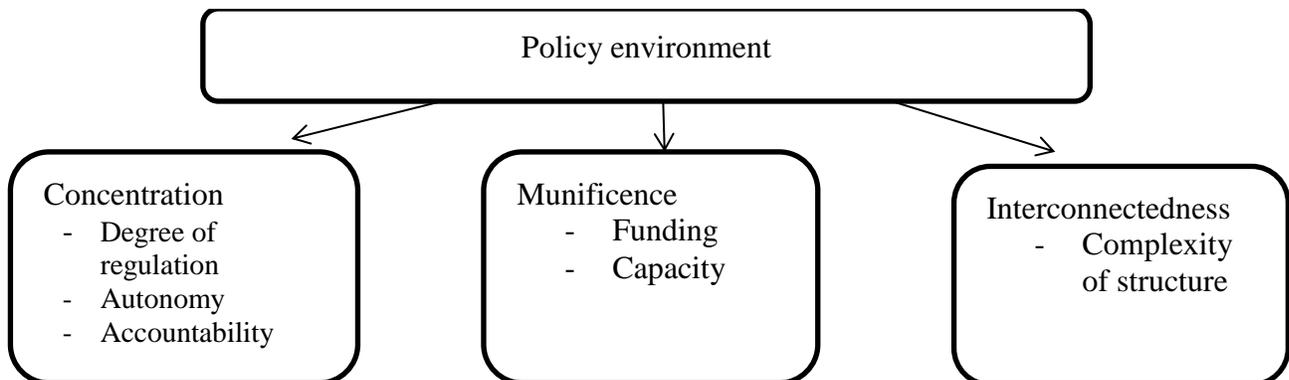
Each of these characteristics will now be discussed.

4.3.1 Concentration

The concentration of power in the FET system will be assessed according to the degree of regulation, autonomy and accountability.

Degree of regulation

The degree of regulation refers to the legislated rules and control mechanisms that influence the actions of FET colleges. The policy that governs FET colleges in South Africa is derived from three specific sources. The FET Colleges Act 16 (RSA, 2006), as amended by the FET Colleges Amendment Act 3 (RSA, 2012), is the dominant regulating policy. The FET Colleges Act 16 (RSA, 2006) is intended to: "... provide for the regulation of further education and training [and] the establishment, governance and funding of public further education and training colleges..." (RSA, 2006). Chapter Three of this Act is devoted to the governance of public colleges. It sets out the establishment, constitution and functions of the governance structure in colleges.

The other sources are the National Plan for FET colleges in South Africa (Department of Education, 2008) and each college's own statute. Due to the broad scope of the FET sector, some functions of FET colleges fall within the ambit of other legislation. For example, specific qualifications must articulate with the South African Qualifications Authority Act 58 (RSA, 1995). Colleges must also comply with other legislation such as the Public Finance and Management No.1 of 1999 (as amended by Act 29 of 1999) and numerous labour laws, including the Basic Conditions of Employment Act 75 (RSA, 1997).

Corporate governance entails adequate compliance with such laws, rules and regulations. It is a FET college council's duty to ensure that its institution complies with all applicable laws. However, this compliance is subject to the consideration of the best interests of the institution. This relates to the management of compliance. As laws do not operate within a vacuum, councils must understand the context and intention of legislation when implementing any legislation.

The next section considers the second measure of concentration, which is autonomy. This is closely related to the degree of regulation, as the greater the degree of regulation, the less autonomy a FET college will possess.

Autonomy

The notion of autonomy has featured prominently, though sometimes implicitly, in Further Education and Training (FET) policy and policy discourse since initial policy developments in 1996. The underlying intention of granting FET colleges' autonomy was so that this would allow colleges to become more responsive to the economic and labour market needs of the country. This raises questions regarding how such autonomy has been used in the FET sector to achieve this goal. In 2010 the Minister of the DHET acknowledged that some of the recent planning assumptions regarding institutional autonomy have been flawed:

> *... [I]t is clear that the assumption that college autonomy would produce a responsive college system was false.... We must avoid the mistakes of the past. Previous initiatives were hastily introduced, superficially explained and communicated, and imposed on the system with limited understanding of the consequences at college level, and without the necessary resources and support.* (Nzimande, 2010(a)).

While the official use of the word 'autonomy' has fallen away, there are still many stipulations pertaining to autonomy in policies concerning the FET sector. Exploring this provides insight into the governance of FET colleges. This section will first examine the origins of autonomy in colleges. Next the concept of autonomy will be defined and then the evolving nature of autonomy of FET colleges through the various policy developments will be traced.

In the simplest sense, autonomy refers to the quality of an entity to be self-governing. In any given organisation, it is determined by the ability to function independently. The dimensions of organisational autonomy (as discussed in Chapter Two) include policy, structural, financial and interventional autonomy. These dimensions will be explored along with other related themes.

Autonomous vocational educational institutions are not a new development in South Africa. Prior to the major policy overhauls in 1996, there existed a differentiated system of governance between two types of colleges: state and state-aided. The differences between them related to their governance, legal status, and financing. In other words, a college's autonomy depended on

which group it belonged to. State-aided colleges were historically advantaged, serving the white community. These colleges, governed by councils with decision-making powers, operated as legal persons. These colleges possessed proprietary capacity and the ability to own property. While state-aided colleges were funded by the government, the colleges were autonomous in the manner in which those funds were used. State colleges which were reserved for 'non-white' people were historically disadvantaged colleges which had governing bodies with advisory powers. A state college was not regarded as a legal person and, therefore, did not have proprietary capacity. Consequently state colleges did not possess any significant level of autonomy (Badroodien and Kallaway, 2003: 66).

The NCFE report (Department of Education, 1997) was the first official document to use the term 'autonomy'. It called for granting colleges substantial autonomy in the governance of colleges (Department of Education, 1997: 113). The report goes on to state that autonomy would involve granting colleges the power to appoint staff, control finances and have legal authority to enter into contractual agreements. It was advised that these powers should be vested in the college councils. This autonomy was curtailed by four proposed accountability measures (Department of Education, 1997: 113). First, college councils should be accountable to provincial Departments of Education with specific regard to financial management, quality assurance and the execution of strategic plans. Second, it was proposed that annual budgets and plans should be submitted for review to a provincial council for FET. Third, each FET college should establish internal and external quality assurance mechanisms. Lastly, governance and management capacity should be developed in college councils. The process of granting autonomy to colleges was to be phased in gradually over a three to five year period. This would ensure a sufficient period of time to establish the necessary support structures and monitoring mechanisms (Department of Education, 1997: 113). At face value, this seems to be a sound policy with a coherent implementation plan. But were these provisions enacted in legislation? This will now be explicated by first discussing the dimensions of autonomy which are structural, policy and interventional.

Structural autonomy refers to the extent to which a FET college is shielded from influence by the government through lines of accountability (Verhoest, et al., 2004:105). The establishment of

governing structures for colleges was first outlined in the Green Paper for FET: *Preparing for the 21st Century through Education, Training and Work* (Department of Education, 1998). The Green Paper proposed three main governing structures for FET colleges: a college council, an academic board and a student representative council, with the council being the primary governing body. College councils would be granted powers to approve a college's mission, plans and budgets, appoint and dismiss college staff and management, and enter into legal agreements. Academic boards were tasked with being representative of the teaching staff and academic leadership of a college, with responsibility for determining the instructional programmes of a college and for establishing internal monitoring and quality assurance procedures (Department of Education, 1998). Student representative councils were to be established to give expression to the interests and concerns of students. These provisions were retained in Section 4.12 of the *Education White Paper 4: a programme for the Transformation of FET* (RSA, 1998(a)), and the resulting legislation, the FET Act 98 (RSA, 1998(b)).

The explicit assumption in the Green Paper (Department of Education, 1998), the White Paper (RSA, 1998(a)), and FET Act 98 (RSA, 1998(b)) was that by progressively transferring greater governance and policy management responsibilities to FET colleges, the colleges would begin to formulate individual missions. These mission statements would be aligned with local and national economic needs. Consequently colleges would require greater autonomy, and governance and strategic planning frameworks would also evolve. The Green Paper (Department of Education, 1998) did acknowledge that a minority of colleges possessed the necessary capacity to attain institutional autonomy. The aim here was to develop institutional capacity, although the nature of this development is not stated. The support of the Department of Education for the move toward autonomy was at this stage also symbolised by the designation of college principals as Chief Executive Officers (CEOs) (Department of Education, 1998).

The FET Act 98 (RSA, 1998(b)) has since been repealed and replaced by the FET Colleges Act 16 (RSA, 2006). However the provisions regarding the type of governing structures have not changed. The governance of public colleges is contained in Chapter Three of FET Colleges Act of 2006. Section 9(1) stipulates that:

> *Every public college must establish a council, an academic board and a student representative council…* (RSA, 2006).

The FET Colleges Act and the wording of the generic college statute are very specific as to the composition of the governing structures compared to the FET Act 98 (RSA, 1998(b)). Where the previous Act left room for additional persons as determined by a council in consultation with the MEC, the new Act is specific about the representation of stakeholders, and does not leave room for additional representatives. Table 4.2 sets out the composition required for each governing structure.

Table 4.2: Composition of governing structures of a FET college

College council	Academic board	Student representative council
- The principal - Five external persons appointed by the MEC - One member of the academic board, elected by the academic board - One external member representing donors - One lecturer from the college elected by the lecturers - One member of support staff - Two students representing the student representative council Source: Section 10 (4) of the FET Colleges Act 16 (RSA, 2006)	- The principal - The vice principal(s) - Lecturers as the majority of members - Members of the council - Members of the student representative council - Additional person determined by the council Source: Section 11 (3) of the FET Colleges Act 16 (RSA, 2006)	Registered students of the college Source: Schedule 1 of the FET Colleges Act 16 (RSA, 2006)

Figure 4.2 illustrates the relationship between the governing structures of a FET college.

Figure 4.2: Structure of governance

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┌─────────────────────────────────────────────────────────┐
│                     COLLEGE COUNCIL                       │
│                                                           │
│  60% external members including a chairperson and         │
│                    vice-chairperson                       │
│     40% internal members- representatives of a college    │
└─────────────────────────────────────────────────────────┘
        │                                      │
        ▼                                      ▼
┌──────────────────────┐        ┌──────────────────────┐
│   ACADEMIC BOARD     │        │         SRC          │
│                      │        │                      │
│     Chairperson      │        │     Chairperson      │
│    Vice chairperson  │        │    Vice-chairperson  │
│ Council representatives│       │    Other members     │
│      Educators       │        │                      │
│       Students       │        │                      │
└──────────────────────┘        └──────────────────────┘
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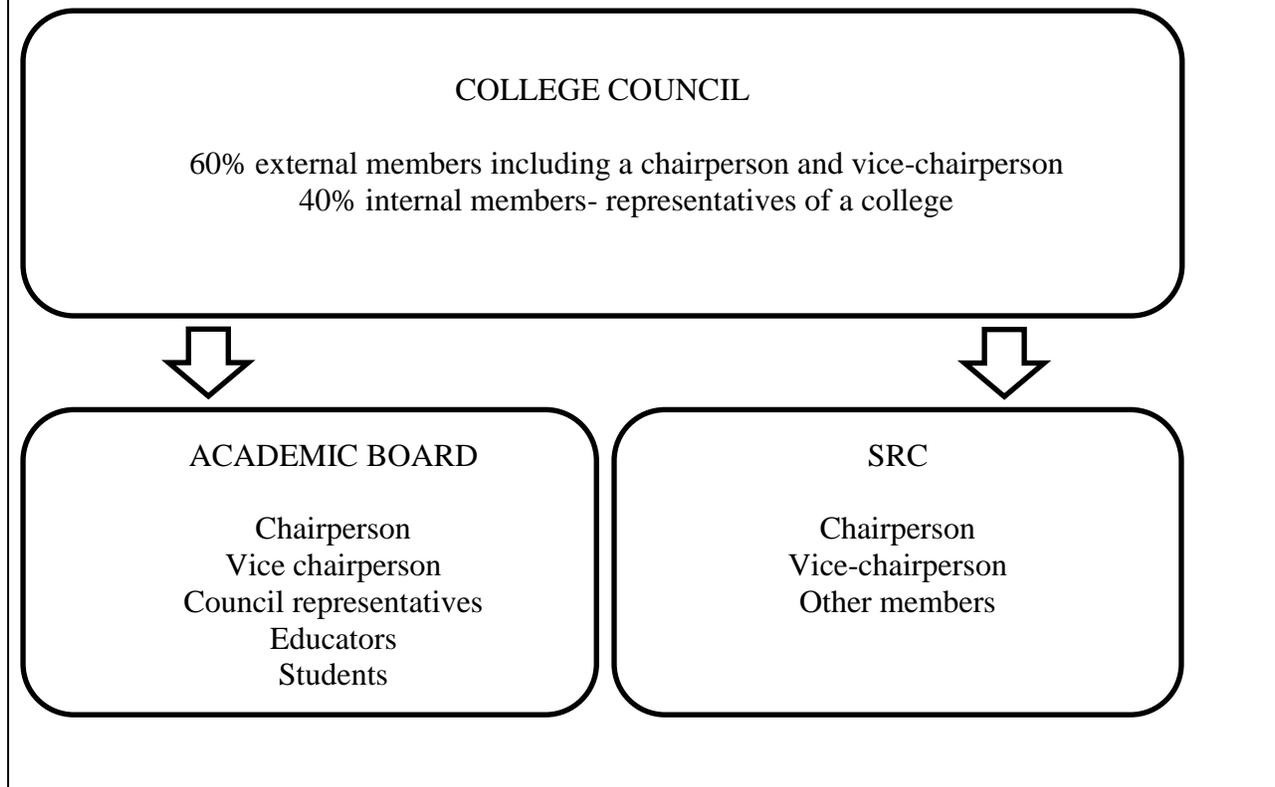
In the interests of increased transparency and competency, Section 10 of the FET Colleges Act 16 (RSA, 2006) stipulates that:

> *…at least 60 per cent of members of the council must be external persons who are not (a) students or support staff… (b) employed by the Member of the Executive Council…[or] (c) employed by the college…*(RSA, 2006)

The composition of a SRC is only contained in the generic college statute. In fact the FETCA devotes only one section (Section 14 of the FET Colleges Act 16 (RSA, 2006)) to the SRC. The section stipulates that:

...the establishment, composition, manner of election, term of office, functions and privileges of the student representative council must be determined by the council after consultation with the students of the college....

This demotes the SRC to an 'in-house' affair, which is handled at the college level. This implies a limited involvement in governing and policy management from a provincial and national view point. The generic college statute goes into greater detail about the specific functions and duties of a SRC. The primary function of a SRC is to represent the students of a college in all matters that affect the student body (Section 23 of Schedule 1of the FET Colleges Act 16 (RSA, 2006)).

Policy autonomy refers to the ability of an organisation to specify rules, standards and norms concerning: processes, policy instruments and objectives (Verhoest, et al., 2004: 109).

Section 9 of the FET Colleges Act 16 stipulates that the college council is the primary governance structure in any FET college (RSA, 2006). All relevant stakeholders, including Academic Board and SRC representatives, are responsible for collective decision-making. A college council is required to perform the following functions:

- Develop a strategic plan for the college which incorporates the vision, mission and goals of the college, the strategic plan must articulate with the national skills priorities;
- Make rules for the college;
- Establish committees where necessary;
- Provide student support services;
- Ensure the college meets accreditation requirements;
- Approve annual budgets; and
- Employ all staff at the college except for the college principal, this includes the determination of conditions of service for employees.
  (Section 10 of the FET Colleges Act 16 (RSA, 2006).

The council and academic board may each establish committees to perform any of their functions. The members of these committees do not necessarily have to be members of council or academic board (section 12 of FET Colleges Act of 2006). Committees include *inter alia*:

- An executive committee
- And audit committee
- A finance committee
- A conditions of employment committee
- A planning and resource committee.

Strategic governance refers to a council's mandate to lead its college appropriately as well as the FET sector's mandate to articulate FET policy in accordance with national strategic priorities. With regard to the college councils' strategic governance function, FET Colleges Act of 2006 stipulates that the council of a college, with the concurrence of the academic board, must:

...develop a strategic plan for the public college which must:
- *incorporate the mission, vision, goals and planning for funding of the college;*
- *address past imbalances and gender and disability matters;*
- *include safety measures for a safe learning environment for students, lecturers and support staff; and*
- *be approved by the Member of the Executive Council [MEC].*
  (Section 11 of the FET Colleges Act 16 (RSA, 2006)).

Colleges are now expected to formulate strategic plans that outline their major activities over the next financial year. In addition a college must generate annual reports that document the performance of the college as well as the use of its resources. These plans and reports are to be submitted annually to the MEC for Education in the relevant province.

The FET Colleges Act 16 (RSA, 2006) stipulates that all colleges must develop a college statute. Colleges that have not developed a statute must make use of the generic college statute. The Standard College Statute is contained in Schedule 1 of The FET Colleges Act 16 (RSA, 2006).

The statute specifies the composition and functions of the managing and governing structures. In 2010 it was found that none of the FET colleges in South Africa had thus far developed their own statutes (HSRC, 2010). Here, a provision that allows for greater, institutional policy autonomy has not been used by the colleges.

Interventional autonomy refers to governmental control by influencing an organisation's decisions by means of reporting requirements and auditing provisions against externally set goals and by the threat of sanctions or direct interventions (Verhoest, et al., 2004: 106). Provincial oversight is stipulated numerous times in the FET Colleges Act (2006). The interventional autonomy of FET colleges is limited as there are extensive reporting requirements. In addition, sanctions and intervention can arise.

The strategic plan for a FET college must be submitted to the MEC in question at least 30 days before the commencement of the financial year. As mentioned previously, colleges must also submit annual reports on their performance and use of resources (financial and infrastructural) to the MEC. Failure to submit this documentation, or reports which reveal inadequacies may result in the MEC appointing a person to conduct an investigation of a college. Should this uncover serious maladministration, an administrator can be appointed to assume the authority of the council, perform the council's functions and to ensure the constitution of a new council (Section 46 of FET Colleges Act of 2006).

Autonomy is related to accountability as increased levels of autonomy produce a loss of public accountability. Organisations also become accountable to central government through an increased degree of regulation. Accountability is the final dimension of concentration in the policy environment of the FET sector.

Accountability

Accountability can be seen as the extent to which a FET college must answer to a higher authority, legal or organisational, for its actions. The King Report pays significant attention to the use of audits as a mechanism for ensuring financial control through identifying and managing

financial risk. This is an important internal assurance mechanism as it allows an institution to be proactive in governing risk rather than responding to it. Another aspect of corporate governance covered by the King Report deals with integrated reporting and disclosure. This should be done in the interests of transparency and accountability. This is congruent with the FET Colleges Act 16 (RSA, 2006) which stipulates that colleges should submit annual reports to the MEC.

FET college councils are required:

> *...to provide for the employment of staff at public Further Education and Training colleges...*(Section 19 of the FET Colleges Act 16 (RSA, 2006)).

This applies to all lecturers and support staff. Staff are employed in accordance with the Labour Relations Act 66 (RSA, 1995), the Basic Conditions of Employment Act 75 (RSA, 1997) and the Employment Equity Act 55 (RSA, 1998). All staff are remunerated by a college council (Section 20 of the FET Colleges Act 16 (RSA, 2006). Remuneration of staff must come from provincial funding as well as from funds that a college generates itself. However, staff are accountable to their college principal. The Act does, however, provide for staff who were previously employed by the province and wished to remain as provincial employees. The continued employment of these staff was guaranteed by the Act. Figure 4.3 illustrates the rather complex structure of accountability in the FET system. The arrows indicate the flow of accountability which is based on the source of remuneration as well as on the chain of command. The multiple lines of accountability for both principals and management staff are illustrated. The high level of complexity of this structure may have significant implications for the efficient functioning of governance systems in the FET sector.

Figure 4.3: Structure of accountability in the FET sector
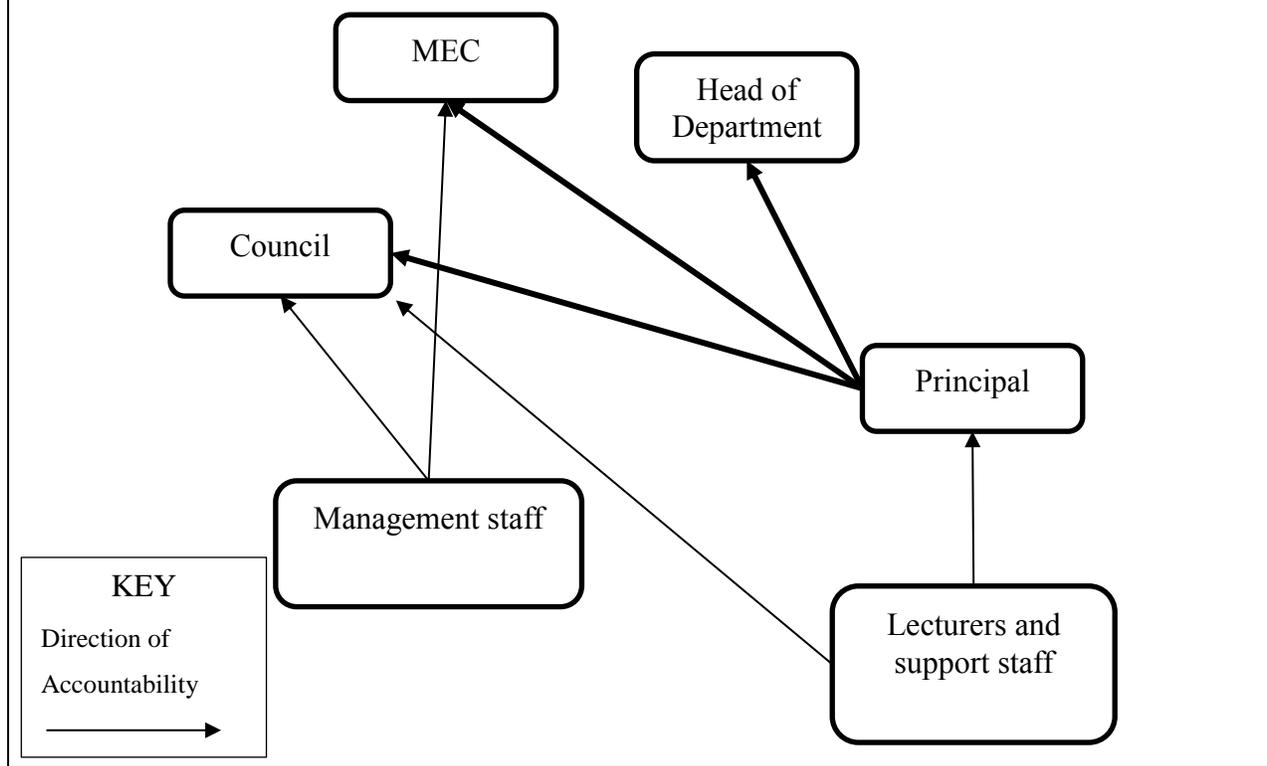
Management staff are appointed and remunerated by the MEC and as such remain in state employment. Management staff report and are accountable to their college council. The principal of a college (who is part of the management staff) is accountable to the head of department in a provincial Department of Education. As such all principals must have performance agreements with their respective heads of department. Table 4.3 sets out this structural arrangement.

Table 4.3: Matrix of remuneration, appointment and accountability of employees in a FET college

	College staff[25]	Management	Principal
Remunerated by	College council	Provincial DoE	Provincial DoE
Appointed by	College council	Provincial DoE	Provincial DoE
Accountable to	College principal	College council	Provincial DoE and college council

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[25] Staff appointed by the college council after 2006 are remunerated from college funds while staff that were appointed prior to 2006 are in some case remunerated by the state.

While levels of financial autonomy in FET colleges have increased, there has also been an increase in accountability mechanisms. In terms of financial accountability, a college council must keep a full accounting record of assets, liabilities, income and expenses. Each college council must furnish the following documents to its MEC:

- a report on the overall management and governance of the college;
- a report on the overall performance of students on the programmes offered by the college;
- a duly audited statement of income and expenditure; and
- a balance sheet and cash flow statement.
  (Section 25 of the FET Colleges Act 16 (RSA, 2006)).

These accountability mechanisms are accompanied by sanctions that could be imposed on a college, should gross financial mismanagement be uncovered. The first step in determining whether there has been financial mismanagement is to issue a qualified audit. A qualified audit is issued when a public auditor states that he/she is unable to render a full opinion about a company's finances, because the company's accounting does not meet with generally accepted accounting principles, or because the information was incomplete. In other words, a qualified opinion states that an organisation's accounting is so inadequate that the auditor cannot render an assessment (Financial Dictionary, 2010). The next step would be to appoint an administrator to take over the functions of college management and governance. This links directly to the dimension of interventional autonomy which was discussed previously.

The discussion now moves from the concentration of power in the public policy environment to the availability of resources for FET colleges. The scarcity or abundance of these resources is referred to as munificence.

4.3.2 Munificence

The policy environment makes provision for funding of FET colleges. This funding framework relates directly to the munificence of the environment. Apart from funding, another resource is the capacity of members of college council. These resources will be discussed in turn.

Funding

The NCFE report (Department of Education, 1997) identified the core principles that should underpin and inform the funding of the FET sector. They include setting aside funds for the redress of past inequalities relating to colleges, staff and learners. Other principles include:

- The accountability of FET colleges to stakeholders for the use of funds;
- Colleges should be run in a cost effective and efficient manner;
- Funding must be standardised and coherent across programmes;
- The funding framework must be simple;
- Costs must be shared across beneficiaries; and
- Academic programmes must be affordable and sustainable.
  (Department of Education, 1997: 154).

The resulting framework of funding is shaped by these funding principles.

The NCFE report explored *inter alia* two possible models of governance that could be implemented in FET colleges. The first was the concurrent model. The key feature of this model was a central FET council which would be responsible for developing a national funding strategy. This council would act in an advisory capacity to provincial and national government. The provincial department would then be able to earmark funding for growth in fields of strategic importance. The second option proposed in the NCFE report was a national coalition model in which a body representing national government, provinces, employers and trade unions would advise government on funding issues. In the Green Paper (Department of Education, 1998) it is evident that the concurrent model was chosen as it states that a National Board for

Further Education and Training (NBFET) would be established as a consultative body to advise the Minister of Education to determine funding methods and norms and standards of funding (Department of Education, 1998). This provision was not carried into the White Paper, in which it was recommended that the Minister consult as and when necessary, but without going into detail. Consultation with NBFET appears again in the FET Act 98 (RSA, 1998). The Act states that the Minister of Education must determine norms and standards for funding public further education and training after consultation with the Council of Education Ministers, the Financial and Fiscal Commission, the Minister of Finance and the NBFET. The FET Colleges Act 16 (RSA, 2006) does not make mention of NBFET. Section 23 of the Act (as amended by the FET Colleges Amendment Act 3 (RSA, 2012)) stipulates that the Minister of Higher Education and Training must determine norms and standards of funding after consultation with the Council of Education Ministers and the Minister of Finance.

The NCFE report acknowledged the complex nature of funding FET colleges in South Africa (Department of Education, 1997: 131). It notes that in a developing country such as South Africa, there is a need to diversify the sources of funding for FET colleges because government expenditure is constrained due to developmental needs, despite the growing demand for education and training (Department of Education, 1997: 132). The report suggests that the costs should be shared between all beneficiaries of FET. This would result in greater efficiency and equity. As a consequence, the dependency of FET colleges on government would be weakened. This indicates the ideological shift towards greater FET college autonomy through funding models.

The diversification of funding for FET colleges has appeared in all the significant FET policies and legislation. The current policy framework, the FET College Act 16 (RSA, 2006), stipulates that a college council is responsible for the oversight of financial governance of a college. A FET college can derive funds from the following sources:

- State allocated funds;
- Donations and contributions;
- Money raised by the college;

- Loans (subject to the approval of the MEC);
- Money received from services rendered ; and
- Student fees for courses as well as accommodation.

  (Section 24 of the FET Colleges Act 16 (RSA, 2006)).

The possible diverse sources of funding for a FET college suggests that a college council assume responsibility for generating income for its college. This can be viewed as an autonomy-inducing mechanism since a FET college that generates sufficient funds might become less reliant on the state for financial support.

The NCFE report proposed a funding framework which is based on three components: formula funding, earmarked funding and student financial aid. These three components have consistently appeared thereafter in FET funding policy. Each component will be discussed in turn.

Formula funding

As the name suggests, formula funding is the application of a formula to each FET college, taking into account enrolments and the types of courses offered in order to determine the amount of funding to be allocated to each college.

The White Paper (RSA, 1998(a)) proposed a new framework for FET colleges. The FET Act 98 (RSA, 1998(b)), was based largely on the White Paper. The framework consisted of four main areas. Funding formed the last aspect of the proposed reforms. Budgetary allocations would come from a provincial government. However, only specific programmes would be funded. This was intended to ensure that FET colleges would respond to the human resource and socio-economic priorities of the country. Other funding would be allocated for 'special purposes' such as staff development and capacity building.

The promulgation of the FET Act (RSA, 1998(b)) was followed by the DoE's strategy for implementing the stipulations in the Act. The strategy was completed in 1999 and entitled the *National Strategy for Further Education and Training* (Department of Education, 1999). The

strategy focused strongly on funding FET institutions. It proposed a phased approach. Core funding of colleges was to be based on programmes. Additional funding would be allocated for special purposes. The programme funding would be determined by enrolments calculated as Full Time Equivalents (FTEs) as well as by the attainment of targets of pass rates. This was to encourage efficiency in the FET colleges (McGrath, 2004: 142). The formula used until 2012 appears in Appendix D, along with an explanation of the formula.

Earmarked Funding

One major source of income over the period 2007 to 2009 was the Recapitalisation Fund, which was created by the state in order to provide colleges with capital to position them to become major stakeholders in the post-school education and training landscape (Parliamentary Monitoring Group, 2006). In an address on, 21 June 2006, to the Select Committee on Education and Recreation, Penny Vinjevold (Deputy Director-General: Further Education and Training: DoE) explained that the recapitalisation of the FET colleges aimed to address the problem of unemployed youth in South Africa. At that time 87% of children were enrolled in secondary schools, and the FET colleges had the least enrolment in South Africa. The DoE aimed to improve the quality of the programmes offered and to increase the enrolment in the colleges (Parliamentary Monitoring Group, 2006). The recapitalisation fund process was started after the merging of the 152 FET colleges into 50 multi-campus colleges. The funds were conditional grants that could only be used for human resource skills development, purchasing and upgrading infrastructure, curriculum development and Information Technology connectivity. The colleges directly administered these funds. The allocation of funds was based on a submission by each college indicating its needs. From 2007 until 2009 R1.86 billion was allocated to this fund by government (Cosser, et al., 2011). The assumed aim of this process was to ensure that all FET colleges would then all meet certain basic conditions in order to function adequately.

Student financial aid

A significant source of funding is from the National Student Financial Aid Scheme (NSFAS) which supports students. Provision for student funding was first proposed in the NCFE report

(Department of Education, 1997). The report acknowledged that the expansion and improvement of the FET sector would not be affordable for a majority of prospective learners. The report recommended that approximately 20% of programme costs should be borne by learners. Remission of fees, scholarships, bursaries and student loans were proposed to aid learners. From a national planning perspective it is clearly very important for the DHET to be able to plan its successive budgets according to the current profile of students accessing study loans and bursaries. This proposal was carried into the current funding framework which is contained in the Norms and Standards for FET (Department of Education, 2009).

Funding from the SETAs

The Skills Development Act 97 of 1998 has a bearing on FET colleges through the Sector Education and Training Authorities (SETAs). This Act obliges employers to pay a levy equivalent to 1% of their payroll to the Skills Development Fund. This fund is used to skill the labour force in order to improve competitiveness and productivity. The funds are used for various training purposes which are overseen by the SETAs. As education and training providers FET colleges would have access to funds from the Skills Development Fund which is administered by the SETAs.

The next section examines a different type of resource. Here the capacity of a college council is assessed.

The capacity of a college council

Section 10(7) of the FET Colleges Act 16 (RSA, 2006) requires a college council to be competent in a range of specified areas. It stipulates that:

a) the council must be broadly representative of the further education and training system and related interests;
b) the council members should have a thorough knowledge and understanding of the further education and training sector;

c) the members must appreciate the role of further education and training in reconstruction and development; and

d) the council is broadly representative of the community served by the public college in respect of race, gender and disability.

Furthermore, a council must appoint four external members with financial, human resources and legal skills. If all external members have expertise in the same field, however, this would compromise the ability of a FET college council to make decisions requiring expertise in the other specified areas. A balance, therefore, would seem to be required.

The next section examines the nature of interconnectedness in the policy environment of FET colleges.

4.4.3 Interconnectedness

Interconnectedness refers to the number or patterns of linkages between any FET college and other actors. This section examines how the policy environment encourages or hinders the formation of partnerships.

During the initial reform phase of the FET sector, the Department of Education commented that transformation would not be possible without greater institutional autonomy. This process would involve devolving more budgetary responsibility to colleges (Department of Education, 1997). In outlining a pathway towards increased autonomy for colleges, the Green Paper states that colleges would be encouraged to forge partnerships with employers and with other FET institutions in order to expand the range of learning opportunities that they provide as well as career paths to which they grant access (Department of Education, 1998a). Diversity and responsiveness would be promoted through the operation of the new funding mechanism, governance and curriculum frameworks which were proposed in the Green Paper. This included attracting and maintaining funds. As noted before, this implies an income generating function for the colleges and their councils which could increase their autonomy if they then became less reliant on the state for financial support.

The NCFE report (Department of Education, 1997) recommended that state funds be made available to agencies which provide specialist support services to FET colleges. This would aid colleges in developing relevant curricula. It was hoped that competition between colleges to access funds from those agencies would result in cost effectiveness and efficiency in FET colleges. This recommendation has been realised in the establishment of Sector Education and Training Authorities (SETAs) through the Skills Development Act 97 of 1998.

Members of any SETA may be drawn from government departments, trade unions, employers and bargaining councils. SETAs are an integral component of the implementation of the Skills Development Act. Each SETA is responsible for a specific economic sector. There are currently 23 SETAs operating in South Africa.

SETAs are required to develop and implement Sector Skills Plans. They are also required to promote learnerships in their respective sectors (Hoppers, et al., 2000: 56). The introduction of legislation (that is, a change in the policy environment), led to the creation of SETAs which are key partners with FET colleges (that is, interconnectedness).

4.5 Conclusion

The aims of this chapter have been twofold. The first was to provide an historical account of the policy developments in the vocational education sector, by focusing on the governance of FET colleges together with their internal governance. The second aim was to examine the structural characteristics of the policy environment to determine the possible impact on the governance of FET colleges.

The analysis of public policy relating to the FET sector revealed that it has undergone numerous, significant changes since 1994. These changes were considered necessary by the state as the FET sector was regarded as not meeting the intended aim to provide quality education which is responsive to the economic needs of the country.

The analysis of the structural characteristics of the policy environment reveals a number of factors that may influence the governance of FET colleges. Firstly, the degree of regulation is

perhaps evident in the manner in which the numerous policy changes have affected the FET colleges. Each policy change has required the colleges to substantially alter their nature and functioning. The governmental influence on the governance of FET colleges varies. These mandatory changes indicate a high degree of regulation in the sector.

The policy environment does make provision for a college council to determine the composition of an academic board and a SRC. There is thus a level of structural autonomy in these governing structures. However this autonomy is impacted by the level of government influence in the appointment of nine of the stipulated 16 council members. In addition the threat of sanctions, in the form of direct government interventions, also limit the potential autonomy of FET colleges.

The function of the college council as employer illustrates an aspect of accountability of the FET colleges. Here, the legislative framework has resulted in a potentially complex system of accountability. In addition the accountability mechanisms stipulated in the various policies make the state responsible for oversight of FET colleges.

In terms of munificence, the state is obliged to provide funding to FET colleges. This occurs in three ways: formula funding, earmarked funding and student financial aid. FET colleges are also encouraged to generate income. This is viewed as an autonomy-inducing mechanism as FET colleges that generate sufficient funds could become less reliant on the state. Munificence was also explored in terms of the capacity of a college council. Here the legislative framework makes provision for external council members who have financial, human resources and legal skills.

Interconnectedness is encouraged in the public policy in that FET colleges are expected to forge partnerships with employers and with other FET institutions in order to expand the range of learning opportunities that they provide and career paths to which they grant access. These partnerships have the potential also to provide secondary income for the FET colleges.

The next chapter depicts the economic, political and geographic environments in KwaZulu-Natal. This extends the discussion in this chapter of the environments which can influence the governance of FET colleges.

CHAPTER FIVE

Economic, Political and Geographic Environment in KwaZulu-Natal

5.1 Introduction

The conceptual framework discussed in Chapter Two places emphasis on the environment and the organisational challenges associated with responding to them. The purpose of this chapter is to provide a comprehensive overview of the political, economic and structural environments in which the FET colleges in KwaZulu-Natal operate. The material presented here goes beyond mere background information and is integral to the investigation as a whole.

This chapter focuses on KwaZulu-Natal. Prior to 2012 FET colleges were a provincial mandate. Thus all the colleges in the province interacted with the provincial Department of Education and remain interconnected in practice with the provincial administration. Other environmental dimensions such as the economic, political and social environments are unique to this province. This is in part due to the changing political administration in the province and the emergence of new political parties.

This chapter is presented in five parts. The first part discusses the application of the conceptual framework. This is followed by a general overview of the province. The third section provides an overview of the political environment of the province using indicators from secondary data sources. The fourth part offers an economic overview of the FET colleges in the province with specific reference to: (1) dominant economic sectors, (2) employment, and (3) poverty. This analysis is based on maps generated by the HSRC (2010). The last part of this chapter uses the interviews conducted for the HSRC audit with eight principals and eight council chairpersons. Here the merger process is considered followed by an examination of the problems and issues

facing the colleges in this province. The main aim of this chapter is to provide insight into demands (both direct and indirect) that are placed on the FET colleges in this province. This chapter will also touch on the uncertainty faced by these colleges.

5.2 Using the resource dependency and ecological framework

As stated in Chapter Two, the conceptual framework starts from the broadest level of the model, the environmental level (see Figure 5.1). The environmental level is seen as multi-dimensional in how it affects the operation of the FET colleges in the province.

Figure 5.1: Levels of investigation

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┌─────────────────────────────────────────┐
╎         Environmental level:            ╎
╎                                         ╎
╎  policy, economic, political, geographic ╎
└─────────────────────────────────────────┘
                    ⇓
┌─────────────────────────────────────────┐
│       Structural characteristics of the │
│               environment               │
└─────────────────────────────────────────┘
                    ⇓
┌─────────────────────────────────────────┐
│  Relationships between focal organisation│
│            and other actors             │
└─────────────────────────────────────────┘
                    ⇓
┌─────────────────────────────────────────┐
│          Organisational level           │
└─────────────────────────────────────────┘
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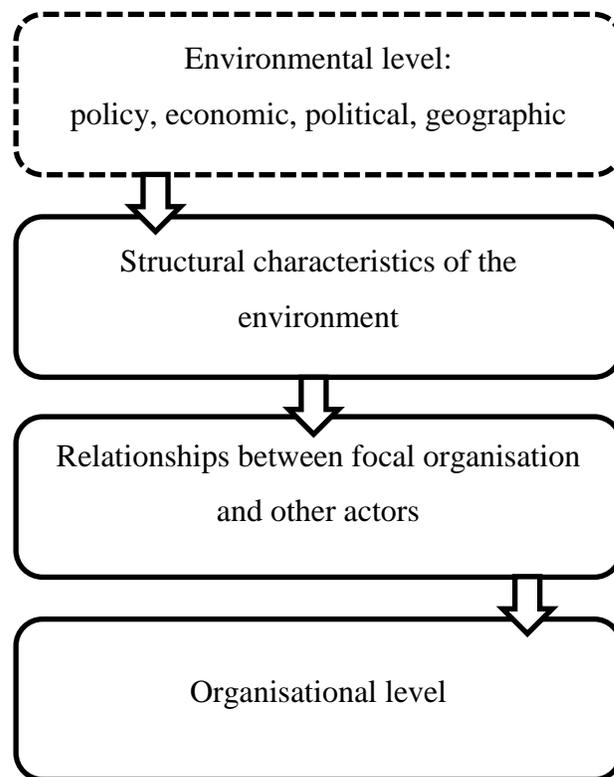
A full discussion of the geographic, political and economic environments of the FET colleges in KwaZulu-Natal will lead to an investigation of governance and policy management in the colleges (that is, the organisational level).

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5.3 General environment of KwaZulu-Natal

KwaZulu-Natal is a coastal province of South Africa. It spans approximately 94361 km^2. Over one-fifth of the country's population resides in the province (Statistics South Africa, 2011). The capital city of KwaZulu-Natal is Pietermaritzburg. Table 5.1 provides key demographic indicators.

Table 5.1: Demographic indicators: KwaZulu-Natal

Indicator	KwaZulu-Natal
Population	10 267 300
Urban Population	4 528 064
Adult Literacy Rate	84.2%
Unemployment	29.2 %

Source: Statistics SA , 2011

The population of the province aged between 15 and 25 years old was approximately 2 221 923 (22%) youth (Statistics SA, 2011). This constitutes the prime constituency of FET students.

The province is strategically positioned by being home to two of Africa's busiest and largest ports, which are located in Durban and Richards Bay. It also boasts the third highest export propensity and has the second highest level of industrialisation in South Africa (KZN Department of Trade and Industry, 2011).

KwaZulu-Natal is divided into eleven districts. One of these, eThekwini (Durban and surrounding area), is a metropolitan municipality and the other ten are district municipalities (see Figure 5.2). The district municipalities are:

- Amajuba
- Zululand
- uMkhanyakude
- uThungulu
- uMzinyathi
- Uthukela
- uMgungundlovu
- iLembe
- Ugu
- Sisonke

Figure 5.2: Municipal boundaries in KwaZulu-Natal

Figure 5.2 also illustrates the location of the local municipalities within each district municipality. These geo-political demarcations will be discussed further on in this chapter.

In 2011, 4 528 064 residents were living in urban areas. By implication the remainder of the population is located some distance from the economic hubs of the province. This may have implications for the FET colleges as they attempt to respond to the needs of the local communities in terms of the types of programmes offered to students.

The province is faced with a number of developmental challenges in terms of service delivery. In 2011 it was found that only 68.6% of the population had access to electricity, 53.2% had flush or chemical toilets and 63.6% had access to piped water (Statistics SA, 2011). In addition a significant proportion of the population has had little or no schooling (Table 5.2).

Table 5.2: Level of education for those aged above 20 years old in KwaZulu-Natal (2011)

	Number	%
No schooling	621 199	10.8
Some primary	784 305	13.6
Completed primary	240 411	4.1
Some secondary	1 802 050	31.2
Grade 12/ Std 10	1 799 395	31.2
Higher education	522 627	9.1
Total	5 769 987	100.0

Source: Statistics SA, 2011

Only 40.3% of the population aged above 20 have completed Grade 12 or higher. Here FET colleges in the province may play a role in skilling (or up-skilling) this portion of the population.

The discussion now turns to the environments that are likely to have an effect on the governance of the FET colleges in the province. The first dimension of the environment is the political one.

5.4 Political environment

The system of governance in South Africa allows for different political parties to hold power at each of the three levels of government: national, provincial and local (Constitution of The Republic of South Africa Act 108, (RSA, 1996)).

According to Chapter 4 of the Constitution of The Republic of South Africa Act 108, Parliament at the national level is the supreme law-making body in the country. Parliament consists of two Houses: the National Assembly and the National Council of Provinces (RSA, 1996). Legislation

promulgated by Parliament is applicable throughout South Africa. This includes the FET Colleges Act 16 (RSA, 2006). While there are areas of exclusive legislative competence for Parliament, its legislative authority is shared in some policy areas with provincial legislatures.

The Cabinet is central to the national executive authority which comprises the President (as its Head), the Deputy President and Ministers who are appointed by the President from the National Assembly. The President assigns powers and functions to Ministers and may dismiss them. The President allocates specific responsibilities, known as portfolios, to each Minister to supervise. Currently there are 44 portfolios. These include the Departments of Basic Education and Higher Education and Training.

At the provincial level, governments are bound by laws and policies passed at national level, but can develop their own laws and policies within this framework to suit their specific needs. Provincial legislatures may pass their own constitutions subject to the provisions of the Constitution of South Africa Act 108 (RSA, 1996). Previously, education at all levels excluding tertiary education was listed under Schedule Four of the Constitution. This schedule contains areas of concurrent national and provincial powers. As such, the legislation referred to the MEC as the authority with regard to the governance of FET colleges. Subsequently, this line of authority to the MEC has been replaced by direct accountability to the Minister of Higher Education and Training through the promulgation of the FET Colleges Amendment Act 3 (RSA, 2012).

Local governments consist of municipalities whose objectives are mainly to provide democratic government for local communities, to ensure the provision of services to communities and to promote social and economic development (Constitution of The Republic of South Africa Act 108, RSA, 1996). Local governments provide an important connection between the government and the citizens of the country. During local government elections, each ward[26] of a municipality elects a councillor who then sits on the municipal council.

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[26] A further geopolitical subdivision of a municipality.

The national government has been ruled by the African National Congress Party since the first democratic elections in 1994. However, the political landscape of the province of KwaZulu-Natal has undergone significant changes during the same period. In 1994 the province was won by the Inkatha Freedom Party (IFP). In 2003 its majority in the province was lost to the African National Congress (ANC). In the subsequent elections the power of the IFP has dwindled in the province. Most recently the National Freedom Party (NFP) (a breakaway party from the IFP) has further slashed the IFP power base and currently runs the Zululand district municipality (Savides, 2011; Independent Electoral Commission, 2011). Figure 5.3 illustrates the outcomes of the 2011 municipal elections. The map shows a large number of hung municipalities where a majority winner was not found. This points to the political jostling that continues to take place in this province.

Figure 5.3: Outcome of municipal elections in KwaZulu-Natal in 2011
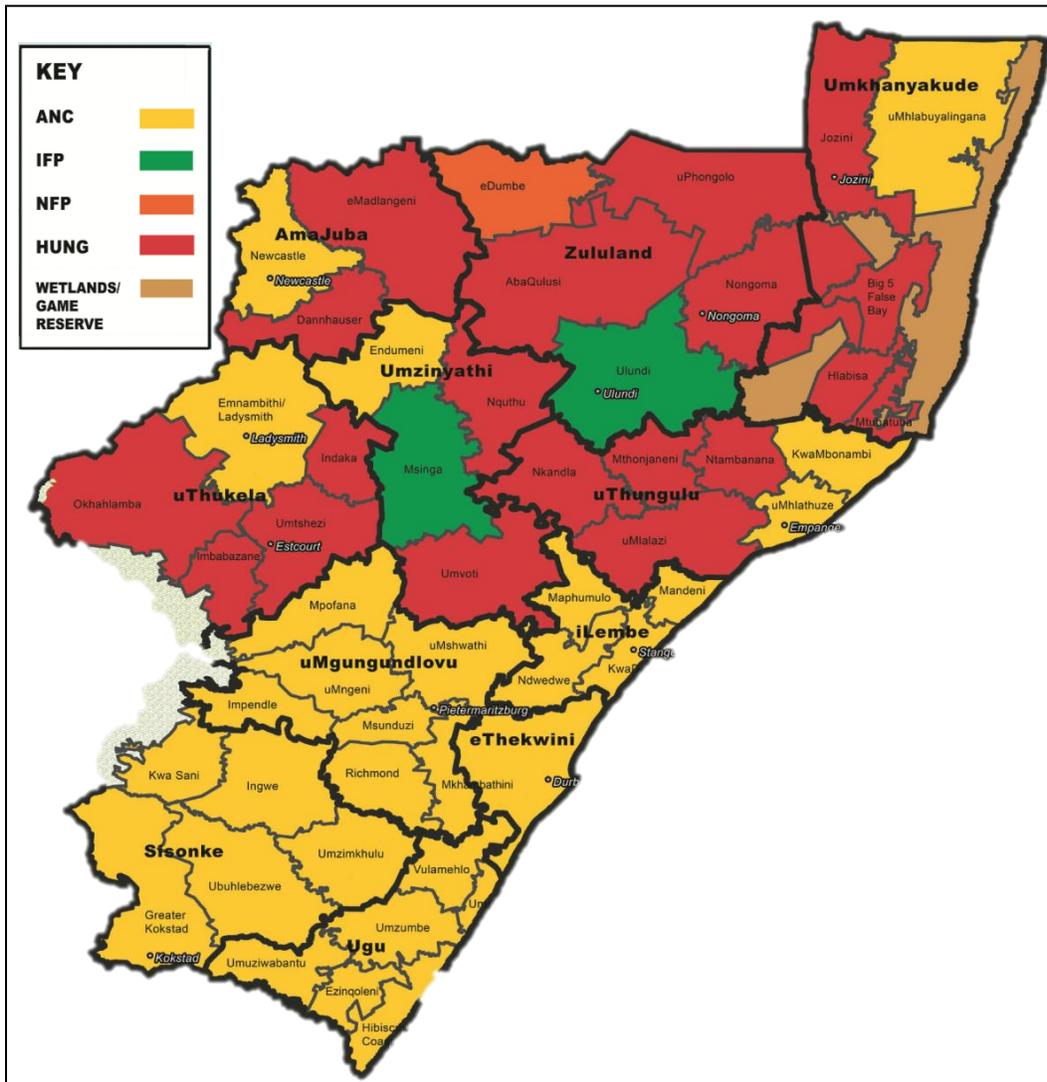
As a provincial mandate (prior to 2012), FET colleges in the province were under the control of an IFP provincial government from 1994 to 2004. Each college would have established some sort of relationship with this party through the provincial structures. While the overall leadership in the province changed thereafter from IFP to ANC, this was not the case at the local level for some of the municipalities where the colleges are located. As Figure 5.3 illustrates, the ANC, IFP and NFP currently hold power in various municipalities in the province.

Given the distribution of political power in the province, its effect on the FET colleges must be determined. It is possible that colleges in municipalities which are not governed by the ANC may face opposition from the surrounding community as the colleges, which are now a formal national responsibility, may be seen to be furthering an ANC agenda.

The next section examines the economic environment of the province.

5.5 Economic environment

There are nine FET colleges in KZN. This is the largest number of colleges in any province. To explore the environmental demands placed on the colleges, the economic sectors, employment and poverty will be discussed in relation to the location of the colleges.

Discussing the economic environment is important as the preamble to the FET Act 16 (RSA, 2006) stipulates that a college council should function in a manner that allows a college to respond to the needs of the country, the labour market and the communities which are served by the institutions. To this end, the sectors of the economy, employment levels and poverty levels will be discussed in turn.

5.5.1 Economic sectors

KZN is the second highest contributor of all the provinces to Gross Domestic Product (GDP). KZN accounted for 15.7 % in 2011 (KZN Department of Trade and Industry, 2011). Table 5.3 indicates the size of each sector in KZN according to GDP for 2012.

Table 5.3: Contribution of industries to GDP in KwaZulu-Natal in 2012

Industry	GPD (R million)	% GPD	% Growth
Primary industries			
Agriculture, forestry and fishing	12 574	4.37	3.46
Mining and quarrying	3 270	1.14	-5.66
Secondary industries			
Manufacturing	63 811	22.17	2.36
Electricity, gas and water	5 638	1.96	-1.51
Construction	8 703	3.02	2.58
Tertiary industries			
Wholesale and retail trade; hotels and restaurants	42 776	14.86	4.27
Transport , storage and communication	38 756	13.46	2.32
Finance, real estate and business services	58 144	20.20	3.56
Personal services	17 525	6.09	2.19
General government services	36 663	12.74	2.92
TOTAL	**287 860**	**100.00**	**16.49**

Source: KwaZulu-Natal Treasury, 2013

Provincial growth has been mainly driven by the tertiary industries which grew as a whole by 3.22% in 2012, although the manufacturing sector is the largest sector in KwaZulu-Natal with approximately 22.17% of the total KZN GDP. Construction has continued to grow, following the trend of major infrastructure projects on which the provincial government embarked in preparation for the 2010 soccer World Cup (Hamadziripi and Sishi, 2008).

Figure 5.4 illustrates the dominant economic sector in each of the municipalities in KZN. This is determined by which economic sector contributes the largest proportion of income to that municipality. The map also shows the location of each of the campuses of each college.

Figure 5.4: Dominant economic sectors in relation to FET colleges in KZN in 2010
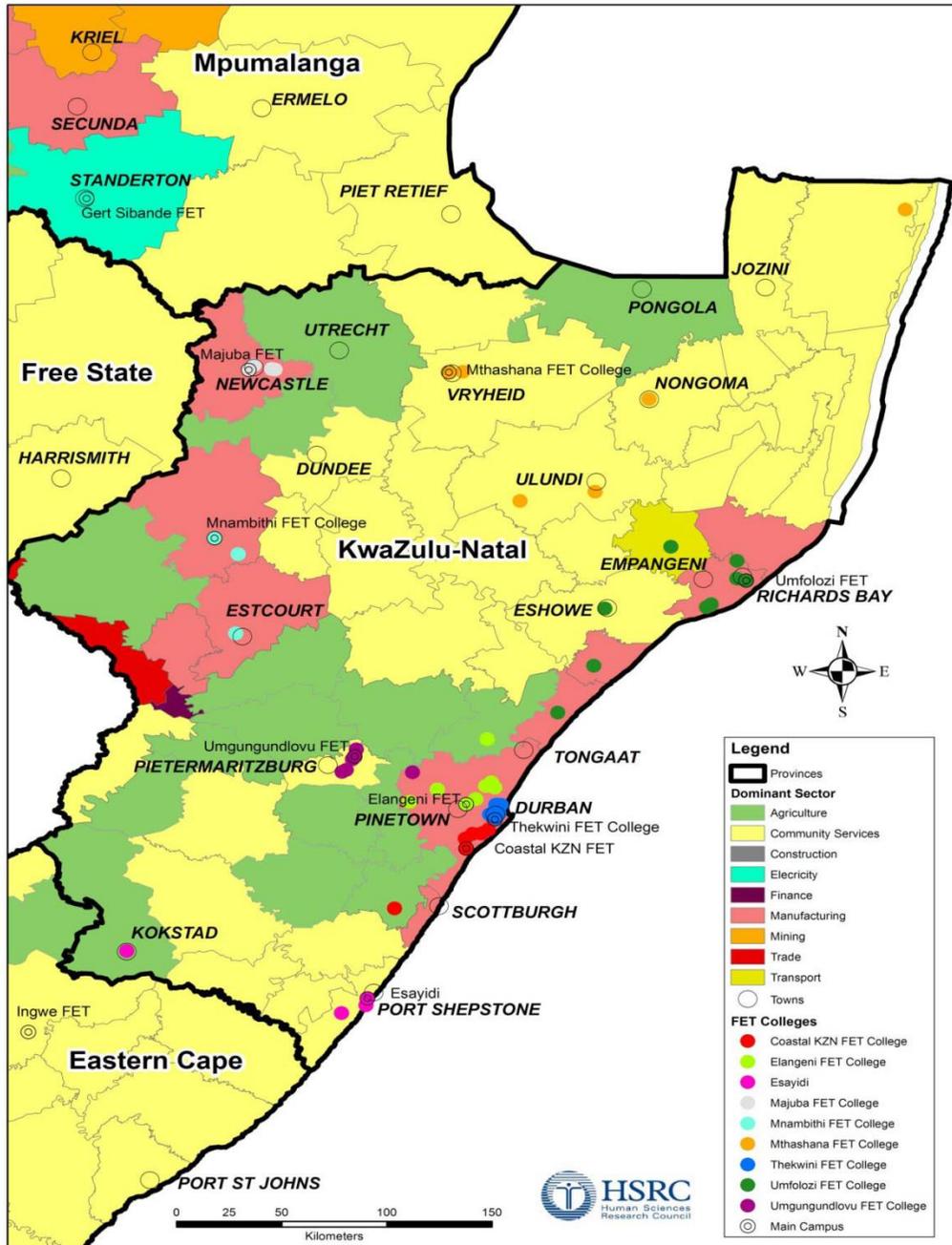
Source: Cosser, 2011

Of the 66 FET campuses in KwaZulu-Natal, 44 are located in municipalities where manufacturing is the dominant sector. Thekwini FET College is also located in such an area. A large number of municipalities rely on government jobs for employment. Four FET colleges

have campuses that are located in such municipalities. All but one of the campuses of Mthashana FET College are located in such areas. The other colleges are: Umgungundlovu, Umfolozi and Esayidi FET Colleges. As Pietermaritzburg is the provincial capital, it is logical that the college located in the city, Umgungungdlovu FET College, is located in an area where community services is the dominant economic sector.

Three campuses of three different colleges (Esayidi, Elangeni and Coastal FET Colleges) are located in areas where agriculture is dominant and only one campus of Umfolozi FET College is located in an area where transport is dominant (Cosser, et al., 2011).

5.5.2 Employment

Statistics South Africa uses the following definition of unemployment: the unemployed are people in the economically active population who; (a) did not work during the seven days prior to the interview, (b) want to work and are available to start work within a week of the interview, and (c) have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview (Statistics SA, 2011). According to this definition, 29.2% of the population in KZN was unemployed in 2011. This is higher than the national average of 25.2% (Statistics SA, 2011).

Figure 5.5 illustrates the location of the FET college campuses in conjunction with the unemployment rates of each municipality (based on Statistics South Africa data from 2007). The unemployment rates increase in increments of 20%. None of the colleges is located in areas where the unemployment rate is below 20%. For the most part, the campuses are located in areas with an unemployment rate of between 20 and 40%. Forty-nine of the 66 campuses are located in such areas. All of the campuses of Thekwini FET College are situated in such an area. There are 14 campuses located in areas with a rate of 40-60% unemployment. The campus of Coastal FET College, As-Salaam, and Nongoma campus of Mthashana FET College (circled in red in Figure 5.5) are both located in municipalities with an unemployment rate of above 60%. In fact all of the campuses of Mthashana FET College are situated in areas with an unemployment rate in excess of 40%.

Figure 5.5: Unemployment rate in areas where FET colleges are located in KZN
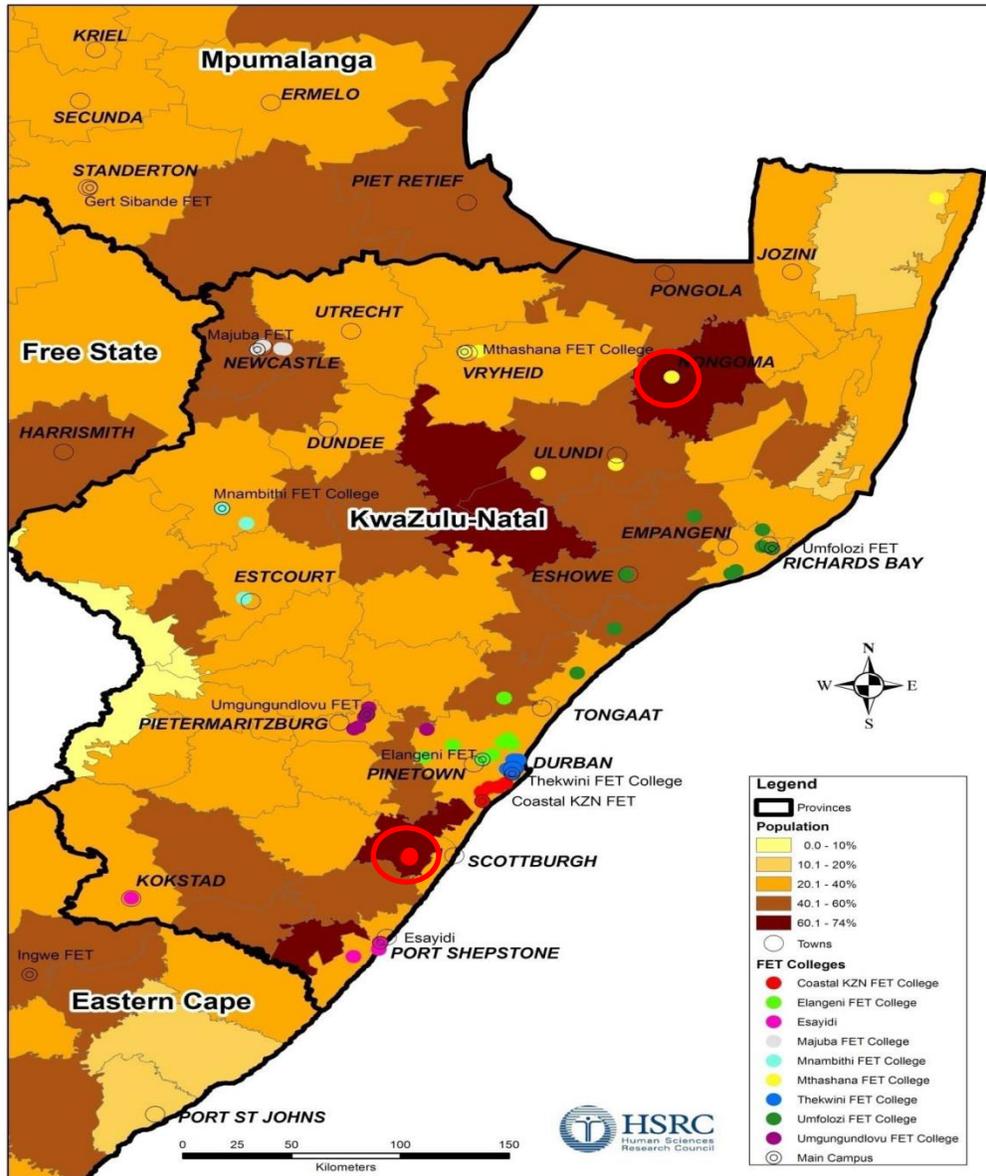
Another section of the labour force is comprised of those who are referred to as not economically active. These are persons aged between 15 and 64 who are neither employed nor unemployed. Table 5.4 sets out the number of persons in KwaZulu-Natal who match this definition.

Table 5.4: Characteristics of the not economically active population in KwaZulu-Natal

Group	Number
Students	1 513 172
Homemakers	727 836
Illness/disability	395 779
Too old/young to work	308 907
Discouraged	579 979
Other	212 327
Total	3 738 000

Source: Coetzee, 2013 (b):10

The largest proportion (40%) of this group is students attending schools, FET colleges or universities. Others in the category of not economically active are a potential constituency for FET colleges to assist in providing skills.

The next section discusses the levels of poverty in the province.

5.5.3 Poverty

Generally, poverty refers to a lack of essential resources which are required to meet people's needs. There are various measures of poverty, including the $2 a day measure used by the World Bank to define moderate poverty. Here poverty is measured in relative rather than absolute terms. The levels of poverty in South Africa were calculated by the HSRC, taking into account household size, household income, and race based on statistics captured in Census 2001 (Cosser, et al., 2011). Household poverty rates are aggregated into a municipal poverty rate (Cosser, et al, 2011). Figure 5.6 illustrates the location of the 66 college campuses in relation to the rate of poverty of each municipality.

Figure 5.6: Location of FET colleges in KZN in relation to the rate of poverty
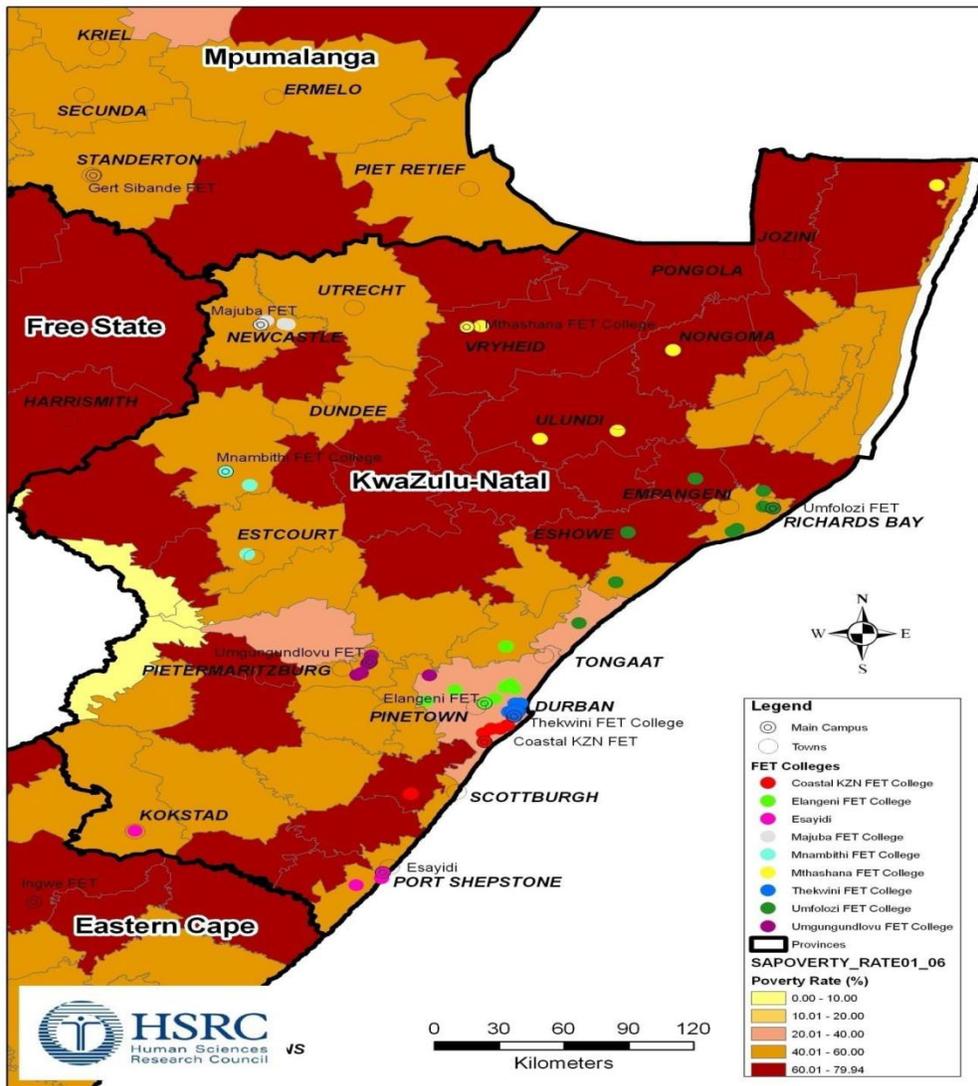
All the campuses located in the 20- 40% category of rate of poverty are in the eThekwini municipality, with the exception of the Albert Luthuli skills campus of Umfolozi FET College, which is in the KwaDukusa municipality. All of the campuses of Mthashana FET College are located in areas with a poverty rate of above 60%, indicating extreme poverty in these areas.

The discussion thus far has been at a broad level. The next section focuses specifically on the colleges in the province. In what follows, aspects of the political and economic environment will

be referenced in order to indicate potential effects that they may have on the governance and policy management of the colleges.

5.6 Further Education and Training colleges in KwaZulu-Natal

There are nine FET colleges in the province which provided further education for approximately 88 166 students in 2011 (DHET, 2013(b)). The students in KwaZulu-Natal were taught by 1 854 lecturing staff in the same year. Table 5.5 sets out the number of students and lecturing staff in each of the institutions in 2011.

Table 5.5 Numbers of lecturing staff and students per FET college in KwaZulu-Natal in 2011

College	Lecturing Staff	Students
Coastal FET College	639	15 105
Elangeni FET College	344	5 415
Esayidi FET College	367	8 923
Majuba FET College	491	22 176
Mnambithi FET College	173	4 640
Mthashana FET College	194	3 276
Thekwini FET College	283	8 680
Umfolozi FET College	373	9 676
Umgungundlovu FET College	290	10 275
TOTAL	**3 154**	**88 166**

Source: DHET, 2013 (b): 17

The largest college (in terms of student population) is Majuba FET College with 22 176 students. This is significantly larger than the smallest college, Mthashana FET College, with 3 276 students. Overall, the FET colleges in KwaZulu-Natal serve 88 166 students of the 400 273 FET students in South Africa. This is 22% of the FET students in the country.

A measure of the quality of education at the FET colleges in KwaZulu-Natal is the qualifications of the academic staff employed at the colleges. These qualifications are presented in Table 5.6.

Table 5.6: Qualifications of the academic staff in FET colleges in KwaZulu-Natal

Qualification	Number	%
Artisan	40	4
Higher degree	71	7
Bachelor's degree or higher diploma	179	17
Diploma	443	43
Below Diploma	301	29
Total	1034	100

Adapted from: Cosser, et al, 2011:61

A significant proportion of staff (29%) have qualifications below the level of a diploma. The largest proportion of lecturers have a diploma and above. It is noted that a level of qualification is not the only measure of how effective a lecturer might be. Experience in teaching and in industry is also important. In 2010, 70% of lecturers had three or more years' experience in industry, and 59% had three or more years' experience in college teaching in their present college (HSRC, 2010).

The programmes provided in the province are categorised in six broad vocational fields: Art and Music, Business Studies, Educare–Social services, Engineering Studies, General Education, and Utility Studies. Business Studies accounted for 37% of total enrolment nationwide and Engineering 53% (DHET, 2012).

FET colleges are ultimately judged by their pass rates, which are viewed as an indicator of the efficiency of the respective colleges. Another indicator of efficiency is the throughput rate of a college. This is the number of students who passed a programme as a percentage of the number of students who enrolled in that programme. The throughput rates for NCV[27], NATED[28] and Other programmes is represented in Table 5.7.

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[27] The National Curriculum: Vocational (NCV) was phased into the FET Colleges in 2007. The NCV is a qualification at each of Levels 2, 3 and 4 of the National Qualifications Framework. This qualification is designed to reflect both the theoretical and practical aspects of the specific programmes; the courses generally take three years to complete.

[28] NATED refers to the National Technical Education curriculum. The curriculum is contained in the document: Formal Technical College Instructional Programmes in the RSA, Report 191 (Department of Education, 2001).

Table 5.7: Throughput rates for NCV, NATED and other programmes in KwaZulu-Natal (2007- 2009)

	Year			Average throughput rate (%)
	2007	2008	2009	
NCV Programmes	24	26	31	28
NATED Programmes	34	57	45	36
Other Programmes	75	63	64	67

Source: HSRC, 2010

The throughput rates for NCV programmes are very low with an average of 28 % of students who enrol in these programmes eventually passing in the period in question. The rate for NATED programmes is higher at 36%. Other programmes which include short courses and training programmes have a significantly higher throughput rate than that of the other two types of programme.

The next section examines the organisational structure of FET colleges in KwaZulu-Natal. This provides insight into the lines of accountability and authority in the education system.

5.6.2 Structure of authority

The organisational structure of the governance of FET colleges in the province is presented in Figure 5.7. The Department of Education is currently led by ES Mchunu, the MEC for Education in the province. FET colleges fall under the senior General Manager of Curriculum Management and Delivery. The principals of the FET colleges occupy a Senior Manager position, which means that the principals report directly to the provincial authorities.

The dashed boxes in Figure 5.7 indicate those principals who are acting in their positions. In 2012 there were five principals in such positions. While FET colleges are now a national government mandate, administrative functions occur at the provincial level.

Figure 5.7: Structure of governance of the FET sector in KwaZulu-Natal
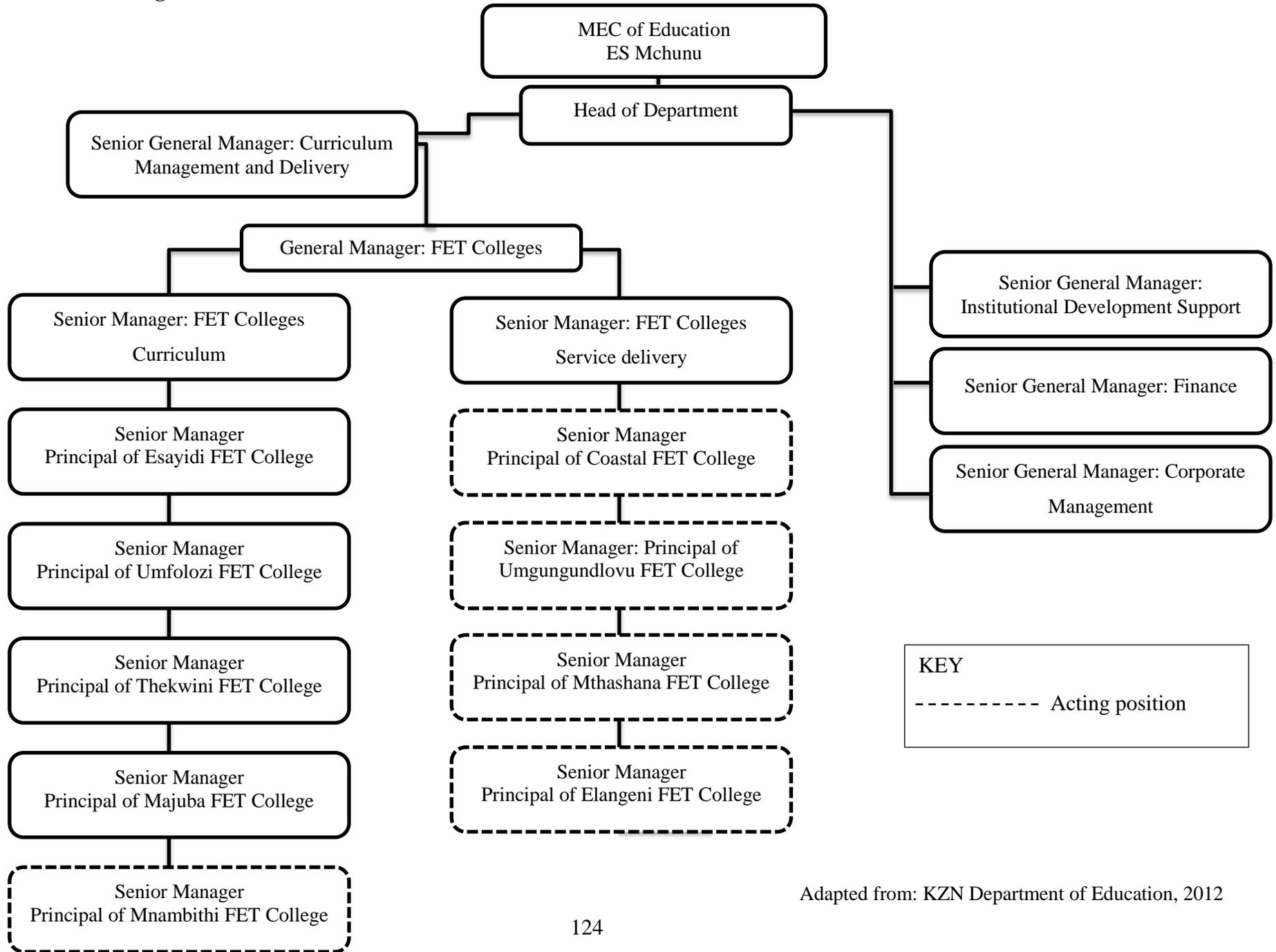
Adapted from: KZN Department of Education, 2012

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The next section explores some of these problems with a view to informing the case studies in subsequent chapters.

5.6.2 Problems and issues facing the governance of FET colleges in KZN

The structured interviews that were conducted by the HSRC in 2010 with the principals and chairpersons of eight FET college councils provide insight into some of the governance and policy management issues which faced the colleges in the province at the time. The one FET college absent from this set of interviews is Umgungundlovu FET College. The discussion that follows is divided into themes that emerged from the above-mentioned interviews. These themes are: a FET college's relationship with the state; policy demands placed on the FET colleges, policy interpretation; conflict between governance and management structures; accountability and funding. These themes will be discussed in turn.

Relationship with the state

Provincial leadership and support are frequently mentioned in the FET Colleges Act 16 (RSA, 2006). Apart from being an accountability mechanism, the relationship between provincial departments and FET colleges should provide for necessary support to colleges. While some interviewees were satisfied with the relationship between the respective colleges and the provincial DoE, the majority of colleges were unhappy with this relationship. A prominent problem mentioned was the propensity of the DoE to leave problems unresolved. As one interviewee stated:

> *...there is an unwillingness by the province to take decisions. This often delays processes...* (Chairperson of Mnambithi FET College Council, 2010)

This perceived unwillingness to make decisions was expressed with reference to the fact that no principal had been appointed at Mnambithi FET College for approximately two years.

Traditional divided loyalties reportedly existed in relation to the provincial FET Directorate. Some interviewees thought that the Directorate did not sufficiently understand the FET

College sector as its focus was skewed in favour of schools. As a result, actual engagement with, or support to, colleges did not occur on a sustained basis for a particular institution (Acting Principal of Mthashana FET College, 2010). Some colleges lamented the treatment of the FET sector by the provincial DoE. The general feeling was that colleges were left to operate independently, treating colleges as 'step-children' of the education system. One chairperson claimed that:

> *The provincial department treats the FET colleges as an afterthought. The sector does not get the attention that it requires or deserves...* (Chairperson of Coastal FET College Council, 2010)

Monitoring and evaluation by the state is perceived to only occur on the state's terms or, more specifically, for the primary purpose of checking-up on colleges to ensure, for example, that they 'do not waste money' or 'targets are being met' (Interview with Acting Principal of Mthashana FET College, 2010). There was no evidence in some colleges that the MEC has approved all strategic plans of colleges every year as required by the FET Act (2006). Interviews conducted with the college principals echoed this finding. As one principal stated:

> *...we have submitted our strategic plans, but I cannot tell you whether the MEC has looked at them or not, let alone approved them...* (Principal of Thekwini FET College, 2010)

As indicated earlier, since the FET audit provision has been made for FET colleges to fall under the sole jurisdiction of the DHET. This provides the DHET with the opportunity to build relationships with colleges and to strengthen oversight functions.

Policy demands placed on the FET colleges

A number of interviewees referred to the challenge in governance of having to implement persistently changing legislation. Table 5.8 sets out the major policy documents that would have impacted, directly or indirectly, on the FET sector until 2010 (when the interviews took place).

Table 5.8: Summary of major policy developments in the FET college sector (1995-2010)

Date	Development
1995	South African Qualifications Authority Act
1997	A Framework for the Transformation of FET in South Africa
April 1998	Green paper for Transformation in FET gazetted
August 1998	Education White Paper 4 gazetted
November 1998	FET Act 98 of 1998 promulgated
1999	National Strategy for Further Education and Training
2001	New Institutional Landscape for FET Colleges published
2006	FET Colleges Act 16 of 2006 promulgated
2008	National Plan for FET Colleges in South Africa

The policy environment of the sector was perceived to be constantly changing. As one college council chairperson stated:

> *With the promulgation of the 1998 Act, the college had to put new systems and structures in place in order to function. Just when the college was stabilising, the 2006 Act came into effect. This upset the system and structures again. As there are no clear guidelines from the provincial department, the college must try to set the systems up by itself.* (Chairperson of Coastal FET College Council, 2010)

These reforms have placed a significant burden on governance structures in FET colleges as colleges have had to continually familiarise themselves with new policy and then implement it. As one principal stated:

> *[The implementation of policy] is more demand driven. With the Act the college became an employer, so it is the college that has the freedom to hire and fire employees. Another major impact of this Act was on finance. The college now has to manage its finances more. This meant that the college had to acquire skills which they did not previously have. This was true not only with regard to finance but also other activities such as the human resources management.* (Principal of Mnambithi FET College, 2010).

The difficulties experienced at another college related to implementing centralised systems. The principal stated that:

> *...the issue was the need to centralize the system and processes. In the past each campus had its own systems and processes. Because people were used to running their own things, it was very hard work to bring them to one central system. We still are dealing with some of this past practice today.* (Principal of Esayidi FET College, 2010)

Public policy convention holds that a policy should be implemented for a sufficient length of time in order for policy implementers to come to terms with the policy and for impacts to be felt (Rossi, et al., 1999: 235). This has not occurred in the FET college sector. Continual change of the kind to which the sector has been exposed may have resulted in tentative implementation of policy for fear of policy change. An alternate explanation is that colleges are unable to cope with the pace of the policy changes.

Policy interpretation

The success of a specific policy is conditional on whether the policy is correctly interpreted by the policy implementer(s). Incorrect interpretation may lead to faulty implementation and even to policy failure. The chances of successful policy implementation are increased when the room for interpretation is decreased (Rossi, et al., 1999: 74). The interviews with college management suggest that there has been much room for interpretation in the FET policy implementation process. One principal pointed out that:

> *Governance as stipulated by the FET Act is excellent on paper; however, an implementation [plan] is not clear, there are still a lot of grey areas."* (Principal of Coastal FET College, 2010)

The Chairperson of the same college council concurred, stating that:

> *The process was marked by uncertainty on the part of the college as well as the Department. Council was encouraged to implement policies that they were unclear*

about. Council also had to explain these policies to staff members without much clarity. (Chairperson of Coastal FET College Council, 2010)

The lack of full compliance by FET colleges may be a result of uncertainties regarding the stipulations of the FET Colleges Act.

Conflict between governance and management structures

A dominant theme arising from the interviews with council chairs and college principals was conflict (both latent and overt) between their respective councils and college management, with council chairs and principals generally taking opposing standpoints on this issue. One council chair maintained the following:

> *…I wish I had … the principal's capacity, as [this current structure] may be putting too much pressure on the principal. He does not know everything about business and how it should run and what to do. He is there for education, and not really for the business aspect; [I wish] there was someone here permanently with these qualifications and skills. They have two different concerns: we need these skills together at the same time with different human resources supplying them…* (Chairperson of Thekwini FET College Council, 2010).

On the other hand a principal experienced the converse problem:

> *[The] council has more power, thus impinging on the flexibility of the management and hence the delays in the process of decision making.* (Principal of Majuba FET College, 2010).

Such conflict may have serious implications for the governance of any FET college. Conflict may result in decision-making processes being stalled, which in turn impacts negatively on the overall functioning of a FET college.

Lines of accountability

The multiple lines of accountability for both principals and management staff were identified as a problem. Many interviewees cited this as a hindrance to governing FET colleges. Principals in particular indicated that the system of having 'two masters' caused difficulties. As one principal expressed it:

> *[I get] instructions from the council, or DoE. It is confusing sometimes as it is not clear of [*sic*] whom to listen to.* (Principal of Thekwini FET College, 2010)

A council chair elaborated on this:

> *…It does not make sense for the [principal] to report to a shareholder [such as the province]. The rector[29] should instead be accountable to the council. Currently there is a dual system of accountability as the college is accountable to the province and the council. There needs to be a move into one coherent system. There is therefore a concern regarding structure and systems of governance.* (Chairperson of Thekwini FET College Council, 2010)

Another principal stated that:

> *The role of the province is not clear to colleges. However, through their control over finance, they exercise overall control over colleges.* (Principal of Mnambithi FET College, 2010)

Funding

Fifteen of the 16 interviewees indicated funding as a major problem facing FET colleges in the province. The lack of sufficient funding as well as the use of formula funding was frequently raised. The Chairperson of Esayidi FET College Council stated that:

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[29] A rector is equivalent to a principal of a FET college.

The funding we get is not enough to run the activities we want to do. This area is needy and therefore required additional support…The funding issue was the major challenge particularly with regard to students' bursaries being not enough to cover the transport and accommodation… (Chairperson of Esayidi FET College Council, 2010)

Another principal stated that:

Funding is a problem. We were given power without the financial backing to support this. (Principal of Elangeni FET College, 2010).

The issues discussed in this section may have significant implications for the functioning of FET colleges in KwaZulu-Natal. Five of the six themes discussed in this section refer to environmental impacts on the colleges. The policy demands placed on the colleges, the interpretation of policy and the lines of accountability relate directly to the policy environment. Funding as a resource speaks to the munificence of the environment and thus relates to a structural characteristic of the environment.

5.7 Conclusion

This chapter has depicted the contextual information that may impact on the governance and policy management of FET colleges in KwaZulu-Natal. From the discussion it is apparent that the colleges are located in contexts that differ vastly in terms of political affiliation, the local economy, poverty, and unemployment.

In addition to this, the chapter also provided an analysis of interviews with the leaders of FET colleges which were conducted in eight of the nine colleges in the province. This may be linked to the issues and problems faced by the colleges. A further, more detailed analysis of specific colleges is required to investigate such connections. This will now be undertaken in an investigation of the case studies on Thekwini and Mthashana FET Colleges which follow in successive chapters.

CHAPTER SIX

Thekwini FET College

6.1 Introduction

Thekwini FET College is the first case study presented in this investigation. The focus here is to determine whether ecological (environmental) factors and the resource dependency of the college on other actors have impacted on the functioning of the college. The second focus is to examine how these have affected the optimal functioning of the college.

To answer such considerations, a number of sources of information are used, which are based on: documentation and data (the college policy manual (2009) and HSRC audit data (2010)); interviews (with the Principal (2010) and (2012)), and an interview with the college chairperson (2010). Other relevant secondary data sources are used as necessary. The rationale behind using these sources is to provide a more holistic picture of Thekwini FET College.

The information gathered is presented according to the conceptual framework developed in Chapter Two. After considering the formation of the college, the broader environmental factors will be discussed followed by an examination of the relationship between the college and the other organisations in the FET sector. The last (and most important) section examines what has occurred in the college as a result of these ecological factors and resource dependency. The main issue at play in this college is the conflict between governance and management units which results from the uncertainty caused by the environment.

6.2 Background

Thekwini FET College was established on 11 April 2002 through the merging of three technical colleges: Cato Manor, LC Johnson and Durban Central, which had served the White, Coloured and Indian population groups during the Apartheid era (see Table 6.1).

Table 6.1: Profile of technical colleges which merged to form Thekwini FET College

Name of Institution	Classification	Racial profile	Full Time equivalent (enrolment)
Durban Central	State-aided	White	691
Cato Manor	State	Indian	1535
L C Johnson	State	Coloured	663

Source: Kraak and Hall, 1999: 105

Cato Manor Technical College was the biggest of the three in terms of staff complement and students. It was a House of Delegates institution serving the Indian community. LC Johnson was a House of Representatives (Coloured) college and Durban Central Technical College was run by the House of Assembly (White).

There was an accompanying change in the racial composition of the learners at the college following the merger. Table 6.2 illustrates the racial profile of the staff and students in 2010. Thekwini FET College then served 4 408 students and had 263 teaching and support staff (HSRC, 2010). It is evident that while the bulk of the students are Black (81%), the majority of the staff (including administration, teaching and support staff) are from the Indian, Coloured and White race groups. The result is that the staff is not racially representative of the student population. Racial representivity is thus a salient issue in this college.

Table 6.2: Racial profile of staff and students of Thekwini FET College in 2010

Race	No. Students	% Students	No. Staff	% Staff
Black	3583	81	89	34
Coloured	113	3	36	14
Indian	613	14	107	41
White	99	2	25	10
Total	4408	100	258	100

Source: HSRC, 2010

Since the merger, the college has grown to six campuses across the greater Durban Region: Centec, Umbilo, Melborne, Asherville, Springfield and Cato Manor (see Figure 6.1). As such the college serves a variety of communities. The college's head office is located in Asherville, Durban.

Figure 6.1: Map showing the six campuses of Thekwini FET College in the Greater Durban region (2012)[30]
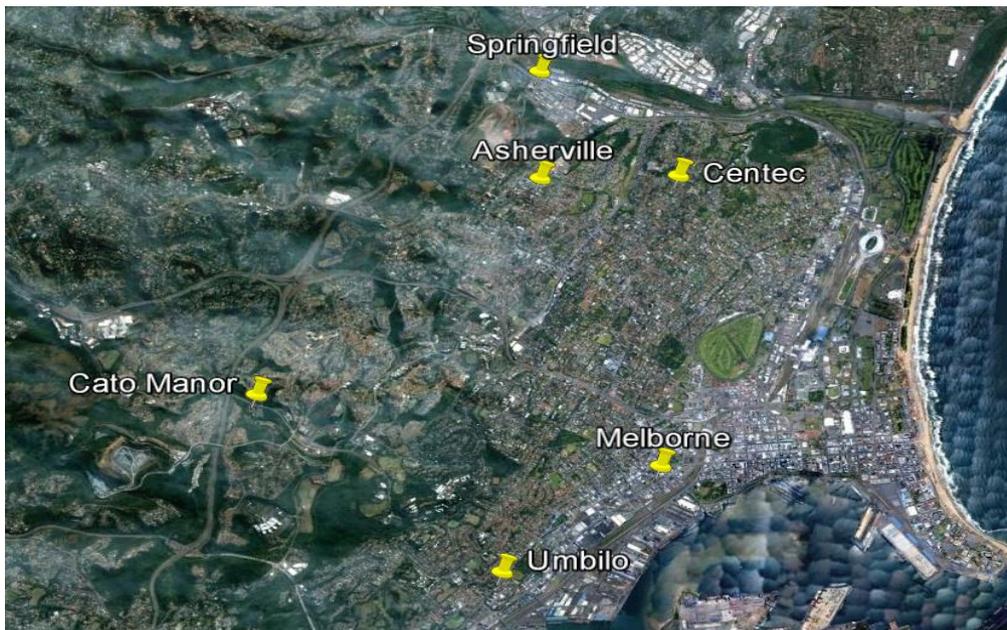
<div align="right">Source: Google Earth, 2013</div>

The college offers a variety of courses in the following programmes:

- Electrical Infrastructure and Construction
- Engineering and Related Design
- Finance Economics and Accounting
- Hospitality
- Information Technology and Computer Science
- Management
- Office Administration
- Safety in Society
- Tourism
- Human Resource Management
- Education
  (DHET, 2012).

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[30] Derived using Google Earth (2013) and the addresses of the campuses on the Thekwini FET College website: www.thekwinicollege.co.za .

These courses are offered on both the NATED and NCV curricula. Other short courses offered include Special Needs Inclusive Programmes such as hair care, beauty technology, woodwork and motor mechanics.

In 2010 the throughput rates for this college were calculated at 40% for NATED-programmes. That is, 40% of students who enrol for these programmes eventually complete the qualifications, while the remaining 60% drop out or fail (HSRC, 2010). The throughput rate for the NCV programmes was 36% and 77% for Other Programmes (short courses, adult learning, skills, and learnerships). Other Programmes exhibit throughput rates that are significantly higher than the other two programme types.

6.3 Using the resource dependency and ecological framework

The discussion now moves to a more focused examination of the different types of environments in which Thekwini FET College operates and how this ecology and the resulting resource dependency impacts on the functioning of the college. Henceforth the theoretical framework developed in Chapter Two will be followed. The framework is reproduced below to assist in this regard (Figure 6.2). The discussion will follow the levels indicated in the leftmost column of Figure 6.2. The broad dimensions of the environment will be described followed by an examination of the structural characteristics of the environment. The interaction of these characteristics will lead to a discussion of the relationships between the college and the other actors in the system. The last part of this chapter will look at how Thekwini FET College has been affected by the environment and how it has responded.

Figure 6.2: Conceptual framework

Environmental level

Structural characteristics of the environment

Relationships between focal organisation and other actors

Organisational level

Environment

Policy, political, economic, geographic context

Concentration
- Degree of regulation
- Autonomy
- Accountability

Munificence
- Funding
- Capacity

Interconnectedness
- Complexity of structure

Conflict

Interdependence

Uncertainty/ demands

Assessment of environmental demands

Compliance

Avoidance

Adaptation

6.4 Environment

FET colleges, like other organisations, must adapt or respond to changes in the environment in order to meet their goals. Three types of environments will be considered in this section: policy, political and economic environments. This discussion seeks to narrow the focus of the description provided in Chapter Four of the KwaZulu-Natal environments by examining the environmental factors that are more relevant to Thekwini FET College.

6.4.1 Policy environment

Numerous changes in the policy environment have been felt in Thekwini FET College. There were two main areas of instability which were caused by these environmental changes. The first area relates to the legislation governing colleges. The principal stated that for the last ten years the colleges have been in perpetual transition. He attributed this to the five year political cycle in the country. He has worked under four Ministers of Education over the past 15 years. In his opinion:

> *...Each minister, under the circumstances did what was expected of them. [Minister] Bengu[31] had to facilitate the change over from apartheid to the new democracy. He laid the ground work. His focus would have been on policy. [Minister] Asmal[32] had to implement the policy. [Minister] Pandor[33] was at the first of the assessment stages. There was policy that was implemented that needed to be assessed. This led to Act 16 of 2006. [Minister] Nzimande[34] (in the ideal situation) should have said that we have gone through the policy formulation and implementation stages, now I should be putting in the best practice...* (Interview with Principal of Thekwini FET College, 2012).

This is in line with McGrath's (2013: 92) opinion that the evolution of South African FET college policy can be neatly correlated with the five year cycles of South African

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[31] Sibusiso Bengu was the Minister of Education from 1994-1999.
[32] Kader Asmal was the Minister of Education from 1999-2004.
[33] Naledi Pandor was the Minister of Education from 2004-2009.
[34] Blade Nzimande is the current Minister of Higher Education and Training.

government. This echoes the findings in Chapter Four which pointed to a climate of uncertainty caused by the significant policy changes in the sector.

The second area of instability has been the numerous changes in curriculum and the accompanying curriculum policies. This refers specifically to the introduction of the NCV curriculum in 2006. The NCV was designed to replace the NATED curriculum. However, strong criticisms against the NCV by industry, and by the FET institutions themselves, led to DHET halting the process of moving fully to the NCV curriculum. The debate about the problems with the NCV has centred on its appropriateness as a qualification. This is in terms of its acceptance by industry, the capacity of lecturers to deliver the curricula and the capacity of students to comprehend the theoretical elements of the curricula (McGrath, 2013: 96).

Both curricula are offered at Thekwini FET College with 38% of the students enrolled for NCV course and 50% for NATED courses (DHET, 2012; HSRC, 2010). The Director of Academic Affairs at Thekwini FET College stated that although colleges have been through curriculum changes in the past, they have never been as chaotic as with the National Certificate Vocational (NCV) qualification.

6.4.2 Political environment

The second type of environment is the political dimension. Public organisations are affected by a variety of political factors. They shape the conditions of existence for any organisation (Wamsley and Zald, 1973: 64). At the local level, with regard to Thekwini FET College, the most apparent indication of the type of political environment is the identity of the political parties which won seats in the most recent municipal elections in 2011. According to the 2011 municipal election results in eThekwini Metropolitan Municipality, in which the college is located, the ANC won 126 seats on the municipality council, the Democratic Alliance (DA) won 43, the NFP 10, the IFP, 9 and other smaller parties such as the Minority Front won 17 seats combined (Independent Electoral Commission, 2011). At the municipal ward level, it can be seen that the campuses of Thekwini FET College are located in wards that are represented by the ruling ANC as well as the by DA (see Table 6.3).

Table 6.3: Representation of political parties in the municipal wards in which the campuses of Thekwini FET College are located[35]

Campus	Ward number	Political party
Asherville	31	DA
Centec	25	ANC
Cato Manor	29	ANC
Melborne	32	ANC
Springfield	25	ANC
Umbilo	33	DA

Source: Thekwini FET College Website; eThekwini Municipality, 2011

This wide spread of political parties in the municipality is salient to the workings of the college. It is an issue that the college council and management have taken cognisance of. FET colleges, as educational institutions, are meant to be apolitical. However it is difficult to ignore the different political party opinions in the community that surround that college. The Principal stated that *"you are meant to be apolitical, but you cannot ignore them if they are in your local area"* (Interview with Principal of Thekwini FET College, 2012).

6.4.3 Economic environment

The Durban Metropolitan Area is the main economic driver in KwaZulu-Natal, which accounted for R182.2 billion of national output in 2011 (eThekwini Municipality, 2012). The unemployment rate in the municipal area is 20.4% (eThekwini Municipality, 2012). This is lower than the national figure of 25.2% (Statistics South Africa, 2011).

The Durban Metropolitan Area has a large and diversified economy with strong manufacturing, tourism, transportation, finance and government sectors. The coastal location and large port give the city a comparative advantage over many other centres in South Africa for trade. Durban's mild climate, warm marine current and culturally diverse population also provide a draw card for tourism to the region (eThekwini Municipality, 2012).

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[35] Wards were determined by cross referencing the addresses of the Thekwini FET College campuses (as they appeared on the college's website), and a map of the wards on the eThekwini Municipality's website.

The preamble of the FET Colleges Act 16 of 2006 stipulates that colleges need to become more responsive to the economic and labour market needs of the country and the communities that they serve. There is thus a need for students from Thekwini FET College to be equipped with skills that complement the economic sectors of the Durban Metropolitan Area. Thekwini FET College, along with the other colleges in the area (Coastal and Elangeni FET Colleges), is tasked with providing these skills and related qualifications.

6.5 Structural Characteristics of the Environment

The preceding discussion has described the immediate environments of the Thekwini FET College. This section narrows this to the structural elements of the environment. These elements are represented in Figure 6.3.

Figure 6.3: Structural characteristics of the environment
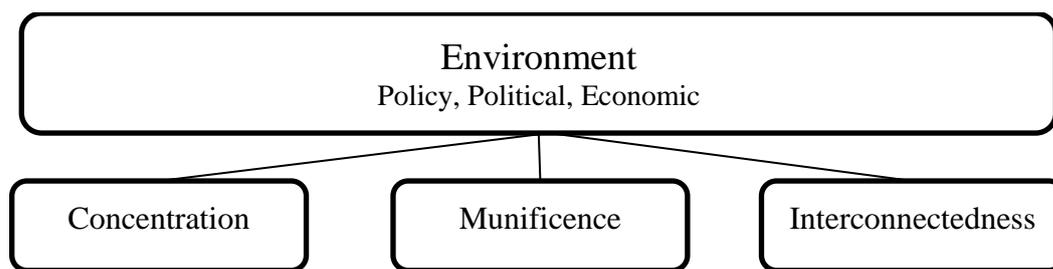
The three fundamental structural characteristics of the environment discussed in the theoretical framework are: concentration, munificence and interconnectedness (Pfeffer and Salancik, 2003). The first characteristic is concentration, which, to recall, refers to the dispersion of power in the environment. Munificence is the availability or scarcity of resources in the environment on which an organisation can draw. Interconnectedness refers to the nature of the relationships between organisations or actors in the environment. In what follows the depiction of the environment in KZN in Chapter Four will now be examined more particularly in relation to Thekwini FET College in order to discover the effect that the environment has on the college. The structural characteristics will be discussed in turn.

6.5.1 Concentration

The first structural characteristic of the environment is the concentration of power. This is important as the greater the dispersion of power, the greater the probability of uncertainty in the system. To determine the concentration of power (that is, the locus of power) in the system in which Thekwini FET College is embedded, first involves the identification of the actors involved. The two obvious actors from the discussion so far are the college itself and DHET. Other actors include private companies, various SETAs, associations, other educational institutions, other government departments, the Further Education and Training Colleges Bargaining Unit and the community (HSRC, 2010; DHET, 2012). In order to assess the concentration of power in this system, the following aspect will be examined: the degree of regulation, autonomy and accountability.

Degree of regulation

The degree of regulation refers to the legislated rules and control mechanisms that influence the behaviour of Thekwini FET College. As a public educational institution, the college operates in a highly regulated environment. Apart from the FET Colleges Act 16 of 2006, the college must also comply with other legislation such as the Public Finance and Management Act 1 of 1999 (as amended by Act 29 of 1999) and numerous labour laws, including the Basic Conditions of Employment Act 75 of 1997.

As discussed in Chapter Three, the FET Colleges Act specifies the governance, management, and administrative aspects of a college. The FET Colleges Act makes reference to the Public Finance and Management Act (PFMA) with regard to the implementation of internal audit and risk management systems. This regulates the financial record keeping procedures at the college. The college's draft Finance Policy (Thekwini FET College, 2009), makes reference to both the FET College Act and the PFMA as guiding legislation. The College's policy makes provisions for financial record keeping, financial reporting and the appointment of auditors inter alia, based on the two pieces of legislation.

The Thekwini College Council is the employer of all staff, except those in management at the college. As a result, the College must comply with various labour laws. These laws include:

The Basic Conditions of Employment Act 75 of 1997, the Labour Relations Act 66 of 1995 and the Public Service Act 103 of 1994. These Acts are acknowledged in the college's draft Human Resources Management of Development Policy (Thekwini FET College, 2009). This policy covers the areas of staff recruitment, selection, appraisal, management and development.

The regulatory policies supplement the national legislation and include accreditation requirements of the SETAs. The college must meet certain requirements so as to be accredited with the various SETAs. For example, in order to be accredited with the Manufacturing, Engineering and Related Services SETA (MERSETA) in 2010, Thekwini FET College had to draft and adopt the following policies:

- Document control policy;
- Assessment appeals policy;
- Language sub-policy;
- Off-site training policy;
- Programme development policy;
- Learner enrolment sub-policy;
- Student induction sub-policy; and
- Learner attendance sub-policy.
  (Thekwini FET College, 2010).

These policies affect a variety of processes and functions at the college.

The legislation and policies discussed in this section regulate aspects of the functioning and operation of Thekwini FET College. These aspects include governance, financial management of the college, funding and the employment of staff. The next section presents the second measure of concentration, which is autonomy. This is closely related to the degree of regulation, as the greater the degree of regulation, the less autonomy Thekwini FET College will possess.

Autonomy

Autonomy refers to the ability of an organisation to be self-governing and to function independently. This section will determine the ability of Thekwini FET College to be autonomous. Using Verhoest's (et al., 2004) dimensions of autonomy, the specific aspects of the college's autonomy will be explored. Here structural, policy, interventional and financial autonomy will be discussed.

Structural autonomy refers to the extent to which Thekwini FET College is protected from the influence of the state according to lines of accountability. The indicators of structural autonomy are:

- the establishment of a college council;
- whether the council is functioning; and
- the extent to which the council members are appointed by the government.

The Thekwini FET College council consists of six internal members and 11 external members. The internal members of the council include: the principal, a member of the academic board, one representative of the teaching staff, one representative of the support staff and two student representatives. This gives a total of 17 members of council. According the data collected by the HSRC audit (2010), the council has all the necessary members except for a representative of donors. Minutes of a council meeting in 2010 indicated that the council has been established (HSRC, 2010).

The FET Colleges Act is prescriptive in terms of how frequently a college council should meet. According to Section 9 (1), a council should hold at least four ordinary meetings in an academic year. This is also stipulated in the Thekwini FET College's draft governance and management policy (Thekwini FET College, 2009). A meeting can only be held when a quorum of 50% plus one of the council members are present. The frequency of council meetings is an indicator of the council's functioning. According to college documents, the college council held only two ordinary meetings in 2009. This was because a quorum could not be established for the other scheduled meetings (Juan, 2010). However, four extraordinary meetings were held in the same year (HSRC, 2010). These meetings were held

for various reasons including: solving a staffing issue; discussion of supply-chain management problems; and initiating a relationship with the Department of Communications. This suggests that routine governance matters may not be given the necessary attention, as would happen at scheduled meetings. Instead, governance crises required convening extraordinary council meetings. The implication is that the council was not functioning adequately then.

On the face of it, there is no representative of the government on the council. All the external council members have, however, been appointed by the government. A majority of the council (65%) is appointed by government.

Policy autonomy refers to the ability of Thekwini FET College to formulate policies. In this section the existence of such policies will be determined as well as whether the policies are utilised in the college.

The FET Colleges Act 16 of 2006 requires every college to have a college statute (an example of one is provided in Appendix G). This gives a council room to tailor the statute to fit the needs of the specific college. However, in Thekwini FET College, the council adopted the standard statute in its entirety (HSRC, 2010). Here an autonomy inducing mechanism has not been used.

The council in this college developed a strategic plan. In addition, the college has a manual which contains all the operating policies and procedures for the college. These policies include:

- Governance and management policy;
- Quality policy;
- Curriculum policy;
- Assessment policy;
- Moderation policy;
- Recognition of prior learning policy;
- Research policy;
- Student support policy;
- Student administration policy;
- FET Management information systems policy;
- ICT policy;
- Procurement policy;

- Marketing and communication policy;
- Human resources policy;
- Finance policy;
- Safety policy.

(Thekwini FET College, 2009)

On the whole, the college has exercised a moderate degree of policy autonomy.

The level of **interventional autonomy** can be determined by examining the degree of governmental control which influences Thekwini FET College's decisions by means of reporting requirements and auditing provisions in terms of externally set goals. Compliance is guaranteed by the threat of sanctions or direct interventions. Here the following indicators will be assessed:

- The existence of reporting requirements;
- the possibility of sanctions exist; and
- evidence of direct state interventions.

The FET Colleges Act 16 of 2006 is prescriptive in terms of audit reports and annual reports that must be submitted to DHET. In 2007, 2008 and 2009 the college had complied and submitted reports on the management of the college, student academic performance and financial audit reports to the provincial Department of Education (HSRC, 2010).

Failure to submit the documentation or serious administrative failure that is apparent from the documentation submitted may result in sanctions against the college. This may involve DHET appointing an individual to conduct an investigation into the college. Should the investigation process uncover serious maladministration, an administrator will be appointed to assume the authority of the council, perform the council's functions and ensure the constitution of a new council (Section 46 of FET Colleges Act of 2006).

There is evidence of direct state intervention at Thekwini FET College. The principal of the college was suspended in 2003 following allegations of financial mismanagement (the details of which will be discussed later). In this case, the council chairperson stated that:

...when the rector of the college was charged and suspended, there was no communication between the province and the council. The council was only informed post-suspension... (Interview with Chairperson of College Council, 2010).

Analysis suggests a low level of interventional autonomy as direct state intervention is legally permitted and has occurred on at least one occasion when the principal was suspended.

Financial autonomy refers to the extent to which Thekwini FET College depends on government funding or own revenues for survival and the extent to which it is responsible for its own losses. In this college, over the 2008- 2010 financial years, on average, 50% of funding came from the state subsidy. The remaining 50% was derived from investments (1%), student fees (46%) and accommodation (3%) (HSRC, 2010). This indicates a heavy reliance on governmental funding. The college has established partnerships with private companies, various SETAs, associations, other educational institutions and other government departments to provide specific training programmes. The nature of these relationships will be discussed later.

In terms of responsibility for financial losses, the college built a substantial surplus fund for contingency purposes. In 2008, R6.8 million of the college's surplus fund was fraudulently taken by a college employee (Interview with Principal of Thekwini FET College, 2012). These funds were generated by the college and did not come from state funding. The provisions in the PFMA regarding the recovery of funds stipulate that when it appears that the state has suffered losses or damages through criminal acts, the matter must be reported, in writing, to the accounting officer and the South African Police Service. If liability can be determined, the accounting officer must recover the value of the loss or damage from the person responsible. As this particular loss was not state money, the sum cannot be recuperated from the state. The college is thus responsible for this loss and its recovery. While the college is responsible for its own losses, the high dependence on state funding points to a low level of financial autonomy.

The policy discussion so far has indicated that a limited level of autonomy is exhibited by Thekwini FET College. Table 6.4 summarises this.

Table 6.4: Dimensions of autonomy exhibited at Thekwini FET College

Dimension	Characteristic	Level of autonomy
Structural autonomy	The extent to which the FET college is shielded from influence by the government through lines of accountability.	Low
Policy autonomy	The ability of an organisation to specify rules, standards and norms concerning: processes, policy instruments and objectives.	Moderate
Interventional autonomy	Governmental control by influencing an organisation's decisions by means of reporting requirements and auditing provisions against externally set goals and by the threat of sanctions or direct interventions.	Low
Financial autonomy	The extent to which the agency depends on governmental funding or own revenues for its financial resources and the extent to which it is responsible for its own losses.	Low

Table 6.4 demonstrates that this college does not possess a great deal of structural and interventional autonomy due to the power of the state to intervene. This lack of autonomy is aggravated by the dependency of the college on state funding for survival. The moderate level of policy autonomy is the exception here.

The next section examines the lines of accountability in Thekwini FET College, as well as between the college and other actors. Autonomy is related to accountability as increased levels of autonomy produce a loss of public accountability. Organisations also become accountable to central government through an increased degree of regulation.

Accountability

The last dimension of concentration discussed here, is accountability. Accountability can be seen as the extent to which Thekwini FET College must answer to a higher authority, whether legal or organisational, for its actions.

Public accountability is determined by five elements: (1) the account given must be accessible to the public; (2) the accounter must justify and explain his or her actions; (3) this explanation should be directed at a particular forum or group; (4) the accounter must feel obliged to produce the necessary information; and (5) the possibility of judgement and sanctions by the forum must exist (Bovens, 2007: 452). Using these elements it is possible to examine the following dimensions of accountability: organisational, legal, administrative and social.

Organisational accountability refers to accountability to administrative and political superiors. In these terms, the principal of Thekwini FET College has a performance agreement with DHET. This agreement details performance targets in areas critical for skills development and further education and training. For FET college principals these targets are distilled in the form of individual performance targets. Here the principal acts as a representative of the organisation. The college council does not a have a performance agreement with DHET.

Legal accountability has been discussed in Chapter Four. The FET Colleges Act stipulates that the principal is the main accounting officer for the college. In this college, the college's draft policy on governance and management (Thekwini FET College, 2009) places emphasis on accountability, with specific reference to corporate governance. The expressed purpose of the policy is to promote the highest standards of good corporate governance. Here corporate governance is defined as systems and processes that direct, control and hold the college to account. This speaks to accountability within the college. In terms of national legislation, the FET Colleges Act 16 of 2006 also stipulates the internal lines of accountability in colleges. For example, staff are accountable to the principal (section 11) and the principal is accountable to the council (section 15 a). The principal is the chief accounting office to DHET for the performance of the college (section 1).

Formal lines of accountability in Thekwini FET College exist between the principal, college council and the college staff. According to the college's draft policy on governance and management, the principal is the accounting officer for operations within the college. The principal is accountable to the council as well as to the state (Thekwini FET College, 2009). However, as the principal is both appointed by and remunerated by the state, there is a greater

degree of accountability to the state. This complex structure of accountability is represented in Figure 6.4.

Figure 6.4: Structure of accountability in Thekwini FET College
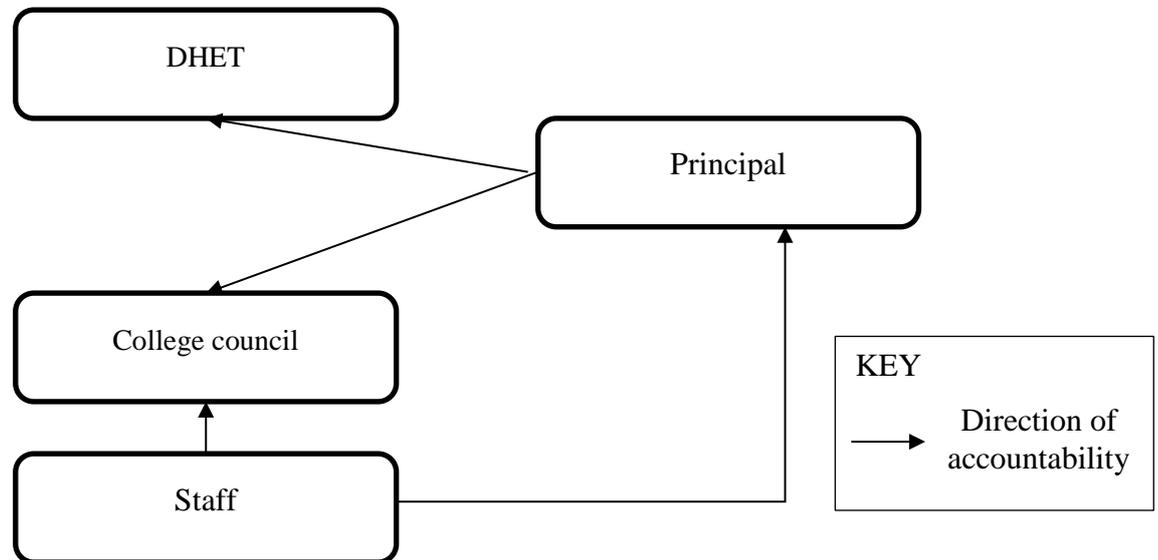
Administrative accountability relates to financial supervision and control by external actors. Thekwini FET College's draft Financial Policy provides a framework for the management and administration of the college's finances (Thekwini FET College, 2009). The roles of the financial committee, principal, financial assistant manager and financial clerks are set out in this document (see Table 6.5).

Table 6.5: Financial roles of actors in Thekwini FET College

Actor	Responsibilities
Financial Committee	To take decisions with regard to financial management of the college based on recommendations of the senior management team.
Principal	To take accountability for the financial management of the college. To present financial report of the college to the provincial Department of Education.
Financial Assistant Manager	To manage and quality assure finance related systems and practices at the campuses and the central office. To report on the financial status of the college to the Senior Management Team. To present financial records and report to the finance committee and auditors.
Finance officers/ clerks	To carry out financial related operations as delegated by the finance assistant manager.

Source: Thekwini FET College, 2009

The draft financial policy also includes formal processes such as:

- The requisition of goods and services;
- Procurement;
- Signatories for banking; and
- Financial record keeping.
  (Thekwini FET College, 2009)

The college council ratifies and adopts audited financial statements. The financial statements generated by the college are externally audited by an accounting firm that was appointed by the council. During the 2007 to 2010 financial years, the college received one qualified audit due to a query regarding fixed asset (HSRC, 2010). According to the Auditor General's Report for 2012, the college had not submitted the audit reports for 2011 in time (Auditor General, 2012).

There is only one reference to external control of finances in this draft financial policy. Section 1.5 of the policy states that adopted copies of audited financial statements will be distributed to all relevant stakeholders, including the national and provincial departments of

education (Thekwini FET College, 2009). This is more of an information sharing activity than an exertion of control by the state.

Social accountability refers to a relationship between the college and citizens or civil society, where the college would account for performance. The principal and chairperson of Thekwini FET College did make reference to the concerns of the community, but this relationship is implied rather than explicit at this college (interviews with Principal of Thekwini FET College, 2012 and Chairperson of College Council, 2010). The members on the college council, who come from the community would, theoretically, represent the "voice of the community" in the council. However, due to the non-existence of sanctions that the community can pass against the college, there is no formal social accountability between the community and the college.

Taking into consideration the discussion regarding accountability, it can be argued that there is a strong relationship of accountability where Thekwini FET College is accountable for its actions to DHET.

Assessment of concentration in the environment

The analysis of the concentration of power in the environment in which Thekwini FET College operates tended to highlight the state in the form of DHET. This is due to the significant degree of regulation as well as accountability to the state which is coupled with the limited autonomy of Thekwini FET College. The college is in an environment where a large majority of its actions and processes are regulated by some form of public policy or regulation, which also stipulate the lines of accountability between the actors.

The discussion now moves from the locus of power in the environment to the availability of resources which Thekwini FET College must acquire from it. As other organisations form part of this environment, the college relies on them for resources. The scarcity or abundance of these resources is referred to as munificence.

6.5.2 Munificence

Munificence is the extent to which an organisation can support sustained growth by acquiring vital resources from the environment. Perhaps the most vital resource to an organisation is funding. The degree of vulnerability of Thekwini FET College is related to the importance of sources of funding. Also discussed in this section is the capacity of the college in relation to environmental munificence.

Funding

The funding of FET colleges can be looked at in terms of the level of reliance on the source (magnitude) and dependability of funding. The issue of funding Thekwini FET College featured prominently in both the principal's and council chairperson's interviews. This points to the critical place that financial resource dependency plays in the governance arrangement of Thekwini FET College. Table 6.6 sets out the sources of funding for the college. The figures represent the average percentage for the 2008, 2009 and 2010 financial years.

Table 6.6: Sources of funding for Thekwini FET College (2008-2010)

Source of funding	%
DHET	50
Student fees	46
Money generated from accommodation or other services	3
Income derived from investments	1
Donations	0
Money raised by the college	0
Money raised by means of loans	0
Money received from services rendered	0
TOTAL	**100**

Source: HSRC , 2010

Although the table may suggest that only half of the total funding received is from the state subsidy, in reality the dependence is significantly higher because of the following factors:

- The number of students on financial aid (NSFAS);

- An incident of fraud at the college;
- The timing of receiving the subsidy; and
- The perceived difficulty in building a surplus fund.

The dependence on an external organisation for funding is exacerbated by Thekwini FET College's reliance on the National Student Financial Aid Scheme (NSFAS). Bursaries are available from DHET for academically worthy and financially needy students. The bursaries are administered by NSFAS. The awarding of bursaries is based on a means test, which calculates a student's ability to contribute to his/her education based on family income and other sources of funding received. The college has included NSFAS funding under the category of student fees which constitutes 46% of its overall revenue. At the time of data collection the college was unable to provide a disaggregated figure which would reveal how much of this revenue was actually received in any one year.

The funding from NSFAS is only paid to Thekwini FET College at the beginning of a new financial year, which is in April, rather than when the academic year begins in January. For this period, January until April, this college is forced to be self-sufficient (Interview with Principal of Thekwini FET College, 2012).

As stated earlier, R6.8 million was fraudulently taken from the college's surplus fund. While he was not at liberty to discuss the on-going case, the principal did state the strain that this incident has placed on the college finances:

> *… [The college is] almost at the stage where we are totally dependent on the department. If we don't get the funding on time we can only manage for a very limited period of time. DHET just asked if we can meet our obligations for May and June [2012]. In the meantime we could run into trouble…*(Interview with Principal of Thekwini FET College, 2012)

The last reason for the increased dependence on state funding is that it is increasingly difficult for Thekwini FET College to build a surplus fund. The heavy reliance on departmental funding is evident in Table 6.7. What is also evident is the other potential

sources of funding that have not been utilised by the college. The council chairperson stated that:

> *...in some cases council has been proactive in generating a profit from various enterprises. The province, however, lessens the subsidy to the college as college is expected to deplete the funds generated. This is a disincentive for innovation* (Interview with Chairperson of College Council , 2010).

The council chairperson's remarks do not align with what is contained the National Norms and Standards for Funding Further Education and Training Colleges (Department of Education, 2009). With regard to the decrease of the subsidy, the allocation to a college may be decreased if funds allocated during a previous year were not utilised; those funds would be deducted from the allocation. This national policy does make provision for the generation of financial reserves with the proviso that DHET must pay attention to this so as to ensure that the colleges do not drift away from their mission (the provision of education) and towards that of profit-making (Section 85 of the National Norms and Standards for Funding FET Colleges). It is unclear whether the chairperson's statements are the result of a misunderstanding or not. From the interviews with the principal, it is evident that the college has been able to build a financial reserve.

The principal's suspension was related to this issue. In this case Thekwini FET College had developed a partnership with the Department of Labour through the Sector Education and Training Authorities (SETAs). This led to the situation where the same programmes which were funded by the previous Department of Education, were also being funded by the SETAs. This allowed the college to build a surplus fund and divert some funding to other areas (Interview with Chairperson of College Council, 2010). The accusation was that the principal was 'double-dipping' as programmes were being subsidised by both the state and the SETAs. The argument was that the college should not be reinvesting such funds and should rather reimburse the state. Thus the actions of the state result in increased resource dependency.

The college does have two streams of income which are self-generated. The first is income derived from investments. This accounted for an average of 1% of income over the 2008-2010 financial years (HSRC, 2010). The second stream of income is from the boarding

establishment which the college rents out. This accounted for 3% of the income over the same period (HSRC, 2010). Both these streams are dependable. However they only contributed a marginal proportion of the total revenue for the college.

Table 6.7 portrays the various sources of funding for Thekwini FET College.

Table 6.7: Financial resource dependency: Thekwini FET College

Source of funding	Level of Reliance on source	Dependability of funding
State funding	High	The receipt of funding often occurs later than promised by the department.
Student fees	High	Variable.
NSFAS	High	Funding received in April. Although dependable this means that the college must operate for 3 months with little funding.
Income derived from investments	Low	High level of dependability.
Money generated from accommodation or other services	Low	High level of dependability. The colleges boarding establishment Does generate income. However, this is a small proportion of revenue.

Table 6.7 demonstrates that the streams of income that have the highest levels of dependency are also the streams that lack dependability. This increases the uncertainty that Thekwini FET College faces.

The next section examines human resources with specific reference to the capacity of the college council. While this resource is not as measurable as financial resources, the members of the council are a resource that is required for the governance of the college.

Capacity of the college council

Capacity, in this instance, refers to the capacity of a college to govern adequately. As internal and external council members are directly or indirectly appointed by the state, they can be

seen as a resource for the college. The college principal of Thekwini FET College has been in the vocational education sector for 32 years. The chairperson of the college council is a prominent businessman with strong ties to the ANC. In fact he is known as the father of Black Economic Empowerment. He currently sits on 10 private company boards as chairperson. There are 11 external members of the college council. The background of all 17 of members of council appears in Table 6.8.

Table 6.8: Summary of the expertise of members of the Thekwini FET College council

	Council member	Background
Internal members	1	Principal
	2	Member of the Academic Board
	3	Teaching staff representative
	4	Support staff representative
	5	Student representative
	6	Student representative
External members	7	Municipal employee
	8	Municipal ward councillor
	9	Department of Education
	10	Private sector business
	11	Labour union
	12	Member of public
	13	Private sector business
	14	Private sector business
	15	Private sector business
	16	Local government
	17	Municipal employee - lawyer

Source: HSRC 2010

FET Colleges Act (16 of 2006) stipulates that a college council must, in consultation with the MEC, appoint four additional external persons with financial, human resources and legal skills as members of the council. This is reflected in the college statute (which was adopted by Thekwini FET College). The college statute stipulates that the council should include "a broad spectrum of competencies in the fields of education, business, finance, law, marketing, information technology and human resource management" (FET Colleges Act 16 of 2006, section 6(1)(h)). Table 6.8 demonstrates that the council members at this college do come from diverse backgrounds and have competencies in education, labour law, business, finance

and human resource management (HSRC, 2010). On the face of it, these members should provide a wide range of expertise.

The college council has experienced some friction among its membership. A majority of the members did not come from an FET sector background. They required training or capacitation, especially on legislation, and in particular on the King Reports on corporate governance (Interviews with Principal of Thekwini FET College, 2012 and Chairperson of College Council, 2010). The Department of Education and some colleges provided such training. At Thekwini FET College, there was a concerted effort to train council members in other relevant areas, however, attendance was poor (HSRC, 2010). This raises an issue concerning the ability of the college council to govern adequately. The college's draft policy on governance and management (Thekwini FET College, 2009) places emphasis on accountability, with specific reference to corporate governance. The stipulated purpose of the policy is to promote the highest standards of good corporate governance. If the council members are not well versed in the King Report, which contains the principles of corporate governance, it is questionable whether the college council as a body can meet the aims contained in the draft policy on governance.

In terms of the turnover of council members, there has been a fair amount of stability at Thekwini FET College. Only one external member of the council has resigned and has been replaced in the past ten years which suggests that these external members should have accumulated considerable experience in overseeing the affairs of the college. By contrast, the internal members have changed frequently (HSRC, 2010).

Assessment of munificence

Thekwini FET College operates in an environment of scarce resources. This situation is caused by the fact that virtually all funding comes from DHET and NSFAS. The timing of this funding is not predictable. In addition, the amount of funding fluctuates from year to year. While the college was able to build a surplus fund, a substantial amount of money was lost due to fraud. This situation exacerbated the problem of a scarcity of financial resources. This is important because in an environment of scarce resources, organisations are forced to change their structures and processes. This impacts budgets, planning systems and infrastructure. This will be discussed later in this chapter with regard to Thekwini FET

College's responses to the environment. The governing capacity which is necessary is also a scarce resource at this college. While council members come from a diverse range of backgrounds, a failure to commit to training in corporate governance may limit the growth of the college, although the stability and collective experience of the college council may help to counter this.

The discussions on concentration and munificence have mentioned a number of actors in the system to which Thekwini FET College belongs. The next section examines how these actors are linked.

6.5.3 Interconnectedness

Interconnectedness refers to the number or patterns of linkages between Thekwini FET College and other actors. Higher levels of interconnectedness result in an unstable environment for the college. Organisations that are connected are influenced by decisions or actions taken by other organisations. Increasing the number of interconnected organisations (that is, the complexity of the structure) also increases the number of potential actions that have impacted on a college. To determine the nature of interconnectedness, the following indicators will be used:

- Structural complexity. This will be determined by the number of units within the overall structure; and
- Nature of interconnectedness. This involves an examination of how the actions of the actors affect the college.

Structural complexity

Figure 6.5 illustrates the number of organisational actors that are connected to the college.

Figure 6.5: Organisations connected to Thekwini FET College
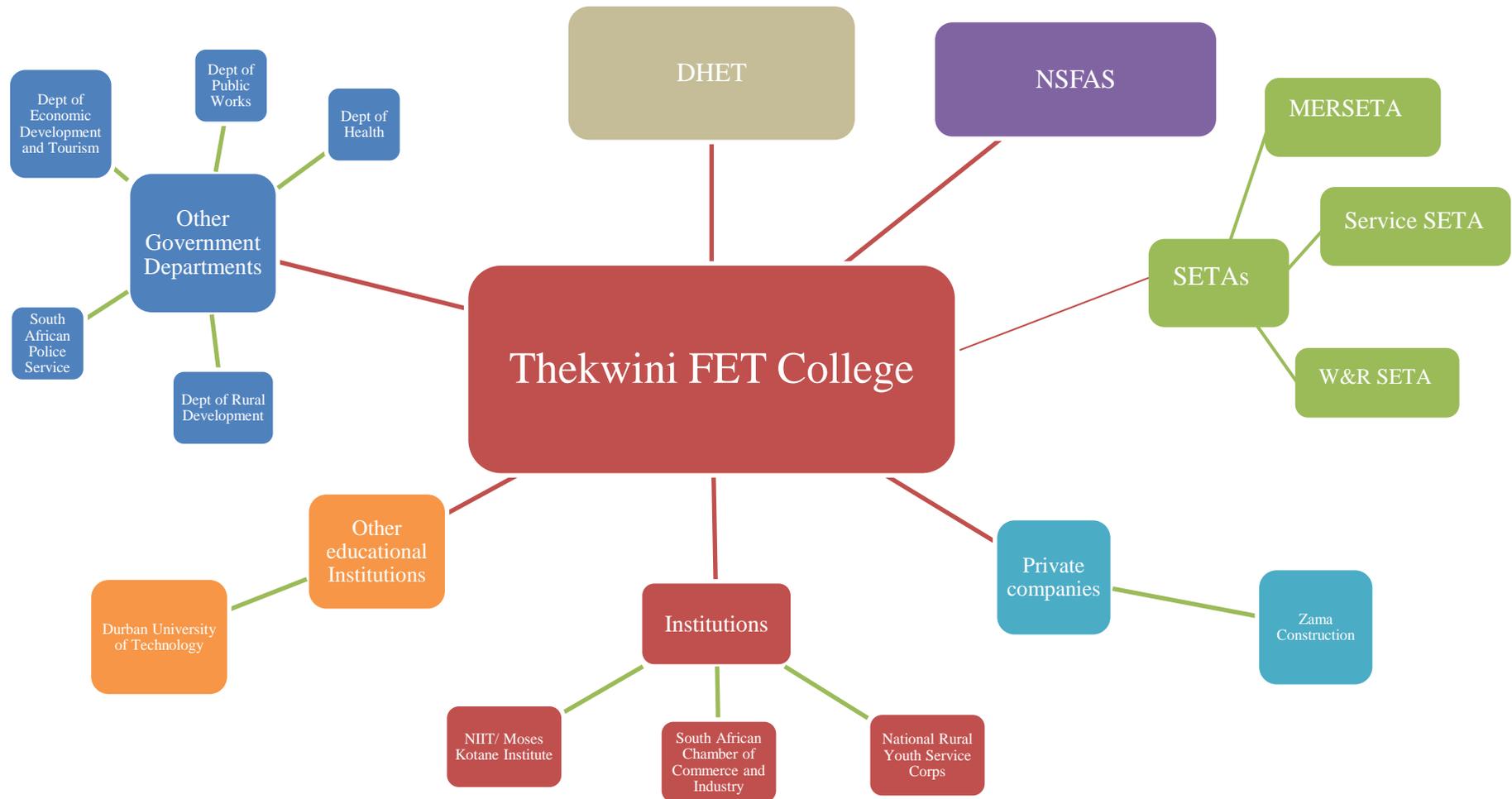
Sources: DHET, 2012; HSRC, 2010; Juan 2010

There are at least 15 organisations that are associated with Thekwini FET College. The organisations are grouped into the broad categories of DHET, NSFAS, private companies, various SETAs, associations, other educational institutions, and other government departments. This is a fairly large number of organisations. The significance of this number can be determined by assessing the nature of the interconnectedness.

Nature of interconnectedness

To determine the nature of connectedness, the actions and decisions of the actors that affect the college must be examined.

References have been made to the relationship between Thekwini FET College and DHET throughout this chapter. Decisions made by DHET have a significant impact on the college. These decisions include, *inter alia*:

- Funding allocations;
- Council appointments;
- Student registration processes; and
- Remuneration of staff.

Relationships with various SETAs also provide a stream of funding for the college. Here the college must meet certain requirements in order to be accredited with the various SETAs. In order to be accredited with MERSETA (the Manufacturing, Engineering and Related Services SETA), the college had to develop and adopt a number of policies. This is also true for ServiceSETA (Services) and W&RSETA (Wholesale and Retail SETA). Each SETA has an accreditation process which the college must follow.

A number of relationships in Figure 6.5 are based on funding Thekwini FET College. These include:
- The relationship between the college and NSFAS. Decisions made by NSFAS concerning the timing of funds and what criteria to use to allocate these funds impact the financial well-being of the college;

- The college has an agreement with a private company (Zama Construction) to lease the college's workshops to the company for welding activities. Any decision made by the company on whether or not to continue this relationship will impact the revenue stream for the college; and

- The college has memoranda of understanding with five government departments, apart from DHET. These departments include: Economic Development and Tourism, Health, Public Works, Rural Development and the South African Police Service. The college provides short courses for the employees of these departments. For example, financial management courses are provided to Department of Health employees.

The college is connected to a number of other institutions. There are relationships with the South African Chamber of Commerce and Industry, the National Rural Youth Corps and the NIIT/ Moses Kotane Institute. The relationships between the college and the Chamber of Commerce and Industry and the National Rural Youth Corp are based on the provision of training to people affiliated with these institutions. The relationship with the NIIT/Moses Kotane Institute involves the transfer of Information Communication Technology skills for a company which is based in India (NIIT) to the students of Thekwini FET College.

The relationship between Thekwini FET College and the Durban University of Technology is based on articulation between the higher education institution and the FET college. The institutions have aligned certain programmes to allow students from the FET college to progress to the Durban University of Technology to further their studies. Any decision which is made that influences the changing of curricula of those programmes could affect the ability of the students to move from one institution to the other.

Assessment of interconnectedness

Thekwini FET College operates in a structurally complex system. Decisions made by any of the 15 organisations to which the college is connected affects the college. The impact of this situation on the college varies according to the level of interdependence between the actors concerned. This will be discussed in the next section.

6.6 Relationship between Thekwini FET College and other actors

The combination of structural characteristics results in conflict or interdependence between the actors and the focal organisation. Figure 6.6 illustrates that a combination of concentration, munificence and interconnectedness can lead to conflict between Thekwini FET College and the other actors, or to interdependence between the parties.

Figure 6.6: Link between structural characteristics and the relationship among the actors
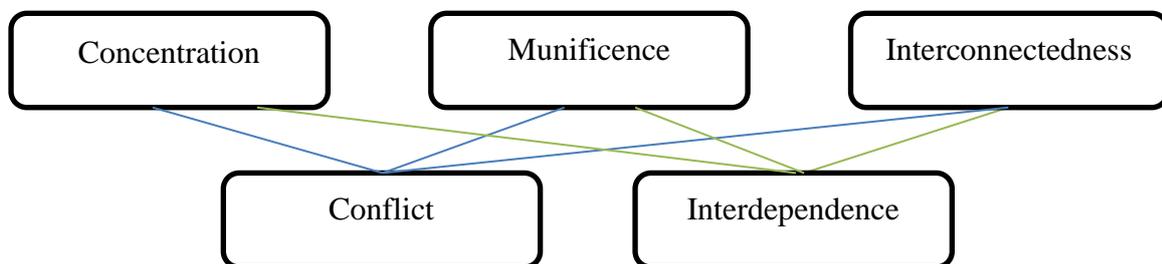
The heavy reliance on DHET for funding was lamented by the principal of Thekwini FET College and the chair of the council. The principal stated that:

> *...Funding is still a problem because of the dependence on [DHET] ... [The government says] that you [are] a public institution so you will be driven by public requirements and you must respond. You are a public servant but you are driven by the powers that be. But there are limitations on what you can and what you cannot do. If we ignore that then we will shoot ourselves in the foot in terms of funding* (Interview with Principal of Thekwini FET College, 2012).

His statement speaks to the high level of regulation by DHET as well a high level of resource dependence which creates a situation where the college is constrained. Thekwini FET College is a public institution; as such the college is subject to the policies and regulations which are discussed previously. Failure to do so may have implications for its funding resources. This reveals a high level of dependence.

No references in the data were found that could indicate conflict between the college and the other organisations. References were found, though, regarding grievances. For example, the SETA accreditation processes were found to be too long and complicated (Interview with Principal of Thekwini FET College, 2012). These grievances have not escalated to the point where this could be regarded as a source of conflict between the parties.

The relationships between Thekwini FET College and the private company, other institutions and government departments and Durban University of Technology were entered into on the basis of memoranda of understanding or contracts (HSRC, 2010). These are intended to be mutually beneficial relationships.

The next section transfers the discussion from the inter-organisational level to the organisational level. The effects of the environment on Thekwini FET College will be assessed fully.

6.7 Organisational level

In the chapter so far, the structural characteristics of the environment concerning Thekwini FET College have been assessed. These structural characteristics have led to relationships between the college and the other organisations that are based on interdependence rather than conflict. This section will discuss the organisational effects of the ecology and resource dependence. Figure 6.7 sets out the flow of the discussion thus far by incorporating the organisational level of the theoretical framework.

Figure 6.7: The structural characteristics of the environment of a FET college and its effects on the organisation

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┌─────────────────────────────────────────────────────────────┐
│            Structural characteristics of the environment      │
│            Concentration, Munificence, Interconnectedness     │
└─────────────────────────────────────────────────────────────┘
                              ↓
┌─────────────────────────────────────────────────────────────┐
│                 Relationship of interdependence               │
└─────────────────────────────────────────────────────────────┘
           ↓                                        ↓
┌──────────────────────────────┐    ┌──────────────────────────────┐
│          Demands             │    │         Uncertainty          │
└──────────────────────────────┘    └──────────────────────────────┘
                              ↓
┌──────────────────┐   ┌──────────────────┐   ┌──────────────────┐
│    Compliance    │   │     Avoidance    │   │    Adaptation    │
└──────────────────┘   └──────────────────┘   └──────────────────┘
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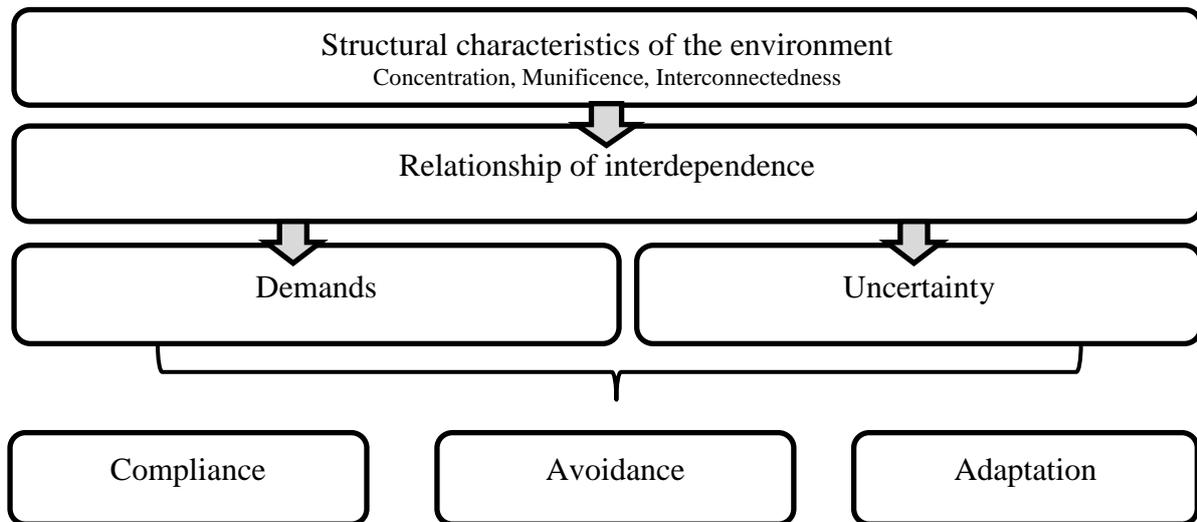
The structural characteristics of the environment have placed certain demands on Thekwini FET College. In addition the college faces a significant amount of uncertainty. This leads the college to respond to the environment by complying with the demands, avoiding them or adapting to the environment. The following sections will discuss this.

6.7.1 Demands

Demands refer to any insistent and peremptory requests made to the college by other actors. Demands in this sense go beyond formal policy stipulations. Five main demands were identified at Thekwini FET College. These demands will each be discussed.

The first demand is to provide vocational education within a limited budget. This demand is further qualified, as a FET college is expected to provide quality vocational education with a view to be an "institution of first choice" (Nzimande, 2012). This demand on Thekwini FET College is made by DHET as well as by the students who pay fees and thus expect a quality education. The college is expected to manage its limited finances in such a manner that is both efficient and effective.

The second demand is related to the first one. Due to the limited budget provided by DHET and the lack of reliability of funding from both DHET and NSFAS, a demand is placed on

Thekwini FET College to generate a secondary stream of funding. This secondary stream should be used to build a surplus fund that could be used for contingency purposes.

The third demand also relates to the reliability of funding. The funding allocations from DHET and NSFAS are not paid on time. In one instance funding from NSFAS was received in April 2012, which means that the college had to operate for three months with little funding. The funding from DHET occurs in tranches. This funding too often arrives late, with the first tranche often being paid as late as May (Interviews with Principal of Thekwini FET College, 2010, 2012 and Chairperson of College Council, 2010). This places a demand on the college to function adequately for a crucial period with little or no funds when it has to pay staff salaries, as well as for municipal services.

The fourth demand concerns the implementation of policies. In the government's efforts to improve the vocational education sector in South Africa, numerous policies have been promulgated in a relatively short period, as was discussed previously. This requires Thekwini FET College to implement the new policies while phasing out the old ones. This may involve changing organisational systems, structures and processes.

The last demand placed on the college concerns the interests of redress and representivity. As a public institution the college is tasked with redressing the impact of Apartheid and, in so doing, ensure that the staff becomes representative of the demographic profile of the student population.

6.7.2 Uncertainty

Uncertainty is the second impact of the environment and resource dependency. It refers to the inability of a college to predict the immediate or long term future of the organisation. Uncertainty is indicated by:

- the inability of a college to forecast;
- the inability to budget; and
- conflict between the sub-units of a college.

With regard to the inability of Thekwini FET College to forecast, technological advances in terms of calculating accurate student numbers have been implemented by DHET. This has involved the use of a computer management information system called Coltech. This system allows for capturing student and staff data. As it is an Internet based system, current data should be available from it. This system is integrated with the system which DHET uses. However, the desired outcomes of real time statistics and a smoother information communication channel with DHET have not been achieved at this college. Previously, student statistics were submitted for the preceding year. Funding was then calculated (by the Department of Education) based on those numbers. The system has now moved to an online submission process, where funding is calculated on current student numbers. This adds to the uncertainty of the amount of funding that the college will receive as student withdrawals and late registrations mean that these statistics are in a constant state of flux. Forecasting and budgeting is thus very difficult (Interview Principal of Thekwini FET College, 2012; Juan 2010).

The uncertainty created by the environment in which Thekwini FET College finds itself has led to conflict between the sub-units of the college. This relates specifically to the management and governance structures.

The promulgation of Chapter Four of the FETC Act of 2006 saw a dramatic shift in the power structure and processes in Thekwini FET College. Both the Principal of Thekwini FET College and the Chairperson of College Council felt that this has led to a complicated structure of reporting and accountability (Interviews with Principal of Thekwini FET College, 2010, 2012 and Chairperson of College Council , 2010). The principal now must report to both the college council and the Department of Education. This tenuous situation is made worse by tensions between the council and the principal. The principal felt that with the promulgation of FETCA, some council members saw themselves as gaining power. In his opinion, council members felt that they were able to run the college instead of giving guidance (Interview with Principal of Thekwini FET College, 2010). The chair of the council had a different opinion, saying that the principal should be accountable to the council. The dual system of accountability, in his view, needed to move towards a more coherent system. *"There is therefore a concern regarding structure and systems of governance. These need to be conducive to the functioning of the college… The province can be seen as a shareholder in*

the college; it does not make sense for the [principal] to report to a shareholder" (Interview with Chairperson of College Council, 2010).

The effect of this difference of opinion regarding governance and management is evident in the resulting conflict. Principal of Thekwini FET College recounted two instances where untenable situations (conflict) resulted between the council, the principal and staff. In the first instance, the college management took a decision in 2011 to delay the pay date of temporary staff from the 15th to the end of the month. In Principal of Thekwini FET College's opinion the due processes were followed which he believed were in the interests of the staff. However, one staff member complained to the college council. Simultaneously the principal was reported to the Commission for Conciliation, Mediation and Arbitration (CCMA). This led to the college rescinding that decision. The conflict between the management and the council was evident from the principal's statement that:

> *...if [the college] council had said to me: we support your decision because of these reasons, and they stood their ground I would not have had the problem. In fairness to council I would not have had a problem if they had said this has been brought to council, and then questioned me about it and then after that took a stand. If they took a stand, and then shared it with me and had some intervention of sorts (of which I was part of), that would have stood me in good stead, rather than to leave the issue hanging...* (Interview with Principal of Thekwini FET College, 2012).

The second instance of conflict occurred when a decision was taken by the management of Thekwini FET College to centralise enrolment processes for the whole institution. Four of the campuses were amenable while two ignored the process. The latter campuses brought this issue to council's attention. The main contention was that adequate consultation processes had not been followed. This matter was not given attention by the council. The result, in the principal's opinion, is that campuses were given the impression that the new enrolment processes could be ignored (Interview with Principal of Thekwini FET College, 2012).

Here we see how avoidance by the college council has stalled the management processes of the college. This is only possible because the college council is seen, by campus managers, to have more power than the principal. This is in spite of the enrolment process being considered to be a management function and thus the responsibility of the principal.

The state influences the decisions made by the Thekwini College Council due to the college's dependency on state funding. This is evident from the incidents such as the collective bargaining process with the FETCBU which is subject to DHET approval. Members of college councils sit on this bargaining unit and not officials in education departments. However, these members of council refer matters to such officials because, ultimately, the funding comes from the department. The principal recalled instances where the decisions made were incongruous with the decisions that the government department made. In one case, the FETCBU negotiated remuneration benefits for staff. Funding these benefits had not been discussed with the provincial Department of Education. The college was then forced to find and use surplus funds to make up the difference (Interview with Principal of Thekwini FET College, 2012). For similar reasons, the council chairperson's view was that the state should be treated as a stakeholder of the college (Interview with Chairperson of College Council, 2010). Processes that should be simple, such as a bargaining process between the college councils and the FETCBU, is now complicated by the addition of a third party - DHET. This essentially makes the college council a broker which can only negotiate subject to the approval of DHET.

How has Thekwini FET college responded to the demands and uncertainty that it faces?

6.7.3 Responses to the environment

In an environment of numerous demands and uncertainty, Thekwini FET College must choose which demands to comply with and which to strategically avoid. The college has also responded to the environment by developing certain adaptations. The next section examines these instances of compliance, avoidance and adaptation.

Compliance

Compliance refers to Thekwini FET College acceding to the demands placed on it by other actors in the system. The college has complied with two demands. The first demand is to generate a secondary stream of funding, which should be used to build a surplus fund that could be used for contingency purposes. This stream of funding is derived from investments.

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This accounted for, as was reported, an average of 1% of income over the financial years of 2008-2010 (HSRC, 2010). Another stream of income, also reported, is from the boarding establishment which the college rents out. This accounted for 3% of the income of the same period (HSRC, 2010).

In addition to the self-generated income, Thekwini FET College has entered into an agreement with a private company to lease the college's workshops to the company for welding activities. The college also has memoranda of understanding with five government departments. These departments include: Economic Development and Tourism, Health, Public Works, Rural Development and the South African Police Service. The college provides short courses for the employees of these departments. These courses are not subsidised by DHET nor can a student enrolled for them be eligible for NSFAS funding. These courses are paid for by the departments themselves.

The second demand to which Thekwini FET College has acceded is to function adequately with little or no funds. Due to the concentration of power in the system which DHET controls, the college has no option but to comply with this demand.

The following section examines the demands which the college has avoided.

Avoidance

Apart from compliance, organisations can also respond to environmental pressures by avoiding influences that may constrain behaviour. The Thekwini FET College council has exhibited some elements of avoidance behaviour. The college statute is one example. The FET Colleges Act provides an exemplar of a statute that can be used as a basis for each college to develop its own statute (Schedule 1 of the FET College Act 16, 2006). The statute in the Act is a guide that can be amended. This gives a council room to tailor the statute to fit the needs of the specific college. However, in the case with Thekwini FET College the council adopted the general statute. So all the council added was the college name and address (Juan, 2010).

Thekwini FET College policies have not been updated since 2009 (Thekwini FET College, 2009). Given the numerous recent changes in the FET sector, it may be seen as problematic

that college policies have not been revised to incorporate the changing context. This situation was attributed to the migration of colleges from a provincial to a national mandate. This constant flux has resulted in some measure of avoidance behaviour as the council has been unwilling to update the college's operating policies for fear of further policy and political changes (Interview with Principal of Thekwini FET College, 2012). It is evident here that Thekwini FET College, rather than adapting to changes in the policy environment, has avoided action with a view to acting once stability has been achieved.

In the interests of redress and representivity, a demand is placed on Thekwini FET College to ensure that the staff complement represents the demographic profile of the student population. This demand has been reflected in the college's draft Human Resources Management and Development Policy (Thekwini FET College, 2009), which states that staff should be recruited, selected and appraised with representivity in mind. The mismatch in 2010 is indicated in Table 6.9.

Table 6.9: Racial profile of staff and students in Thekwini FET College in 2010

Race	% Students	% Staff
Black	81	34
Coloured	3	14
Indian	14	41
White	2	10
Total	100	100

Source: HSRC, 2010

Table 6.9 (which reproduces part of Table 5.4) shows that while there is a large majority of Black students only 34% of the staff is Black. The college's draft policy could conceivably be argued to be a form of avoidance in that it is seen to be acting on the issues of redress and representivity while not achieving much in altering the composition of the staff accordingly.

Adaptation

Adaptation refers to changes in organisational structure or ideology as a response to the demands and uncertainty of the environment. Two adaptations are identified here. Both will be discussed.

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The first adaptation is due to uncertainty which has resulted in multiple lines of accountability. In terms of remuneration and employment, college staff should be accountable to the college council. However, in terms of management line functions, staff are directly accountable to the college principal. The principal, in turn, is accountable to the college council "as the accountable officer for operations within the college" (Thekwini FET College, 2009). The principal is also accountable to his employer, DHET (and previously to the provincial Department of Education). This structure has simplified somewhat since FET colleges became a national mandate, as the provincial Department of Education was removed as a major actor in the structure. The multiple lines of accountability have allowed the different constituencies to further their interests by bringing issues to the attention of actors who are seen to have more power.

The second adaptation refers to the structure of the Thekwini FET College council. The college council, as stipulated in the Act, does not function like a single unit. Figure 6.8 illustrates what the 'true' council is.

Figure 6.8: Representation of the college council
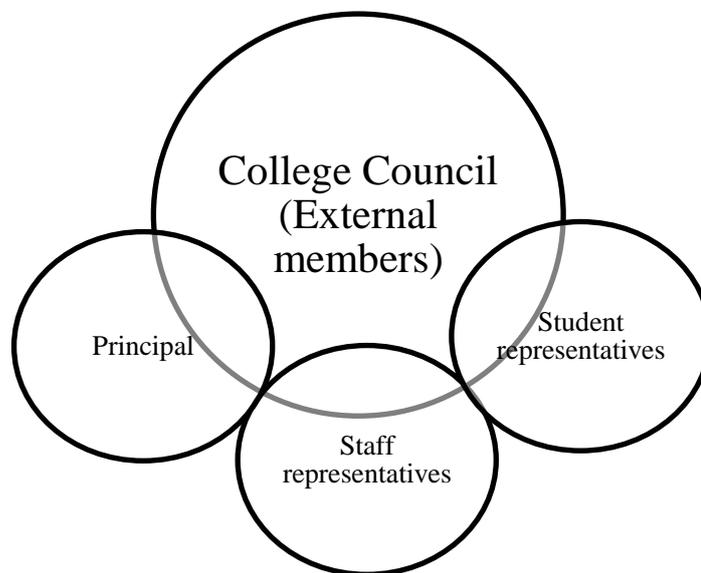
The cohesiveness of the governance structure (the college council) in Thekwini FET College is questionable. Each constituency attempts to circumvent or manipulate the structure in order to further its interests. The 'us and them' theme emerged very strongly in both the principal's

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and the chairperson's interviews (Interviews with Principal of Thekwini FET College, 2010, 2012 and Chairperson of College Council, 2010). At this college, the 'council' is used in reference to the external members of the council. The three other groups, namely, staff representatives, student representatives and the principal are auxiliary to the council.

6.8 Conclusion

This chapter has used the ecological and resource dependency theoretical framework to analyse data on Thekwini FET College in order to understand how the environment and resource dependency affect the functioning of the college.

The policy environment has had direct impacts on the governance of this college. The most noticeable has been the numerous changes in the legislation governing college councils. This has resulted in the college council being in a state of perpetual transition. The impacts of the political and economic environment are not as explicit as the policy environment. However, the interviews suggest that the effect of these environments has been evident.

Through an exploration of the structural characteristics of the environment it is apparent that power in the system is concentrated with DHET. This stems from the low levels of autonomy and high levels of accountability of the Thekwini FET College to DHET. The level of munificence in the system is low as funding was found to be a scarce resource. While the college exhibited a high level of interconnectedness with 15 actors in the system because most of the college's funding is from DHET, the level of interdependence with DHET is high.

This interdependence has resulted in a high degree of uncertainty in Thekwini FET College, which is apparent from the conflicts between its council and the management structures. In addition the college is unable to plan adequately for the future due to the unreliability of state funding and other sources of revenue. The structural characteristics of the environment also places demands on the college. While some demands were complied with, others were strategically avoided. The most apparent case is the development of a college statute.

The structural characteristics of the environment and the resource dependency on the state have resulted in an adaptation of the governance structure of Thekwini FET College. Here, instead of a collaborative college council, as intended by the FET Colleges Act 16 (RSA, 2006), the external council members hold the power with the principal, staff and students acting essentially as representatives, with the principal acting as a representative of the management structure whereas the staff and students are regarded as separate constituencies.

The next chapter analyses Mthashana FET College in the same manner, seeking to determine how the environments and resource dependency have influenced its governance.

CHAPTER SEVEN

Mthashana FET College

7.1 Introduction

Mthashana FET College is the second case study investigated in this thesis. As with the first case study, the focus here is to determine whether ecological factors and the resource dependency of the college on other actors has impacted on the functioning of the college. In addition this chapter will examine how these impacts have affected the functioning of the college.

The information which is presented here is based on a range of sources. The documents and data used have been extracted from the HSRC audit data (2010) and the college policy manual (2007). Interviews were conducted with the Acting Principal, 2012), Acting Deputy Director of Curriculum Services (2010 and 2012), the Acting Deputy Director Of Student Support Services(2012) and the College Council Deputy Chairperson (2010).

To ensure comparability between the case studies, the information gathered is organised according to the conceptual framework which was devised in Chapter Two. The format of the analysis will match that of the previous chapter. Firstly, broader environmental factors will be considered which will then be followed by a discussion of the relationship between the college and the other organisations in the FET sector. The last section examines what has occurred in the college as a result of these ecological factors and resource dependency.

7.2 Background

Mthashana FET College was declared a merged institution on 11 April 2002. The college resulted from the amalgamation of Vryheid Technical College and Nongoma Technical College. Table 7.1 shows the profiles of the two technical colleges that were merged.

Table 7.1: Profile, in 1999, of the technical colleges that merged to form Mthashana FET College

Name of Institution	Classification	Racial profile	Full Time equivalent (enrolment)	% of enrolment
Vryheid	State-aided	White	261	41
Nongoma	State	Black	381	59

Source: Kraak and Hall, 1999: 105

The student populations from these technical colleges were relatively small, with the students from the Nongoma College (59%) outnumbering those from the Vryheid College (41%).

At the beginning of 2003 a second campus based at Nongoma was established at KwaGqikazi, a former college of education (HSRC, 2004: 13). A fourth campus, Emandleni, was formally incorporated in May 2004. The Maputa campus was established in Manguse, which borders Mozambique in the north. The Babanango skills centre, which existed prior to the merger, was upgraded to 'skills campus' status and brought under college management (Badroodien and Kraak, 2006: 39). Consequently, Mthashana FET College now has seven campuses which are located in six separate municipal areas. This is portrayed in Figure 7.1.

Figure 7.1: Map illustrating the campuses and skills centres of Mthashana FET College

The profile of students in 2010 has changed dramatically since the merger. Of the 2645 students, 99% are Black. The staff profile represents the racial profile of the student population to a large extent as 90% of the staff is Black (see Table 7.2).

Table 7.2: Profile of students and staff in Mthashana FET College in 2010

Race	No. Students	% Students	No. Staff	%Staff
Black	2612	99	186	90
Coloured	6	0.2	0	0
White	27	1	21	10
Indian	0	0	0	0
Total	2645	100	207	100

The College offers the following programmes:

- Electrical Infrastructure and construction;

- Civil Engineering and building construction;

- Primary Agriculture;
- Information technology and Computer science ;
- Business management
- Management;
- Office administration;
- Tourism;
- Human Resource Management;
- Public Management.
(DHET, 2012).

These courses are offered on both the NCV and NATED curricula. Other short courses offered include: business management, financial management, computer practice, beadwork, bricklaying, sewing, shoemaking, egg production, carpentry, piggery and plumbing (DHET, 2012).

7.3 Using the resource dependency and ecological framework

The discussion now moves to a more focused examination of the different types of environments in which Mthashana FET College operates and how this ecology and the resulting resource dependency impacts on the functioning of the college.

The broad dimensions of the environment will be described, followed by an examination of the structural characteristics of the environment. The interaction of these characteristics will lead to an analysis of the relationships between the college and the other actors in the system. The final part of this chapter will investigate how Mthashana FET College has been affected by the environment and, importantly, how it has responded to that environment.

7.4 Environment

The three dimensions of the environment most relevant to this Mthashana FET College are political, economic and geographic. Each will be discussed below.

7.4.1 Policy environment

Numerous changes in the policy environment have been felt in Mthashana FET College. The areas of instability caused by these environmental changes relate to the staffing of the college. The staffing crisis at the college that has been dragging on for years has been

identified as the foremost critical factor which has not only contributed to the college's development and performance being severely compromised but has in fact rendered the college unstable.

The roots of this situation can be traced back to 2005 when preparations got underway in respect of the implementation of the FET Colleges Act (16 of 2006). In particular, misgivings were expressed about both the management of the colleges and its council. Human resource management was regarded as ineffective. The council at the time was unable to fulfil its responsibilities in governance. This resulted in experienced teaching staff leaving the college. Replacing such expertise proved to be difficult as a result of the challenge faced by campuses in rural areas in recruiting and retaining staff. As a compensatory measure, new staff were essentially former students who did not have any teaching qualifications – 34 lecturers in this category were appointed out of necessity in 2006 (Interview with Acting Deputy Director of Curriculum Services, 2010).

Other factors considered symptomatic of ineffective human resource management and development include the following:

- The reported lack of monitoring of the college's workforce by the senior management and the Department of Education;
- The legacy of staff at the Emandleni campus inherited by the college where the majority, who had previously been employed as security guards, lacked the most basic qualities and attributes, including language skills and appropriate educational levels (Interview with Acting Deputy Director of Curriculum Services, 2010); and
- Integration of the different management cultures or traditions of the two technical colleges did not happen to any significant degree as no overall management strategy or plan had been put in place to promote institutional consolidation and development (Interview with Acting Deputy Director of Curriculum Services, 2010).

7.4.2 Political environment

Mthashana FET College is in a unique situation with it being distributed across six municipalities in Northern KwaZulu-Natal. Prior to 2009 this area was regarded as an IFP

stronghold; however, the party has lost support since that time (Independent Electoral Commission, 2009). Table 7.3 sets out the local municipality election results for 2011 for each municipality where a campus of Mthashana FET College is located. The table indicates that in four areas, namely Abaqulusi, Nongoma, Nquthu and Nkandla, no political party has a majority. This may indicate a source of political instability in these areas.

Table 7.3: Municipal election results for the municipalities in which campuses of Mthashana FET College are located

Campus/es	Municipality	ANC	DA	IFP	NFP	Won by
Vryheid*	Abaqulusi	17	3	16	7	No majority
Kwa-Gqikazi	Nongoma	6	0	17	19	No majority
Emandleni	Ulundi	6	0	28	13	IFP
Nqutu	Nquthu	14	1	14	5	No majority
Babanango	Nkandla	11	0	13	3	No majority
Maputa	uMhlabuyalingana	22	0	8	4	ANC

*Two campuses

Source: Independent Electoral Commission, 2011

The political environment is important for two reasons. The first is that the college has been used as a means or site of garnering political support in the area for the ANC political party. The ANC is currently the ruling party in the province. On at least two occasions campuses of the college were visited by a delegation from the provincial legislature where public meetings were held. The first sitting was opened on 1 June 2010 by the Speaker of the KwaZulu-Natal legislature, Ms Neliswa Nkonyeni, and was addressed by Premier Dr Zweli Mkhize. His Majesty of the Zulu Kingdom, King Goodwill Zwelithini and the newly appointed District Mayor of Zululand were also present (KZN Provincial Government, 2010). Zwelithini urged the provincial government not to forget Nongoma and particularly mentioned the state of the deteriorating KwaGqikazi campus of Mthashana FET College, stating that the government should investigate ways to renovate it and turn it into a productive educational institution. According to Zwelithini, a number of people have moved into the institution and made it their residential area. Nkonyeni promised that the legislature, together with the provincial government, would investigate possibilities of resuscitating the institution to save it from deteriorating into a state of anarchy (KZN Provincial Government, 2010). A second visit of the provincial legislature to this area occurred on 30 November 2011 at the Nquthu campus. The delegation stated that the following issues should be addressed with regard to the college:

- The provincial and national Departments of Education should ensure that programmes offered at the college are responsive to the needs of the country;
- The college and the Department of Education must develop a plan for the students to be placed in work after graduating;
- Plans to assist learners that cannot afford to pay tuition fees should be developed;
- The SETAs and the college should develop programmes and memoranda of understanding to address the challenges that are faced by the college;
- Local and district municipalities should assist the college graduates with internships and learnership programmes;
- The college should forge working relations with feeder schools to ensure access to the college; and
- The college management should ensure that there relations between students and management are always good.

  (RSA, 2011).

These were very broad and sweeping recommendations which were made by the delegation. They are not binding and perhaps indicate the ceremonial nature of the visit.

Secondly, members of the community have taken their grievances regarding the college to their local municipalities. In one such instance administrative errors led to students' names not appearing on the list of registered students (RSA, 2011). This led to disruptions by the students who called for the principal of the college to be dismissed (HSRC, 2010). According to the report to the National Council of Provinces (RSA, 2011), the situation was corrected after an intervention by the Nquthu Local Municipality. All learners sat for the examinations, including those who had experienced administrative problems.

The importance of the political environment was mentioned by Acting Deputy Director of Curriculum Services. The phenomenon of the national and provincial governments being ruled by the ANC whilst northern KZN was a traditional IFP stronghold did seem to affect the college. She stated that:

> ...we have experienced problems with this. If the college [makes] decisions there is sometimes opposition from the community... the perception is that this is a

government run institution, the college represents the ANC government (Interview with Acting Deputy Director of Curriculum Services, 2012).

7.4.3 Economic environment

Until the early 1990s, Zululand's[36] economic base depended heavily on coal mining, supported by agriculture, transport, trade and government services. Formal economic activity was strongly concentrated in the then Vryheid area, from which approximately 73% of GGP[37] was generated. Administration and government services were concentrated in Ulundi and Vryheid. There was also a heavy reliance on the primary sector (44,4% of GGP) during this period (South African LED Network, 2010).

In the late 1990s Zululand had experienced an economic decline due to the effects of the open market policy on coal mining and agriculture (South African LED Network, 2010). By 2000 all but one of the large-scale mining operations had closed. This shock had an impact on all economic sectors and the effects have been felt in the area. Smaller scale mining still occurs in Dundee and Glencoe. However, the coal mining industry is undergoing a restructuring process and there is interest in the small scale regeneration of the coal belt for small and medium enterprise development. A small amount of stone quarrying also occurs in the area (South African LED Network, 2010).

The informal sector has grown considerably over the last decade, but is considered to be constrained by the slump in primary and secondary sectors of the formal economy. According to the South African LED Network (2010), Zululand's potential for economic growth lies in tourism and agriculture. This is the case with the Umzinyathi Municipality where most industry in the area is associated with agriculture or handwork (such as carpet making and beadwork) trained artisans. The municipal area has extensive grasslands in the north supporting the primary agricultural sector which is based on cattle ranching for beef, small scale sheep, mixed farming and maize cultivation. In the southern areas substantial forestry is prevalent.

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[36] Here Zululand refers to the geographic area and not to the district municipality.
[37] Gross Geographic Product provides an indication of the amount of production that takes place in a particular area.

With regards to tourism, the Umzinyathi Municipality, in conjunction with its north western neighbour, Amajuba Municipality, is branded as the 'custodian' of the battlefields region of the Zulu Kingdom (Umzinyathi Municipality, 2010). The district was the scene of fierce battles involving the British, Boers and Zulus during the nineteenth and early twentieth centuries. The ruins of several forts remain dotted throughout the area. Other tourist sites include 13 private game reserves and the Isimangaliso Wetland Park World Heritage Site, which covers 18 000 ha of conservation area (South African LED Network, 2010).

7.4.4 Geographic location

The discussion thus far has made reference to the location of the college's campuses as a salient issue in the governance and management of Mthashana FET College. The distances between the college's central office and the various campuses appears in Table 7.4.

Table 7.4: Distances (km) between the central office and campuses of Mthashana FET College[38]

Campus	Distance (km)
Vryheid (Business)	3
Vryheid (Engineering)	2
Nqutu	66
Kwa-Gqikazi	110
Emandleni	119
Babanago	120
Maputa	260

Derived from Google Earth (2013) and DHET(2012)

The distances between campuses range from 2 to 260 kilometres. These distances must be taken into consideration when assessing the governance of this college. Due to the time that it takes to journey to and from the central office to most of the campuses, convening council meetings for emergencies may be logistically problematic. According to the Acting Deputy Director of Curriculum Services:

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[38] The distances were derived using Google Earth (2013) and the addresses of the campuses on the Mthashana FET College website: www.mthashanafet.co.za. The distances are approximate.

...the college council is spread as wide as the campuses. To get a council meeting together and form a quorum is a huge challenge… transport, accommodation. You cannot call a special or emergency meeting. In emergencies, you get maybe two council members (Interview with the Acting Deputy Director of Curriculum Services, 2012).

The Department of Education adds to this problem by holding their meetings in Durban which entails an 840 km return journey. The national meetings pertaining the FET colleges are held in Gauteng. Such meetings impose a significant cost, in finance and time, on the college (Interview with Acting Principal, 2012).

7.5 Structural characteristics of the environment

The three fundamental structural characteristics of the environment will be discussed in this section. The first characteristic is concentration, which refers to the dispersion of authority and power in the environment. Secondly, munificence is the availability or scarcity of resources in the environment on which an organisation can draw. Thirdly, interconnectedness refers to the nature of the relationships between organisations or actors within the environment. Figure 7.2 represents these elements, each of which will be discussed in turn.

Figure 7.2: Structural characteristics of the environment
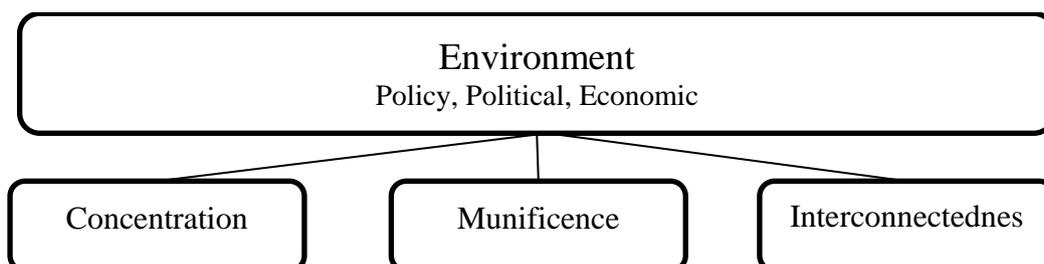
This discussion seeks to focus the description of the environment in KZN that appeared in Chapter Four by examining elements that are most particular to Mthashana FET College and the effect that this has on the governance of the college.

7.5.1 Concentration

To determine the concentration of power (that is the locus of power) in the system concerning Mthashana FET College, first requires identifying the actors involved. The two actors apparent from the discussion so far are the College itself and DHET. Other actors include various SETAs, the Danish International Development Agency (DANIDA) and the community (HSRC, 2010; DHET, 2012). In order to examine the concentration of power in this system the following indicators of power will be discussed: the degree of regulation; autonomy; and accountability.

Degree of regulation

The degree of regulation refers to the legislated rules and control mechanisms that influence the actions of Mthashana FET College. As a public educational institution, the college operates in a highly regulated environment. Apart from the FET Colleges Act 16 of 2006, the college must also comply with other legislation such as the Public Finance and Management Act 1 of 1999 (as amended by Act 29 of 1999) and numerous labour laws, including the Basic Conditions of Employment Act 75 of 1997.

As discussed in Chapter Three, the FET Colleges Act specifies the governance, management, and administrative aspects of how a college functions. The FET Colleges Act makes reference to the Public Finance and Management Act 1 of 1999 (PFMA) with regard to the implementation of internal audit and risk management systems. This regulates the financial record keeping procedures at the College. Mthashana FET College has 19 financial management policies (see Box 7.1).

Box 7.1: List of the financial management policies in place at Mthashana FET College

1. Management and control of the college budget
2. The administration and management of college cash flow and cash management
3. The management and control of payrolls
4. The management of institutional investments
5. The management of debtors, debt recovery and the write-off of irrecoverable debt
6. The management and control of petty cash
7. Financial reporting
8. The payment and reimbursement of tuition fees
9. The safeguarding of accounting records policy
10. The management and control of losses
11. The management and control of private telephone calls
12. The rental of facilities
13. The control of gifts, donations and sponsorships
14. The management and control of fixed assets
15. The administration, management and control of institutional procurement
16. Fraud and fraud prevention
17. The administration, management and control of receipts and income
18. The management and control of subsistence and transport
19. The administration, management and control of college purchases and payments

Source: Mthashana FET College; 2006

All of the policies listed above make reference to the PFMA as a legislative source on which these policies are based.

The Mthashana College council is the employer of all staff except those in management at the college. As a result, the college must comply with various labour laws. These laws include The Basic Conditions of Employment Act 75 of 1997 and the Labour Relations Act 66 of 1995. These Acts are referred to in the college's human resources policy (Mthashana FET College, 2006).

The next section presents the second measure of concentration, which is autonomy. This is closely related to the degree of regulation as the greater the degree of regulation, the less autonomy Mthashana FET College will have.

Autonomy

Autonomy indicates the ability of an organisation to be self-governing and to function independently. This section will determine the ability of Mthashana FET College to be autonomous. Using Verhoest's (et al., 2004) dimensions of autonomy, the specific aspects of the college's autonomy will be explored, that is, those pertaining to structural, policy, interventional and financial dimensions.

Structural autonomy refers to the extent to which Mthashana FET College is protected from state influence through lines of accountability. The indicators of structural autonomy are:

- the establishment of a college council;
- whether the council is functioning; and
- the extent to which the members of council are appointed by the government.

The Council consists of eight internal and 12 external members. In 2010 the internal members of the Council included:
- the principal;
- the acting director of corporate affairs;
- the acting director of academic affairs;
- the financial clerk;
- one representative of lecturing staff;
- one representative of support staff; and
- two student representatives.
  (HSRC Audit, 2010).

According to the data collected from the HSRC audit (2010), the council is composed of all the necessary members. Minutes of the council meetings held in 2010 indicated that a council has actually been established (HSRC, 2010).

The FET Colleges Act is prescriptive in terms of the frequency of council meetings. According to Section 9 (1), a council should hold at least four ordinary meetings in an academic year (RSA, 2006). A meeting can only be held when a quorum of 50% plus one of the members of council are present. This would require a quorum of at least 11 council members. The frequency of council meetings is an indicator of how the council is functioning. According to college documents, the college council held four meetings during 2009. During the same year a special meeting was convened to discuss staff benefits and the transfer of temporary staff into permanent positions. One emergency meeting was held to discuss issues pertaining to the termination of substitute lecturers (HSRC, 2010). In 2009, then, the college council of Mthashana FET College carried out its responsibilities to meet as required by law.[39]

There appears to be no specific representative of the government on the council. All the external council members have, however, been appointed by the government. Thus a majority of the council (60%) is appointed by the government.

Policy autonomy refers to the ability of an organisation to specify rules, standards and norms concerning processes, policy instruments and objectives. The FET Colleges Act 16 of 2006 requires every college to have a college statute which allows for some interpretation of the standard format which government devised. This gives a council an opportunity to tailor its college statute to fit particular circumstances. Mthashana FET College has not developed its own statute nor had it adopted the standard version of the statute by 2010 (HSRC, 2010).

The council of Mthashana FET College has developed a strategic plan (HSRC, 2010). In addition, the college has adopted operating policies and procedures. The financial policies were presented in Box7.1 above. Other policies include:

- Employment contracts;
- Normal working hours;
- Capital projects ;

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[39] An attempt to gain access to the minutes of council meetings was unsuccessful as the minutes were kept by the secretary of the council and were not stored on college premises.

- Fixed assets; and
- Invigilation of examinations.

  (Mthashana FET College, 2007).

The legislation together with the policies adopted by the college can be grouped into three broad categories: financial management, human resources and college assets. There are no specific policies on governance and management, curriculum, research or on information communication technology. According to Acting Deputy Director of Curriculum Services and Acting Principal, the FET Colleges Act of 2006 is used by Mtashana FET College as a reference for any governance matters that arise (Interviews with Acting Deputy Director of Curriculum Services and Acting Principal, 2012).

The level of **interventional autonomy** can be determined by examining the degree of governmental control in influencing the college's decisions by means of reporting requirements and auditing provisions in terms of externally set goals. Here the following indicators will be assessed:

- The existence of reporting requirements;
- Possibility of sanctions existing; and
- Evidence of direct state interventions.

The FET Colleges Act 16 of 2006 is prescriptive in terms of the audit reports and annual reports that must be submitted to DHET. In 2007, 2008 and 2009 the college had submitted reports on the management of the college and student academic performance to the provincial Department of Education (HSRC, 2010). However, due to internal conflict between the members of the council, the college did not approve and hence submit financial statements to the National Treasury from 2007 to 2010 (Interview with Acting Principal, 2012). No sanctions have resulted from this failure to submit the necessary reports.

There is evidence of direct state intervention at Mthashana FET College. The principal of the college along with the director of corporate services were suspended by the Department of Education in 2009. This was the result of protest action by staff members, due to unhappiness with job security and conditions of employment. The staff took their grievances to the council

which then referred the matter to the Department of Education. The interviewees had no knowledge of the status of the investigation. According to Acting Deputy Director of Curriculum Services: "*this is in the hands of the Department now, the council has no say in the matter*" (Interview with Acting Deputy Director of Curriculum Services, 2012). This is an example of direct intervention by the state in the governance of the college.

The discussion above indicates a low level of interventional autonomy since direct state intervention is legally permitted and it has occurred on at least one occasion when the principal was suspended.

Financial autonomy refers to the extent to which the college depends on government funding or its own revenues for survival and the extent to which it is responsible for its own losses. In Mthashana FET College, over the 2008- 2010 financial years, on average, 54% of funding came from the departmental subsidy. The remaining 46% is derived from: NSFAS (18%), investments (2%), student fees (19%), services rendered (2%), DANIDA (0.1%), other government departments (2%) and accommodation (3%) (HSRC, 2010). This indicates a heavy reliance on governmental funding.

In terms of responsibility for financial losses, the college has adopted a Management and Control of Losses Policy (Mthashana FET College, 2007) that guides how the college manages any financial losses. According to this policy, the principal delegates the responsibility for management of losses to the deputy director of corporate services in the absence of a chief financial officer. It stipulates that the deputy director: corporate services shall appoint in writing a loss control officer to manage and report on damages and losses suffered by the college. Losses include:

- claims against the college through acts or omissions;
- claims by employees against the college; and
- claims by the college against other persons.
   (Mthashana FET College, 2007).

According to the policy, the principal may write off losses or damages arising from criminal acts or omissions if, after a thorough investigation, it is found that the loss or damage is

irrecoverable (Mthashana FET College, 2007). This indicates that the college is responsible for its own financial losses.

The discussion of policy so far suggests that a limited level of autonomy has been exhibited by Mthashana FET College. Table 7.5 summarises these findings.

Table 7.5: Dimensions of autonomy exhibited at Mthashana FET College

Dimension	Characteristic	Level of autonomy
Structural autonomy	The extent to which the FET college is shielded from influence by the government through lines of accountability.	Moderate
Policy autonomy	The ability of an organisation to specify rules, standards and norms concerning: processes, policy instruments and objectives.	Moderate
Interventional autonomy	Governmental control by influencing an organisation's decisions by means of reporting requirements and auditing provisions against externally set goals and by the threat of sanctions or direct interventions.	Low
Financial autonomy	The extent to which the agency depends on governmental funding or own revenues for its financial resources and the extent to which it is responsible for its own losses	Low

Table 7.5 indicates that this college does not possess a great deal of autonomy in general. This is due to the power of the state to intervene in the college as well as the large extent to which the college is reliant on the state for funding. This is despite the moderate levels of policy and structural autonomy.

Accountability

Public accountability rests on five elements: (1) the account given must be accessible to the public; (2) the accounter must justify and explain his or her actions; (3) this explanation should be directed at a particular forum or group; (4) the accounter must feel obliged to produce the necessary information; and (5) the possibility of judgement and sanctions by the

forum must exist (Bovens, 2007). Using these elements, the organisational, legal, administrative and social dimensions of accountability will be examined.

Organisational accountability refers to accountability to administrative and political superiors. In these terms, the principal of Mthashana FET College has a performance agreement with DHET. For FET college principals these targets are in the form of individual performance targets. Here the principal acts as a representative of the organisation. The college council does not a have a performance agreement with DHET.

Legal accountability has been discussed in relation to the FET sector in Chapter Three. With regards to Mthashana FET College, the FET Colleges Act stipulates that the principal is the main accounting officer for a college. It also stipulates the internal accountability lines in colleges. For example, staff are accountable to their principal (section 11) and the principal is accountable to the council (section 15 a). The principal is the chief accounting officer, who is responsible for the performance of the college and is answerable to DHET for this (Section 1, RSA, 2006).

Formal lines of accountability exist between the principal, college council and the college staff at Mthashana FET College. This situation is complicated by the fact that the principal and the top management (Acting Deputy Director of Curriculum Services and Acting Deputy Director of Student Support Services) are council employees and were acting in their positions. However, the interviewees acknowledged that the greater accountability is to DHET (Interviews with Acting Principal, Acting deputy director of curriculum services and Acting Deputy Director of Student Support Services, 2012). This is due, in part, to the lack of direct oversight by the college council as some members of the council are located a considerable distance from the central office. This complex accountability structure is represented in Figure 7.3.

Figure 7.3: Accountability structure of Mthashana FET College
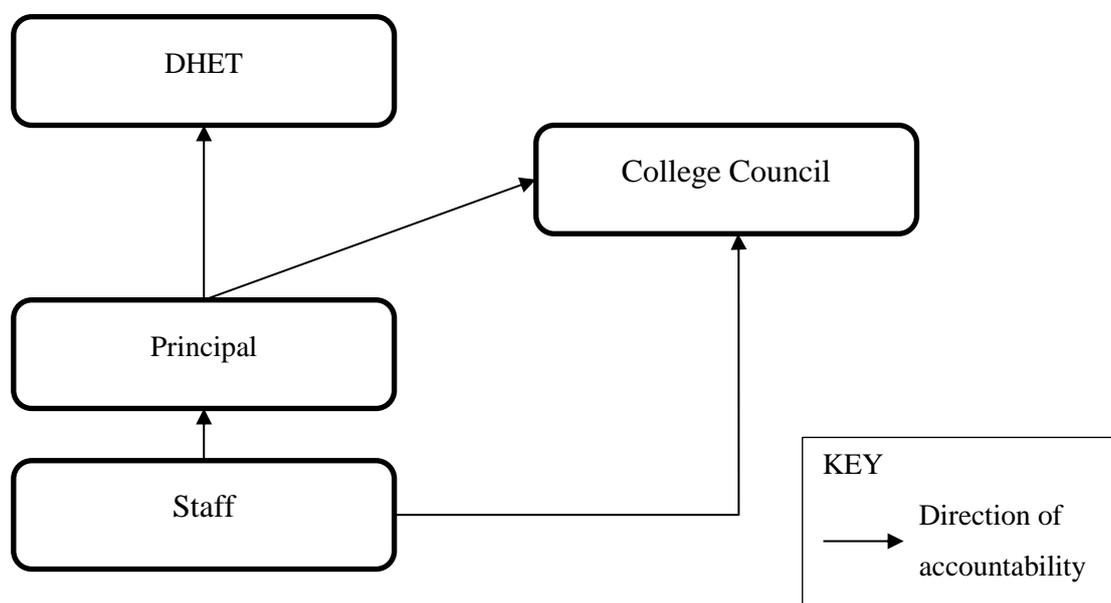
Administrative accountability refers to external financial supervision and control. As stated earlier, Mthashana FET College has adopted a number of financial management policies. The college council is tasked with ratifying and adopting audited financial statements. This did not occur at Mthashana FET College. Over the 2007 to 2010 financial years, the college did not submit the necessary reports to the National Treasury as internal conflict had resulted in the auditors resigning (interview with Acting Principal, 2012). According to the Auditor General's Report (2012), the college had not submitted the audit reports for 2011 in time.

Social accountability refers to a relationship between a college and citizens or civil society, where the college would account for performance. While no formal (documented) lines of accountability exist, there have been instances where Mthashana FET College has been called to account by the community. As mentioned earlier, community members have taken their grievances regarding the college to their local municipalities. In one such instance administrative errors led to students' names not appearing on the list of registered students (RSA, 2011). This led to disruptions by students who called for the principal of the college to be dismissed (HSRC, 2010). This situation was remedied and those students were able to write their examinations.

Assessment of concentration in the environment

In the case of Mthashana FET College, power is concentrated at the centre, with DHET. This is due to the significant degree of regulation by the state and accountability to it, coupled with limited autonomy. The college operates in an environment where a large majority of its actions and processes are determined by some form of policy or regulation. These regulations also stipulate the lines of accountability between the actors.

The discussion now moves from the locus of power in the environment to the availability of resources for Mthashana FET College. As other organisations form part of this environment, the college relies on them for resources. The scarcity or abundance of these resources is referred to as munificence.

7.5.2 Munificence

The most vital resource for an organisation is funding. The degree of vulnerability of Mthashana FET College is related to the importance of sources of funding. Also discussed in this section is the human capacity of the college in relation to environmental munificence.

Funding

The issue of college funding featured prominently in both the principal's and council chairperson's interviews. This points to the critical role that financial resource dependency plays in the governance arrangement of Mthashana FET College. Table 7.6 sets out the sources of funding for the college from 2008 to 2010.

Table 7.6: Sources of funding for Mthashana FET College (2008-2010)

Source	%
DHET Funding	54
Student fees	19
NSFAS	18
Other government departments	2
Income derived from investments	2
Money received from services rendered	2
Money generated from accommodation or other services	3
SESD/ DANIDA	0.1
TOTAL	100

Source: HSRC , 2010

Table 7.6 illustrates that more than half of all the college funding is derived from the state subsidy. In reality, however, the dependence is significantly higher. The dependence on state funding is increased by the number of students on financial aid (NSFAS). In the 2008-2010 period 18% of funding was obtained from NSFAS. Thus 72 % [40]of Mthashana FET College's funding was derived in general from the government.

An even more important consideration at Mthashana FET College is not the proportion of funding received from the government but the amount of funding itself. In Acting Deputy Director of Curriculum Services' opinion, DHET has never had a realistic perception of the particular needs of FET colleges in rural areas, especially considering the socio-economic characteristics of the areas served by these rural colleges, which are characterised by high levels of illiteracy, unemployment and poverty that have implications for modes of delivery, infrastructure and staffing (Interview with Acting Deputy Director of Curriculum Services, 2010). It was felt that the 'one-size-fits-all' programme-based funding model and norms adopted by DHET discriminates against rural FET colleges to the extent that they are unable to fulfil their mandates.

Mthashana FET College does have five streams of income which are self-generated. The first is income derived from memoranda of understanding with other government departments to

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[40] The 2% from other government departments is not included in this figure as it is a source of revenue not funding.

provide short courses (skills development) for their employees (2%). The second stream came from financial investments, which yielded 2% (HSRC, 2010). The third stream of income was from services rendered. This includes hiring out college facilities to the public for private functions. The boarding establishment is rented out to provide another stream of income. This accounted for 3% of the income during the same period (HSRC, 2010). The last stream of non-DHET funding came from the Danish International Development Agency (DANIDA). This was used to establish a Linkages and Programme Unit at the college. This Unit formed part of the 'Support to Education and Skills Development' programme of DANIDA. The aim of this programme was to increase the employability of students through labour market-oriented skills programmes. The programme also sought to build linkages between the college and the world of work, community organisations and local government (HSRC, 2006: 1). This funding only contributed 0.1% of total funding for the period under review. However, the establishment of the programme may be viewed as a resource in itself.

Table 7.7 sets out the sources of funding for Mthashana FET College in terms of resource dependency.

Table 7.7: Financial resource dependency in Mthashana FET College

Source of funding	Level of reliance on source	Dependability of funding
Department funding	High	Funding is received every year, but often arrives later than scheduled.
Student fees	Moderate	Variable.
NSFAS	High	Funding received in May or June. Although dependable this means that the college must operate for three months with little funding.
Other government departments	Low	High level of dependability.
Revenue received from services rendered	Low	High level of dependability.
Revenue generated from accommodation or other services	Low	High level of dependability. The college's boarding establishment does generate income; however, this is a small proportion of funding.
Investments	Low	High level of dependability.
DANIDA	Low	High level of dependability.

With regard to DHET funding, it was found that the allocation often arrives late in the academic year. According to Acting Principal, the college receives its funding in May or June (Interview with Acting Principal, 2012). This is problematic as the large proportion of funding (54%) suggests that there is a high level of dependence on this stream. The same point was made about the funding from NSFAS (Interview with Acting Principal, 2012). The dependability of student fees is argued to be variable since while some students pay their fees on time others do not. The other sources of funding appearing in Table 7.7 contributed only a small proportion of funding to the college, hence the low level of reliance. Overall, the streams of funding that have the highest levels of dependency are also the streams that lack dependability.

Although the funding generated from sources other than DHET may individually constitute a small proportion of funding, collectively the sources contributed 28% of the total funding over the three-year period. This is not an insignificant proportion and may contribute to easing some uncertainty that the college faces. That being said, the power in this relationship sits squarely with DHET and NSFAS (which is funded mainly by DHET).

Capacity of the college council

Capacity, in this instance, refers to the capacity of a college council to govern adequately. As members of the council are appointed by the state, they can be seen as a resource which has been given to the college. The backgrounds and expertise of the members of the council, as provided by the college, appear in Table 7.8.

Table 7.8: Expertise of the members of the Mthashana FET College Council

	#	Competencies	Portfolio on Council	Current business/ occupation
Internal Members	1	Finance and Supply Chain Management	None	Finance Clerk
	2	Leadership and Management	Executive committee	Acting Principal, Deputy Director of Academic Services
	3	Leadership, Governance	Executive committee	Acting Deputy Director of Corporate, Campus Manager
	4	Curriculum	Academic Board and Planning and resource	Acting Deputy Director of Academic, Assistant Director: Curriculum
	5	None provided	Lecturing staff representative	Lecturing staff
	6	None provided	Support staff representative	Support staff
	7	None provided	Student representative	Student
	8	None provided	Student representative	Student
External Members	9	Management, Organised Labour, Education	FET Management Information Systems	Education management
	10	Business	Planning and Resource	KZN Auctioneers
	11	Finance	None	Business owner
	12	Community Development	Student Support Services	Councillor, Zululand District
	13	Business, Finances	Finance, Human Resources	Self-employed
	14	Management, Community developer	Human Resource Portfolio	Educator
	15	Leadership, Management	Finance, Human Resources	Pilot
	16	Community Development and Social work	Academic Board	Manager: Nongoma Alcohol and Drug Help Centre
	17	Community Development	Student Support Services	Councillor, eDumbe Municipality
	18	Community Development	Student Support Services	Administrator, ANC Parliamentary Constituency Office
	19	Community Development and Finance	Finance Committee	Finance and Systems Management
	20	Legal	None	Attorney

Source: HSRC, 2010

Both the FET Colleges Act (16 of 2006) and the general college statute stipulate that a college should include a broad spectrum of competencies and expertise. The findings in Table 7.8 demonstrate that the council members at Mthashana FET College do come from diverse backgrounds and have competencies in education, law, business, finance and human resource management.

In practice, however, the capacity of the members of council seems to be lacking. Acting Deputy Director of Curriculum Services stated that

...capacity is a big challenge. We don't have people in industry. We should have a lawyer and other expertise. We have members on our council that can barely speak English. Not that this makes them incompetent but it poses a problem of their experience of being at an institution like this (Interview with Acting Deputy Director of Curriculum Services, 2012).

Acting Deputy Director of Student Support Services was more negative stating that the council was ineffective and that members lacked the necessary qualifications and expertise. He stated that this was because council members were political appointments. As such the council was not helpful in forging linkages with the world of work (Interview with Acting Deputy Director of Student Support Services, 2012).

The Deputy Chairperson of the College Council noted the unavailability of a pool of expertise from which to draw candidates who are suitably qualified for positions on the council. This was due to the highly rural location of the college campuses. She felt that selection of members of the council which had to take into consideration geographical and political representivity had resulted in the appointment of some members who had low levels of education (Interview with Deputy Chairperson of College Council, 2010). Consequently they had a limited understanding of council's responsibilities and lacked an appreciation of what certain activities involve; for example, the need or reasons for financial audits to be conducted, the sense of urgency for this and why reporting is of critical importance in governance (Interview with Deputy Chairperson Of College Council, 2010).

The fact that both the Chairperson of the Council and the secretary are employed as teachers (the former is a principal of a school) has had serious implications: they had not always been available for special meetings of council, and minutes of the council meetings had not been

circulated timeously. In addition, because the chairperson of the council does not reside in the same town as the central office this gives rise to excessive claims for subsistence and travel.

Some friction has been experienced among members of the Mthashana FET College council as the external members do not have a background in the FET sector. They required training or capacitation especially on legislation and in particular on the King Reports on corporate governance (Interview with Acting Principal, 2012). At Mthashana FET College the training on the King III Report on corporate governance was facilitated by Judge King himself. While attendance was good, the principles contained in the report apparently have not been implemented in the college (Interviews with Acting Deputy Director of Curriculum Services and Acting Principal, 2012).

Assessment of munificence

Mthashana FET College operates in an environment of scarce resources, where, as discussed previously, most of the funding comes from DHET and NSFAS. The timing of this funding is not predictable. In addition, the amount of revenue fluctuates from year to year. This situation exacerbates the problem of a scarcity of financial resources as the rural location of the college results in increased travel and subsistence costs. This is important because in an environment of scarce resources, organisations are forced to alter their structures and processes accordingly. This impacts budgets, planning systems and infrastructure. This will be discussed later in the chapter with regard to Mthashana FET College's responses to the environment.

The necessary governing capacity is also a scarce resource at this college. While council members come from a diverse range of backgrounds, their failure to commit to training in corporate governance may limit the development of the college.

The discussions on concentration and munificence have mentioned a number of actors in the system in which Mthashana FET College is situated. The next section examines how these actors are linked in the system.

7.5.3 Interconnectedness

Interconnectedness refers to the number or patterns of linkages between Mthashana FET College and other actors. Higher levels of interconnectedness result in an unstable environment for the college. Organisations that are connected are influenced by decisions or actions taken by those to which they are linked. Increasing the number of interconnected organisations (that is, the complexity of the structure) also increases the number of potential actions that can impact on the organisation in question.

Figure 7.4 illustrates the number of organisational actors that are connected to Mthashana FET College. The organisations are grouped into the broad categories of DHET, NSFAS, DANIDA and SETAs.

Figure 7.4: Organisations connected to Mthashana FET College
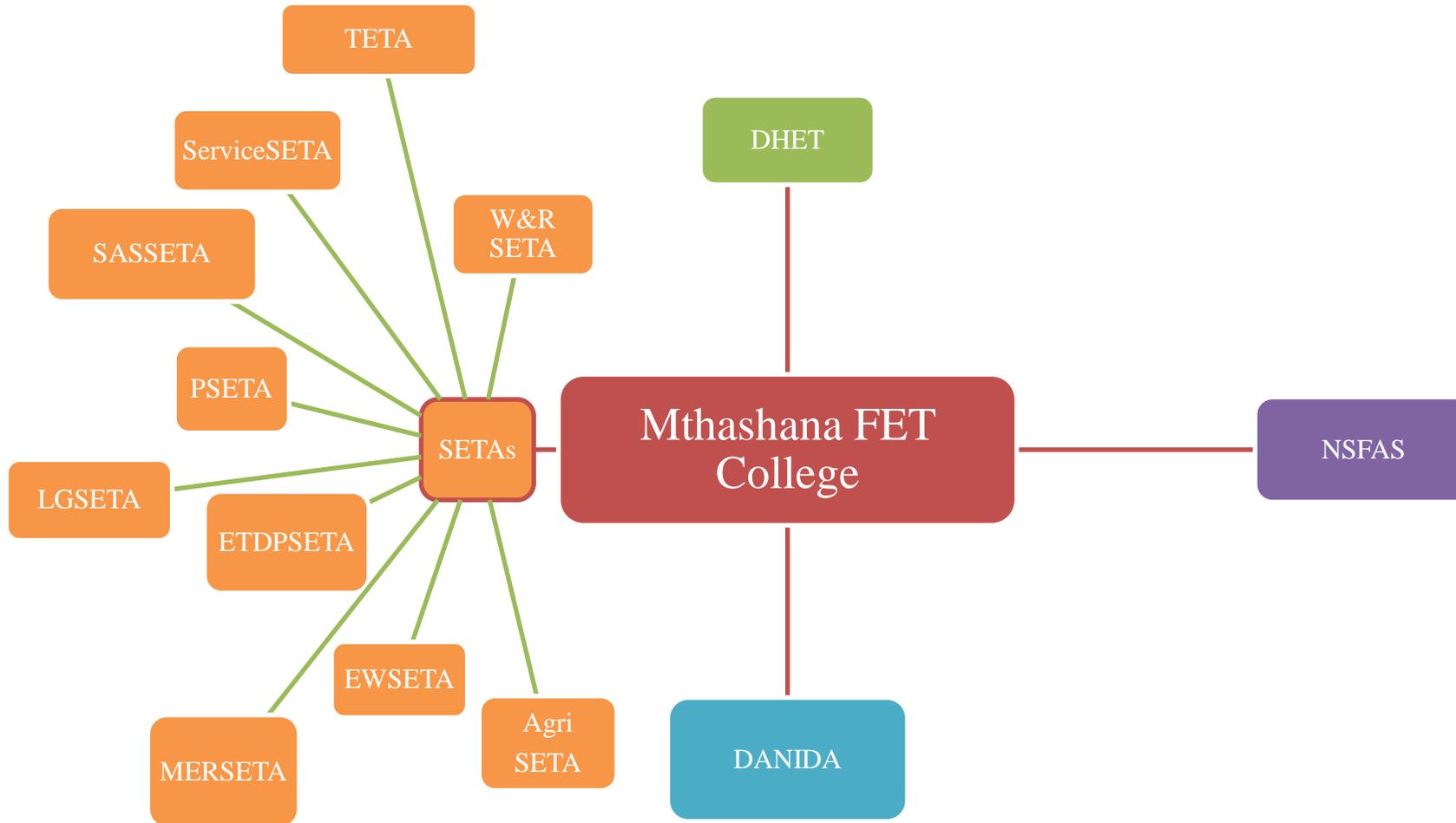
Sources: DHET, 2012; HSRC, 2010

Reference has been made to the relationship between Mthashana FET College and DHET throughout this chapter. As was noted, decisions made by DHET have a significant impact on the college. These decisions include, *inter alia* :

- funding allocations; and
- appointments to the council.

Relationships with various SETAs also provide a stream of funding for the college. These SETAs include:

- EWSETA: Energy Sector Education and Training Authority
- ETDP: Education, Training and Development Practices
- LGSETA: Local Government Sector Education and Training Authority
- MERSETA: Manufacturing, Engineering and Related Services Sector Education and Training Authority
- SASSETA: Safety and Security Sector Education and Training Authority
- AGRISETA: Agriculture Sector Education and Training Authority
- PSETA: Public Service Sector Education and Training Authority
- ServicesSETA: Services Sector Education and Training Authority
- W&RSETA: Wholesale and Retail Sector Education and Training Authority
- TETA: Transport Education and Training Authority
  (DHET, 2012).

The relationship between Mthashana FET College and the SETAs is different to the one with DHET as the college must meet certain requirements in order to be accredited with the various SETAs. Accreditation functions as a 'stamp of approval' which indicates that a FET college, or a particular programme offered at a college, is of a certain quality. The purpose of accreditation is to ensure that certain standards are attained. Accreditation will typically be given only if particular specifications are met and if there is evidence of appropriate quality control procedures that can be followed to make sure that these specifications continue to be achieved. Such processes may include the development and adoption of policies by a college.

Mthashana FET College operates in a structurally complex system. Decisions made by any of the 13 organisations to which the college is connected, affect the college. The impact of these decisions and actions on the college vary according to the level of interdependence. This will be discussed in the next section.

7.6 Relationship between Mthashana FET College and other actors

The combination of structural characteristics results in conflict or interdependence between the actors and the focal organisation (see Figure 7.5). Since power relations between DHET and Mthashana FET College are so highly concentrated due to DHET's dominance, there are few instances of conflict between the parties. The scarcity of resources has resulted in a more interconnected relationship between the college and other actors.

Figure 7.5: Link between structural characteristics and the relationship among the actors in Mthashana FET College
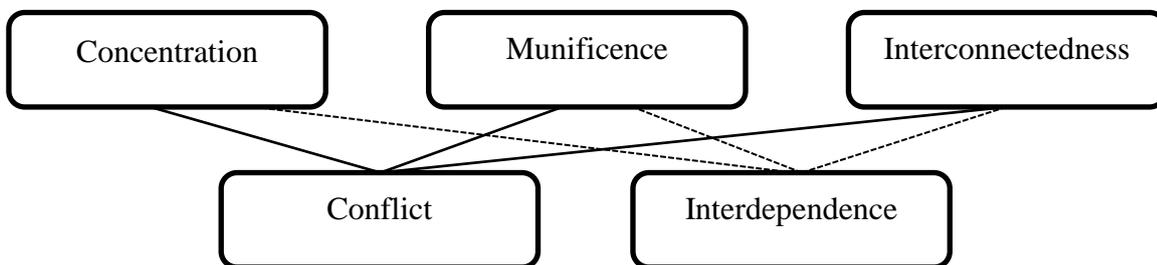
The high level of regulation by DHET, accompanied by a high level of resource dependence, creates a situation where Mthashana FET College must comply. Thus a high level of dependence expressed in this system between the college and DHET.

No evidence was found that could indicate overt conflict between the college and the other organisations. References were found regarding grievances. Monitoring and evaluation by the government was perceived to only occur on the government's terms or, more specifically, for the primary purpose of monitoring colleges to ensure, for example, that they "do not waste money" or that "targets are being met" (Interview with Acting Deputy Director of Curriculum Services, 2012).

The next section narrows the discussion from the inter-organisational level to the organisational level. The effects of the environment on the governance of Mthashana FET College will be assessed fully.

7.7 Organisational level

The structural characteristics of the environment have placed certain demands on Mthashana FET College. In addition the college faces a significant amount of uncertainty. This leads the college to respond to the environment by either complying with these demands, avoiding them or adapting to the environment.

7.7.1 Demands

Demands refer to any insistent and peremptory requests made by other actors to a college. Four main general demands have been placed on Mthashana FET College. The first demand is to provide vocational education within a limited budget. This demand is further qualified, as a college is expected to provide quality vocational education with a view to being an "institution of first choice" (Nzimande, 2012). Mthashana FET College is expected to meet these demands by DHET as well as satisfy the students who pay fees and thus expect a quality education. The college is expected to manage its limited finances in such a manner that is both efficient and effective.

The second demand is related to the first. Due to the limited budget which has been provided by DHET and the lack of reliability of funding from both DHET and NSFAS, Mthashana FET College faces a demand to generate a secondary stream of funding, which should be used to build a surplus fund that could be used for contingency purposes.

The third demand concerns the implementation of public policies. In the government's efforts to transform the vocational education sector in South Africa, numerous policies have been promulgated in a relatively short period, as discussed in Chapter Three. This has resulted in a demand on Mthashana FET College both to retract the old policies and to introduce the new ones. This has involved changing organisational systems, structures and processes in the college.

Fourthly, Mthashana FET College has to be responsive to the needs of the community. According the Acting Deputy Director of Curriculum Services, the community has a high level of

unemployment (Interview with Acting Deputy Director of Curriculum Services, 2012). There is thus a need to increase skills development through courses and training programmes which the college is expected to provide.

7.7.2 Uncertainty

Uncertainty is the other impact of environment and resource dependency on an organisation. It refers to the ability of Mthashana FET College to predict its immediate or long term future of the organisation. Uncertainty is indicated by the inability of the college to forecast or budget for the future as well as conflict between the sub-units of the college.

With regard to the inability of the college to forecast, technological advances in terms of calculating accurate student numbers have been implemented by DHET (Interview with Acting Principal, 2012). This has involved the use of a computer management information system called Coltech. As it is an Internet-based system, current data on students and programme should be available from it. This system is integrated with the system which DHET uses (Cosser, et al., 2011). However, this system does not work at this college due to the rural locations of the central office and the campuses, as well as a lack of basic infrastructure such as telephone lines in order to gain access to the Internet (interview with Acting Principal, 2012). Some campuses are forced to submit student numbers and details manually. This results in delays in funding from both DHET and NSFAS (interview with Acting Deputy Director of Curriculum Services, 2012). This not only has an impact on the ability of the college to forecast accurately but also means that the college is unable to budget properly.

Another reason for the inability to forecast and plan in Mthashana FET College is the acting nature of the principal's position. At the time of the interview in 2012, Acting Principal had been acting as principal for three years. The college management had no communication from DHET regarding whether or not the suspended principal would return. This situation had resulted in conflict between the staff and management of the college. According to Acting Principal: *"staff will say, 'We cannot consider the people that are acting'"* (Interview with Acting Principal, 2012). Acting deputy director of curriculum services and Acting Deputy Director of Student Support Services echoed this by stating that the perception is that if you are acting you are considered not to be in that position. This is despite the acting appointment being a formal one (Interviews with Acting

Deputy Director of Curriculum Services and Acting Deputy Director of Student Support Services, 2012).

There is also evidence of conflict between the management group (Acting Principal, Acting Deputy Director of Curriculum Services and Acting Deputy Director of Student Support Services) and the college council. The management team believes that the council obstructs processes in Mthashana FET College. The college council's failure to approve policies has in the past delayed processes in the college. The interviewees went as far as saying that the council was not needed (Interviews with Acting Deputy Director of Curriculum Services and Acting Deputy Director of Student Support Services, 2012).

7.7.3 Responses to the environment

In an environment of numerous demands and uncertainty, Mthashana FET College must choose which demands to comply with and which to strategically avoid. The college has also responded to the environment by developing certain adaptations. The next section discusses these instances of compliance, avoidance and adaptation.

Compliance

At face value, Mthashana FET College has, firstly, complied with the policy environment. The council has developed a strategic plan, financial policies have been adopted, quality assurance measures are in place and five advisory committees have been established (HSRC, 2010).

The second area of compliance is the generation of a secondary stream of funding, which accounted for 28% of the college's income over the 2008-2010 financial years (HSRC, 2010). This funding, as was portrayed in Table 7.6, was derived from: memoranda of understanding with other government departments to provide short courses (skills development) to their employees; financial investments; services rendered; renting out the boarding establishment; and funding from DANIDA (HSRC, 2010).

Thirdly, the college has also complied with the demand from the community to provide short courses to skill the unemployed members of the community. These short courses offered include:

business management, financial management, computer practice, beadwork, bricklaying, sewing, shoemaking, egg production, carpentry, piggery and plumbing (DHET, 2012).

The fourth demand which the college has accommodated is to function with inadequate and unreliable financial resources. Due to the concentration of power in the system where DHET is dominant, the college has no option but to comply with this demand.

Avoidance

The college council does exhibit some elements of avoidance behaviour. The college statute is one example. The FET Colleges Act provides an exemplar of a statute that can be used as a basis for each college to develop its own statute. The statute in the Act is a guide that can be amended. This gives the council room to adapt the statute according to the needs of the specific college. However, in Mthashana FET College the council has not formulated its own original statute, nor has it adopted the generic one (HSRC, 2010).

Mthashana FET College's policies have not been updated since 2006. Given the numerous recent changes in the FET sector, it may be seen as problematic that such policies have not been revised to incorporate the changing context. It was admitted that these policies are outdated and require reviewing and updating (Interview with Acting Deputy Director of Curriculum Services 2012). However, the college management has been unwilling to adjust the college's operating policies for fear of further policy and political changes (Interview with Acting Principal, 2012). It is evident here that Mthashana FET College, rather than adapt to changes in the policy environment, avoids action with a view to act once stability has been achieved.

Adaptation

Adaptation refers to changes in organisational structure or ideology as a response to the demands and uncertainty of the environment. Two adaptations will be discussed here.

The first adaptation is due to uncertainty which has resulted in multiple lines of accountability. In terms of remuneration and employment, staff at Mthashana FET College should be accountable to their college council. However, in terms of management line functions, the staff are directly accountable to the college principal. The principal in turn is accountable to the college council as

the officer accountable for operations in the college. The acting principal is also accountable to DHET through a formal line of accountability which was specified in her letter of appointment. These multiple lines of accountability have then allowed the different constituencies to further their interests by bringing issues to the attention of actors who are perceived to have more power. As the acting principal stated:

> *... the staff and student representatives are part of the decision-making process, but you find that they don't act as part of the council. They act as though they are [constituent representatives]. You find that they are always fighting for student or staff related issues. You also find that they take sensitive council information and relate it to the students [and staff]...* (Interview with Acting Principal, 2012).

The second adaptation relates to the structure of the college council. The most significant impact of the FET College Act 16 on governance in the college structure has been that the college council as stipulated in the Act, does not function as single unit. Figure 7.6 illustrates who the 'true' council is.

Figure 7.6: Representation of the governance system in Mthashana FET College
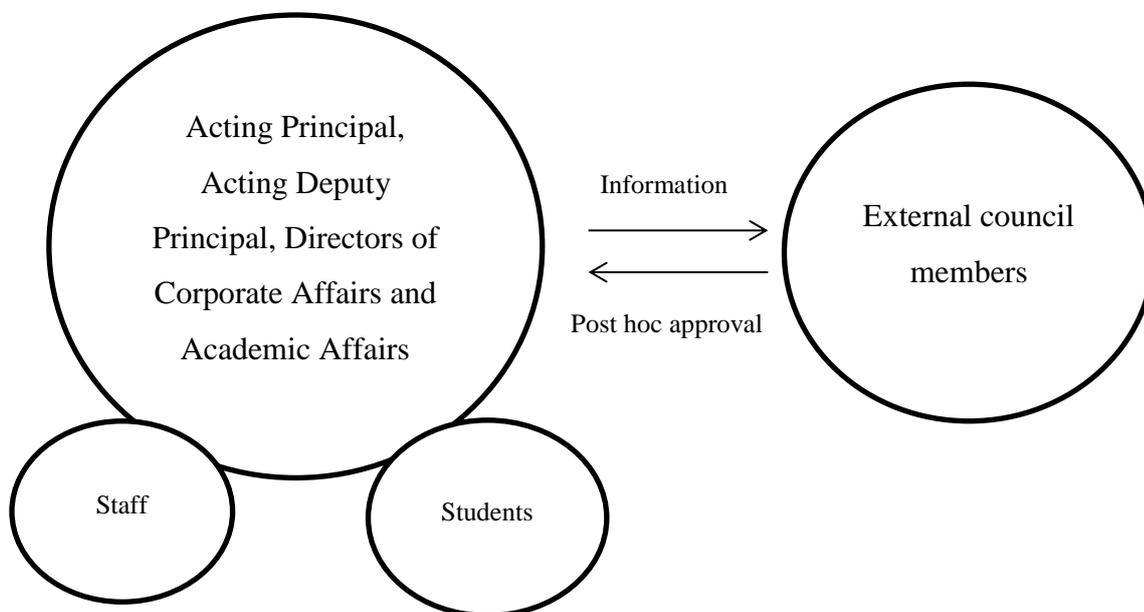
On the left of the diagram are the internal members of the Mthashana FET College council. These members act as the primary section of the governance structure, while the staff and student members act as constituency representatives. The external members of the council in practice perform a largely formal role, by approving actions of the internal council members after they have occurred. This adaptation illustrates a change in the governing practices found by the HSRC's

evaluation of the Support to Education and Skills Development Programme, which found that the college council was becoming more involved in the governance of the college (HSRC, 2004: 12).

This adaptation has resulted from the widespread geographic locations of the college. In addition, the management team's disregard for the external council members resulted in the 'us and them' theme emerging very strongly in the interviews with the management team. At this college, the 'council' is used in reference to the external members of the council. The three other groups: staff representatives, student representatives and the principal are auxiliary to the council. The acting principal did not see herself as part of the council. She stated that

> *…Sometimes you have to wait for them. They will always accuse you of wrongdoing whatever you do. Some members do not attend meetings. Even when the college is facing challenges they do not come. When there is a formal meeting when we have to present to the council, these members will start accusing you of things and at the same time they don't support you…*(Interview with Acting Principal, 2012).

The management team is able to fulfil their duties and obligations by circumventing the council. Their actions and activities are reported to the provincial Director of Further Education and Training, and policies and processes are implemented without the approval of the council. The council is informed subsequently.

7.8 Conclusion

This chapter has used the ecological and resource dependency theoretical framework to analyse data on Mthashana FET College in order to understand how the environment and resource dependency affect the functioning of the college.

This chapter has presented an account of the broad environments in which Mthashana FET College operates. The public policy environment has caused instability in the college, especially in relation to the staffing of the college as many experienced and qualified lecturers left the college in response to the promulgation of the FET Act 16 (RSA, 2006). The geographic environment has also had pervasive impacts on the governance of the college. This refers to the distances between the college's central office and the campuses as well as the rural nature of the college.

Through an exploration of the structural characteristics of the environment it is apparent that the power in the system is concentrated with DHET. This stems from the low levels of autonomy and high levels of accountability of Mthashana FET College to DHET. The level of munificence in the system is low. There is the added financial burden placed on the college due to the high levels of poverty and unemployment which have resulted in more students requiring financial aid. As a significant proportion of the college's funding is from DHET the level of interdependence is high. This interdependence has resulted in a high degree of uncertainty in the college, which is apparent from the numerous conflicts between its council and management structures. In addition, the college is unable to adequately plan for the future due to the unreliability of funding from the state.

While Mthashana FET College has generally complied with the legal demands placed on it, there are instances where demands are strategically avoided. An (unanticipated) adaptation that has resulted in the college is that the council operates with external members occupying a formal role in governing while the management team both governs and manages the affairs of Mthashana FET College.

The next chapter synthesises the findings from this chapter in conjunction with those from Chapters Three, Four and Five. From this process conclusions will be drawn regarding the governance of FET colleges in KwaZulu-Natal.

CHAPTER EIGHT

Final Analysis and Conclusions

8.1 Introduction

This thesis begins with the assertion that the FET colleges in South Africa are not functioning adequately due to problems of governance in and of these colleges. Stemming from this, the primary aim of this investigation has been to understand why. This study has analysed the governance of two FET colleges each located in a distinct socio-economic context. This chapter reflects on the key research question namely, whether the governance of FET colleges is significantly affected by the external environment? The Ecological and Resource Dependency Theory was used to construct a conceptual framework (presented on page 45) which was used extensively to answer the following sub-questions:

- What characteristics of the external environment affect the governance of FET colleges?
- What are the effects of the external environment on the governance of FET colleges?
- How do FET colleges respond to the external environment?
- Why do the FET colleges respond in the manner that they do?

This concluding chapter revisits these questions and draws conclusions from the findings reported in the preceding chapters. The findings of other studies are also considered in this chapter in order to build upon the current body of literature. The last part of this chapter discusses the policy implications of the findings of this study for the further education and training sector and possible avenues for future research.

8.2 What characteristics of the external environment affect the governance of FET colleges?

Cognisance was given to the historical contexts of each college. The FET colleges which were selected as case studies for this investigation have experienced problems regarding the legacy of the previous educational system. As stated in Chapter Three, institutions that were merged had varying

levels of infrastructure and quality of education. This complicated the merger process. Such legacies still have an impact on the operation of the FET colleges.

The case studies illustrate that FET colleges operate in different contexts. The findings suggest that the political, economic and geographic environments have had varying impacts on the manner in which policy is implemented in colleges and the manner in which the FET colleges are governed. Table 8.1 sets out the elements of the external environment that were found to have affected the governance of the FET colleges in this study.

Table 8.1: Elements of the external environment that affect the governance of FET colleges

Environment	Conclusions
Policy	The FET colleges operate in an environment where a large majority of their actions and processes are regulated by public policy. The policy environment places numerous demands on FET colleges while concurrently constraining the actions of the institutions.
Political	This environment may affect FET colleges as they are susceptible to being used for political gain.
Economic	FET colleges seem to be shielded from the immediate effects of the economic environment due to the high degree of state involvement in the sector.
Geographic	The geographic location of the college is important as it affects the logistical elements of governance.

The extent to which each element affects governance was determined by examining three dimensions of the external environment: concentration, munificence and interconnectedness. This allowed for a deeper analysis of the external environment. The findings show that of the three dimensions, concentration had the most significant impact on governance. The impacts of munificence and interconnectedness are overshadowed by the high concentration of power located with a single actor, namely DHET.

The FET colleges operate in an environment where a large majority of their actions and processes are regulated by some form of public policy, which points to a high degree of regulation by the state. This is particularly the case with regard to financial issues. The high degree of regulation by the state has had limiting effects on the autonomy of the two colleges. By implication, the power of

each college council, as the primary structure of governance, is significantly limited. With regards to policy autonomy, while Section 10 of the FET Colleges Act 16 (RSA, 2006) does stipulate that FET colleges must either formulate their own distinct college statute or adopt the standard college statute, Mthashana FET College has done neither, while Thekwini FET College has adopted the standard statute but does not use it as a policy document to guide the institution. This calls into question the utility of the standard statute. The experiences of both Thekwini and Mthashana FET Colleges point to the ceremonial nature of a standard statute, since as the FET Colleges Act 16 (RSA, 2006) ultimately takes precedence in matters of governance. This is in line with Galbraith's (1984: 40) assertion that the locus of power in the system impacts on the legitimacy of any policy that is to be implemented.

Government policy seems to be contradictory, fluctuating between too much autonomy and too little autonomy which has inherent consequences for the governing powers of FET college councils. For example, much responsibility and authority has been devolved to the college level to manage college finances. However, colleges are fully accountable to the government for how such funds are spent. The governing power of FET colleges is further limited by the level of munificence in the system. The colleges have exhibited little capacity to raise their own revenue and are heavily reliant on the state for funding. This financial dependency empowers the state to control the actions of the FET colleges.

As a result of the low levels of autonomy, FET colleges have become highly dependent on the state. The high degree of regulation and oversight by DHET (including the provincial Department of Education) limits the real power of college councils while, at the same time, conferring on them considerable responsibility. This has serious implications for the degree of agency which colleges express in becoming responsive organisations. This is in line with Moyo's (2007) argument that decision-makers at higher levels of the system often subjugate these powers of policy implementers.

With regard to accountability, externally, DHET occupies the most powerful position as the colleges are ultimately accountable to DHET. Accountability structures within colleges differ. Mthashana FET College's actual accountability structure is due, in part, to the lack of direct oversight which is exercised by the college council as some council members are located some distance from the central office. Accountability of the college (the principal and staff) to the college council is minimal. Table 8.2 summarises the conclusions regarding the features of accountability found in this study on FET colleges.

As Harris, Simons and Clayton (2005) have stated, government policy has the most marked effect on the manner in which institutions operate. This study has shown that the policy environment has given a substantial level of authority to DHET. Through the extensive reporting requirements and the direct intervention in colleges, it is apparent that DHET has exerted this authority; power is therefore concentrated with DHET. This places limits on governance actions of the colleges. This power is further entrenched through the control of resources. This relates to the munificence of the environment.

The impact that munificence can have on FET colleges has been tempered by the strong concentration of power with DHET. With regards to council capacity, two extremes were documented: a rubber-stamping one and one that tried to assert its power by getting involved in the management of the FET college. Both colleges have experienced state intervention which affected the governance of those institutions. Thus, while the necessary governing capacity was found to be a scarce resource in both case studies, as found by Powell (2005), Wedekind (2008), Coetzer, (2008) and Cosser, et al., (2011); the impact of this is limited. Regardless of the fact that FET colleges, as public institutions, can rely on the state to bail them out of financial difficulty, funding poses a significant governance problem for FET colleges. It promotes uncertainty in a number of ways.

Firstly, the study found that national government funding allocation policies and processes were inadequate to meet the demands placed on the colleges in question. The formula used for funding the FET colleges (see Appendix D) does not adequately take the socio-economic context of FET colleges into consideration. Neither does the NSFAS funding framework. This negatively impacts on colleges' located in areas with high unemployment and/or poverty rates (such as Mthashana FET College) financial viability. Students in impoverished areas tend to be heavily (if not solely) reliant on NSFAS funding, more so perhaps than students in the less impoverished surroundings (such as the Thekwini FET College).

The second issue concerning funding is that the national government's annual budget allocation for further education and training is not regular and predictable. Both Thekwini and Mthashana FET Colleges reported receiving the first tranche of funding from government as late as May, while the academic year begins in January. In addition, both colleges reported that the amount of this funding fluctuates from year to year due to the use of formula funding. This impacts budgets, planning

systems and infrastructure. While funding does not necessarily impact on the survival of the institutions, as put forward by Pfeffer and Salancik (2003), it does however contribute to the overall uncertainty experienced by the colleges. It complicates governance by making holistic planning difficult.

Pfeffer and Salancik (2003) state that higher levels of interconnectedness result in an unstable environment for organisations, as the organisations that are connected are influenced by decisions or actions taken by the other organisations. This study shows that in both colleges decisions made by DHET have significant impacts on how each college is governed. To a lesser extent, the accreditation requirements from the SETAs were also found to have forced the colleges to formulate and implement certain policies. In the case of FET colleges, a higher level of interconnectedness may not cause uncertainty. Linkages to other organisations may, in fact, diminish the level of dependence on DHET. The manner in which the Thekwini and Mthashana FET Colleges have sought to diversify their sources of funding and revenue, points to the role interconnectedness can play between the colleges and other actors in the system.

The impacts of the structural characteristics of the external environment on the FET colleges in this study is summarised in Table 8.2.

Table 8.2: The impacts of the structural characteristics on the governance of FET colleges

Characteristic	Conclusions
Concentration	Concentration had the most significant impact on FET colleges as a substantial level of authority is given to DHET through the policy environment. Through the extensive reporting requirement and direct interventions, it is apparently that DHET has exerted this authority.
Munificence	The impact that munificence can have on FET colleges has been tempered by the strong concentration of power with DHET.
Interconnectedness	Negligible impact due to the high concentration of power located with DHET. The exertion of this power results in the FET colleges being influenced by the actions of DHET.

8.3 What are the effects of the external environment on the governance of FET colleges?

This study also argues that the characteristics of the external environment discussed above affect governance at FET colleges in three main ways. Firstly, it influences the relationship between the FET college and other actors. Secondly, it places demands on the FET colleges, and thirdly, it creates uncertainty at FET colleges. These effects are discussed in turn.

Influence of the external environment on the relationship between FET colleges and other actors

At inter-organisational level, the relationship between the FET colleges and other actors in the system was characterised by interdependence rather than conflict. With regard to the relationship between the colleges and DHET, both colleges did express grievances with the department. The Thekwini FET College regarded its heavy reliance on DHET for funding as a problem. In addition, the SETA accreditation processes were found to be too long and complicated. At Mthashana FET College, apart from a similar grievance regarding funding, monitoring and evaluation by the government was perceived to occur for the primary purpose of checking-up on colleges to ensure that money is not wasted and that targets are met. However, there was no evidence of explicit conflict between the parties. This may be due to the level of power that is concentrated with DHET as the colleges may not view conflict as a viable option to pursue.

Demands placed on FET colleges by the external environment

At the FET college level, three types of demands had been placed on the institutions in this study from the external environment. The first set of demands is to provide vocational education despite a limited budget. The HSRC Audit (2010) suggests that this is the case with at least eight of the nine FET colleges. This demand is further qualified, since these colleges are expected to provide quality vocational education with a view to being an "institution of first choice" (Nzimande, 2012). This demand on FET colleges is made by DHET as well as by the students attending them who pay fees. This impacts the functioning of the colleges as they are expected to manage limited finances in such a manner that is both efficient and effective. Due to the limited budget provided by DHET and the lack of reliability of funding from both DHET and NSFAS, a demand is placed on the colleges to generate a secondary stream of funding. This secondary stream is for the purpose of building a surplus fund that could be used for contingency purposes.

The second set of demands concerns the implementation of public policies. In the government's efforts to improve the vocational education sector in South Africa, numerous policies have been promulgated in a relatively short period. Thus FET colleges are tasked with revising, transforming, introducing and implementing public policies simultaneously. At Thekwini FET College these reforms were said to have placed a significant burden on governance structures as those leading the college have had to continually familiarise themselves with new policy and then implement it.

The third set of demands requires FET colleges to be responsive to the needs of the community, as well as to the economic and labour needs of the country. In Mthashana FET College's case the community has a high level of unemployment. There is thus a need for skills development courses and training programmes which the college is expected to provide. For Thekwini FET College, responsiveness would require programmes geared towards the manufacturing and tourism industries.

Apart from the demand placed on the FET colleges, significant levels of uncertainty have resulted from the environments in which each college operates. The indicators of this uncertainty are discussed below.

Uncertainty faced by FET colleges as a result of the external environment

Uncertainty was examined with reference to the ability of Thekwini and Mtashana FET Colleges to forecast, the ability to budget for the future, and conflict between subunits of the colleges. Budgeting and forecasting was found to be affected due to unreliable funding from DHET and NSFAS and by the use of Coltech. At Thekwini FET College the amount of funding received fluctuated due to students either registering late or withdrawing from learning programmes. Thus forecasting and budgeting were reported to be very difficult. At Mthashana FET College, the Coltech system did not work. This was due to the rural locations of the central office and the campuses as well as a lack of basic infrastructure such as telephone lines for Internet connection. The college was forced to manually submit student statistics which affected the funding received. The inability to forecast and budget is a direct result of the external environment.

A dominant theme arising from the interviews with council chairs and college principals was conflict between the councils and college management, with council chairpersons and principals

generally taking opposing standpoints on governance powers and jurisdiction. At Thekwini FET College there were two instances where conflict was apparent between the council, principal and staff. In these cases staff remuneration and enrolment processes were the points of contention. There was also evidence of conflict between the management group and the college council at Mthashana FET College. Here, the council was viewed by the management team as hampering the functioning of the college. Non-approval of policies has in the past delayed processes in the college. The interviewees went as far as saying that the council was not a necessary governing structure. Conflict between sub-groups of FET colleges is a strong indication that the external environment has led to uncertainty faced by FET colleges. Table 8.3 summarises the effects of the external environment on FET colleges.

Table 8.3: The effects of the external environment on FET colleges

Effect of external environment	Conclusions
Relationship of interdependence between actors	The external environment has led to relationship between the FET colleges and DHET which is characterised as interdependent. Due the level of power that is concentrated with DHET as the colleges may not view conflict as a viable option to pursue.
Demands	The external environment places numerous demands on FET colleges, including policy implementation within financial constraints.
Uncertainty	The inability to budget, inability to forecast and conflict between college councils and college management is symptomatic of the uncertainty faced by the FET colleges.

8.4 How have FET colleges responded to the environment?

This study posits that the external environment poses governance challenges for FET colleges. The research findings substantiate this claim. One of the research objectives stemming from this was to determine how FET colleges have responded to the challenges posed by the external environment. This study concludes that the colleges have responded to the challenges presented by the external environment with a governance approach that is a mix of compliance, avoidance and adaptation. Each will be briefly elaborated upon.

Compliance

Both FET Colleges have complied with some demands placed on them by the external environment. For example, as required by the FET Colleges Act 16 of 2006, both FET colleges have established certain structures of governance, including a college council and committees. Other demands are directly related to the funding of the colleges. It is argued here that due to the concentration of power in the system placed with DHET, the colleges have no option but to comply with the demand of functioning with limited funds.

McGrath et al., (2006) stated that there was tension between compliance and the active embrace of change. The authors argue that while colleges seem to be complying with policy, it is superficial. This is what Spours, Coffield and Gregson, (2007: 205) refer to as perverse compliance by institutions that lead to outcomes that are contrary to policy intentions. This is because there is no proactive acceptance of the policy changes. The common instance of this behaviour exhibited by both colleges relates to the development of the college statute. The FET Colleges Act 16 (RSA, 2006) provides an exemplar of a statute that can be used as a basis for each college to develop its own statute (Appendix C). Thekwini FET College has adopted the standard statute without any amendment, while Mthashana FET College has neither formulated a statute nor has it adopted the standard statute. As discussed previously, the college statute was regarded as ceremonial in nature as the FET Colleges Act 16 (RSA, 2006) ultimately takes precedence in governance matters.

Adaptation

Adaptation in the governance of the FET colleges was indicated by the changes in organisational governance structure or ideology as a response to the burdensome demands and uncertainty of the environment. The major adaptation found in the case studies related to the structures of each college council. It was found that the "college council" as stipulated in the Act, does not function as a single unit in either college

In Thekwini FET College the 'council' is used to refer to the external members of the council. The staff representatives, student representatives and the principal are seen as auxiliary to the council. This is as a result of the council's use of the authority which is afforded by the FET Colleges Act 16 (RSA, 2006). The situation is different in Mthashana FET College. Here the members of the

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college council serve as the primary governance structure, while the staff and student members act as constituency representatives. The external members of the council perform a functional role of subsequently approving actions taken by the internal members of the council. This is a direct consequence of the geographic location of the council members which makes attendance of meetings difficult, as well as the lack of capacity among the council members to govern adequately.

Avoidance

The FET colleges have also responded to environmental pressures by avoiding influences that may constrain behaviour. College policies have not been updated since 2006 at Mthashana FET College and since 2009 at Thekwini FET College. This is of concern as such policies have not been revised to incorporate the changing public policy context. In both colleges it was admitted that the respective policies were outdated and required reviewing and revision.

Over the 2007 to 2010 financial years, Mthashana FET College did not submit the required reports to the National Treasury as the auditors resigned. In addition the college had not submitted audit reports for 2011 to the Auditor General in time. Such actions have not resulted in sanctions by DHET. This may have perpetuated this avoidance behaviour.

The findings from the FET colleges in question illustrate that FET colleges cannot always comply with external environmental demands. Instead, the institutions have strategically opted to avoid the demands or adapt to them. Table 8.4 summarises that conclusions regarding the manner in which the FET colleges have responded to the external environment.

Table 8.4: FET college responses to the effects of the external environment

Response	Conclusion
Compliance	Instances of compliance tend to be superficial as there is no proactive acceptance of the policy changes. This perverse compliance leads to outcomes that are contrary to policy intentions.
Avoidance	FET colleges have strategically avoided demands where negative consequences or state sanctions can be evaded.
Adaptation	Adaptations in governance structures evolve in order to limit the governance demands placed on FET colleges and thus allow institutions to function adequately.

8.5 Why do the FET colleges respond in the manner that they do?

This study has identified the various elements, structural characteristics and effects of the external environment in which the Mthashana FET College and Thekwini FET College find themselves in. This study concludes that these defining factors are the reasons as to why the FET colleges respond in the manner that they do. The external environment (as described in this thesis) has placed demands on the FET colleges which have resulted in governance practices in FET colleges that have been adopted out of necessity and institutional survival, not because of the intentional undermining of national government's further education policies and programmes.

8.6 Concluding comments

This study can therefore conclude that the governance of FET colleges is significantly affected by their external environment. This research has highlighted the need, on the part of the state, to recognise the impact of the external environment on the governance of FET colleges. The findings suggest that the external political, economic and geographic environments have an impact on the manner in which policy is (and can be) implemented in colleges and the manner in which the FET colleges are governed. An implication of this finding is that the environment in which the FET sector is situated, together with the particular environment of each FET college, needs to be given serious consideration when analysing the issues and problems associated with them. The different contexts placed different demands on the FET colleges in question. The current public policy framework and funding models do not take this into consideration. This issue warrants further investigation.

Any national government interventions need to be cognisant of the policy implementation challenges that the external environment will impose on FET colleges. Failure to do so will lead to ongoing and increasing governance practices of avoidance and adaptation. This will not promote further education and training policy endeavours.

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Appendix A: Instrument used to assess governance in the HSRC Audit (2010)

FET COLLEGE SYSTEMS AUDIT, 2010: GOVERNANCE

HSRC
Human Sciences
Research Council

Dear Fieldworker

1. **Please ensure that every question in the questionnaire is answered.**

2. **The answers will come from a combination of two sources: interviews with the Principal of the college and the Chair of the college council; and documentation in the college's / council's possession.**

3. **This is an evidence-based questionnaire. To answer each question in the affirmative, you will need either to see actual written evidence of the characteristic (hard evidence – H) or to validate the information sought through conversation with the person responsible for the portfolio under which it falls (spoken evidence – S).** *In every instance, hard evidence is preferred.* **If the characteristic is not present, mark the "No" box. If it is not known whether the characteristic is present or not, mark the "unknown" (?) box.**

Please mark only one box next to a characteristic. Mark a box by placing a cross in it – for example,

Please complete every field in the box at the bottom of this page before commencing with the audit.

If you have any questions in the course of the fieldwork, please do not hesitate to telephone one of us.

Thank you very much for your assistance.

Yours sincerely

Michael Cosser   **Tshilidzi Netshitangani**

Project Leader   **Fieldwork Manager**

012 302-2924   **012 302-2920**
082 900-9288   **076 609 656**

TO BE COMPLETED BY FIELDWORKER:								
Name of fieldworker								
College visited								
Province								
EMIS no. of college								
Dates of visit								
Start date	2	0	1	0				
End date	2	0	1	0				
	Y	Y	Y	Y	M	M	D	D
I declare that I have completed this instrument myself:								
Signature of fieldworker:								

1. Have college governance structures been established in accordance with the following requirements of the FET Act of 2006?

	Yes	No	?
	H	S		
V1.1					The college has established a council
V1.2					The college has established an academic board
V1.3					The college has established a students representative council

2. Is the college council composed of the following members in accordance with the FET Act of 2006?

	Yes	No	?
	H	S		
V2.1					A principal
V2.2					Five external persons who are:
V2.3					appointed by the MEC
V2.4					One member of the academic board, who is:
V2.5					elected by the academic board
V2.6					One external member representing donors
V2.7					One lecturer of the college, who is:
V2.8					elected by the lecturers of the college
V2.9					One member of the support staff of the college, who is:
V2.10					elected by the support staff
V2.11					Two students of the college, who are:
V2.12					elected by the students representative council
V2.13					Four additional external persons with a broad spectrum of competencies in:
V2.14					education
V2.15					business
V2.16					finance
V2.17					law
V2.18					marketing
V2.19					information technology
V2.20					human resource management

3. Please complete the table in Appendix 1 for all college council members

	Yes	No
V3.1			Appendix 1 has been completed

4. Has the college council performed all the functions necessary to govern the college, in accordance the following requirements of the FET Act of 2006?

	Yes	No	?
	H	S		

Strategic governance

V4.1					The council has developed a strategic plan for the college
V4.2					The strategic plan incorporates the mission, vision and goals of the college
V4.3					The strategic plan incorporates the funding plan of the college
V4.4					The strategic plan addresses past race imbalances
V4.5					The strategic plan addresses past gender imbalances
V4.6					The strategic plan addresses past imbalances pertaining to disability
V4.7					The strategic plan includes safety measures for a safe learning environment for students, lecturers and support staff
V4.8					The strategic plan has been approved by the MEC of the province

Financial governance

V4.9					The council has appointed an auditor to audit the records and financial statements of the college
V4.10					The council has appointed a financial officer
V4.11					The council approves the annual budget of the college
V4.12					The council determines the tuition fees payable by students
V4.13					The council determines the accommodation fees payable by students
V4.14					The council determines any other fees besides tuition and accommodation fees payable by students

V4.15			The council determines the accommodation fees payable by employees

Quality assurance governance

V4.16			The council ensures that the college complies with accreditation requirements pertaining to the provision of standards and qualifications registered on the NQF
V4.17			**If yes, are there MOUs with the province demonstrating this?**

Student support governance

V4.18			The council has provided for a suitable structure to advise on policy for student support services within the college
V4.19			The council, after consultation with the Academic Board and the SRC, has determined a code of conduct, disciplinary measures and procedures to which each student at the college is subject

The code of conduct, disciplinary measures and procedures include measures to curb:

V4.20			Absenteeism
V4.21			Persistent late coming
V4.22			Substance abuse
V4.23			Theft
V4.24			Unruly behaviour
V4.25			Unfair discrimination on the basis of race
V4.26			Unfair discrimination on the basis of gender
V4.27			Unfair discrimination on the basis of sexual orientation
V4.28			Unfair discrimination on the basis of disability
V4.29			Violence
V4.30			Harassment – especially of a sexual nature

General governance

V4.31			The council has approved conditions of employment for all staff
V4.32			The council has made rules for the college

V4.33			The council has determined the language policy of the college
V4.34			The council strikes an effective balance in its allocation of classroom and other facilities for use at different times of the day and night (please answer this question on completion of Appendix 1)

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5. Has the council undertaken the following in accordance with the King III report on corporate governance and the FET Act of 2006?

	Yes		No	?	
	H	**S**			
V5.1					Made available the King III report on corporate governance to all council members
V5.2					Ensured that the majority (60%) of council members are non-executive external members
V5.3					Ensured that council members have held office for no longer than five years
V5.4					Ensured that council members have not served for more than two terms
V5.5					Assessed, on an annual basis, the chairperson's ability to add value, and his / her performance against what is expected of his / her role and function
V5.6					Considered the number of outside chairs held by the chairperson and members of council
V5.7					Ensured a succession plan for the position of chairperson
V5.8					Determined a code of conduct for all staff, including adherence to the principles of:
V5.9					Responsibility
V5.10					Accountability
V5.11					Fairness
V5.12					Transparency

---

6. Have council meetings been convened in accordance with the requirements of the FET Act of 2006?

	Yes	No	?

H	S		

V6.1 — The council held a minimum of four ordinary meetings in the last academic year

If yes, please indicate the dates of all meetings and how many council members attended each meeting:

Date		Attendance
1.	V6.3	
2.	V6.5	
3.	V6.7	
4.	V6.9	
5.	V6.11	

V6.2 (row 1)
V6.4 (row 2)
V6.6 (row 3)
V6.8 (row 4)
V6.10 (row 5)

V6.12 — There are minutes for all ordinary meetings of the council

V6.13 — Were special meetings of the council convened?

If yes, please specify the purpose of each meeting:

V6.14 — 1.

V6.15 — 2.

V6.16 — 3.

V6.17 — 4.

V6.18 — Are there minutes for all special meetings of the council?

V6.19 — Were emergency meetings of council convened?

If yes, please specify the purpose of each meeting:

V6.20 — 1.

V6.21 — 2.

V6.22 — 3.

V6.23 — Are there minutes for all emergency meetings of the council?

7. Has the council had to deal with any of the following between 2008 and 2010?

Yes		No	?
H	S		

Student disruptions to the teaching and learning process, in:

V7.1 — 2008
V7.2 — 2009
V7.3 — 2010

If yes, what steps did the council take to resolve the situation(s)?

V7.4

Staff disruptions to the teaching and learning process, in:

V7.5 — 2008

V7.6					2009
V7.7					2010

If yes, what steps did the council take to resolve the situation(s)?

V7.8

this college?

V9.7					Members of the council

If yes, please specify the number:

V9.8

V9.9					Members of the students representative council

If yes, please specify the number:

V9.10

10. Has the academic board undertaken the following in accordance with the FET Act of 2006?

	Yes		No	?	
	H	**S**			
V10.1					Appointed an executive committee
V10.2					Determined the teaching, learning, research and academic functions of the college

If no, please elaborate:

V10.3

8. Has the council appointed the following committees in accordance with the requirements of the FET Act of 2006?

	Yes		No	?	
	H	**S**			
V8.1					An executive committee
V8.2					An audit committee
V8.3					A finance committee
V8.4					A conditions of employment committee
V8.5					A planning and resource committee

V10.4					Promoted the participation of women in learning programmes

If yes, please indicate the number of female students admitted to the college between 2008 and 2010 in relation to the total number of students admitted:

	Year	Female	Total
V10.5	2008		
V10.6	2009		
V10.7	2010		
V10.8	**% of female students**	

9. Is the academic board composed of the following members in accordance with the FET Act of 2006?

	Yes		No	?	
	H	**S**			
V9.1					The principal
V9.2					The vice-principal(s)
V9.3					A secretary
V9.4					Lecturers (as the majority of board members)

If yes, please specify the number:

V9.5

V9.6					Are all the lecturers employees of

V10.9					Promoted the participation of the disabled in learning programmes

If yes, please indicate the number of disabled students admitted to the college between 2008 and 2010 in relation to the total

number of students admitted:

	Year	Disabled	Total
V10.10	2008		
V10.11	2009		
V10.12	2010		
V10.13	**% of disabled students**		

V10.14 ☐☐☐☐ Established internal academic monitoring and quality promotion mechanisms

V10.15 ☐☐☐☐ Devised a teaching plan for the college

V10.16 ☐☐☐☐ Ensured that the requirements of accreditation to provide learning against standards and qualifications registered on the NQF are met

V10.17 ☐☐☐☐ Determined the learning programmes offered at the college

11. In appointing committees of council and the academic board, has the council:

	Yes		No	?
	H	S		
V11.1					Ensured that the chairperson of a committee is a member of the council?

Determined the:

| V11.2 | | | | | Composition of the committees?
| V11.3 | | | | | Functions of the committees?
| V11.4 | | | | | Procedure at committee meetings?
| V11.5 | | | | | Dissolution of the committees?
| V11.6 | | | | | Established, in consultation with the academic board, joint committees of the council and the academic board to perform functions common to the council and the academic board?

If yes, which committees, and what are their responsibilities?

V11.7 Name:

V11.8 Responsibilities:

V11.9 Name:

V11.10 Responsibilities:

V11.11 Name:

V11.12 Responsibilities:

12. Has the council undertaken the following with regard to the admission policy of the college?

	Yes		No	?
	H	S		
V12.1					Determined admission requirements in respect of particular FET programmes
V12.2					Determined the number of students who may be admitted for a particular FET programme, and the manner of their selection
V12.3					Determined the minimum requirements for readmission to study at the college
V.12.4					Refused the admission of a student who fails to satisfy the minimum requirements for readmission
V12.5					Ensured that the admission policy does not unfairly discriminate in any way
V12.6					Ensured that the admission

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V12.7 ☐☐☐☐ policy provides appropriate measures for the redress of past inequalities

Allowed for alternative enrolment practices in the college?

V12.8 ☐☐☐☐ Engaged with curriculum diversity?

V12.9 Please motivate your response below:

V12.10 ☐☐☐☐ Sought to actively recruit a certain calibre of student to the college rather than passively enrol all would-be students

---

13.   Has the college developed its own college statute, or does it make use of the standard college statute set out in Schedule 1 of the FET Act of 2006?

	Developed own statute	Uses standard statute	Unknown
V13.1			

If "Developed own statute", please answer question 14

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14.   Does the college statute conform to the requirements of the standard college statute contained in the FET Act of 2006?

	Yes		No
	H	S	
V14.1			

If "no", please answer question 15

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15.   In what major ways does the college statute differ from the standard college statute?

V15.1

Appendix B: Interview schedule used in HSRC Audit

1. What are the major challenges the college has faced in the transition from Technical College to FET College?

2. What impact did the promulgation of the FET Act of 2006 have on the management of the college?

3. What are the major challenges you and your management team have experienced in managing the college?

4. What is the current relationship between the province and the college?

5. Last year the Department of Higher Education and Training (DHET) proposed a defined autonomy model of college governance and management in which

   - Colleges are a national competence
   - The Council is the employer of lecturing and support staff
   - The State is the employer of management staff
   - The Council determines college response to skills needs and ensures local relevance
   - The State conducts monitoring and evaluation compatible with PFMA and other reporting requirements.

What is your view of this proposal?

Appendix C: Interview schedule

Please note that these questions and topics are intended to only guide the conversation.

1.   Please can you introduce yourself, and your background in the FET sector

2.   History of the council at This college(pre and post merger)

3.   How would you describe the functioning of the council? Do you see yourself as part of the council?

4.   What is the relationship between the Council and the Management

5.   How do you mediate the roles of being part of both the governing and management of the college

6.   Please can you draw a diagram of the power structures in the college

7.   Where are decisions made?

8.   What is the college's relationship with DHET?

- Stability of governance structures
- Funding

9.   What are the main sources of funding?

10.   Who has the power to allocate funds?

11.   How much flexibility do you have in managing the funds?

12.   Council as employer

- Problems experienced

13.   Does the college have a set of governance or operating policies?

- How are they used?
- Is the King III report relevant or useful?

14.   What are your views on the community which the college serves? Any political problems?

15.   If you had to fix the governance of FET sector, what would you do?

Appendix D: Informed consent sheet

Informed Consent Form

Dear Principal

My name is Andrea Juan and I am a PhD student at the University of KwaZulu-Natal. I am conducting a study on the governance of FET Colleges in KwaZulu-Natal. The purpose of my study is to understand the governance challenges that FET Colleges face and to discover what the causes of those challenges are.

If you agree to be part of this study you will be required to participate in an interview. The interview should last between 1 and 2 hours. The interview will be recorded and use for my study at a later stage.

There are no risks in participating in this research beyond those experienced in everyday life. Some of the questions may cause you discomfort, however our decision to be in this research is voluntary. You can stop at any time. You do not have to answer any questions you do not want to answer. Refusal to take part in or withdrawing from this study will involve no penalty.

There are no direct benefits to you or the institution that you represent. However, the findings from this study may help to understand the governance problems that FET colleges face and in this way offer solutions to those problems.

The information gather from you will be reported in my PhD thesis. If you wish, your name will not be used.

Please contact Professor Ralph Lawrence on rlawrence@ukzn.ac.za or 033 260 5320 with questions, complaints or concerns about this research. You can also call this number if you feel this study has harmed you.

Thank you for considering taking part in this study.

Regards

Andrea Juan
Email: andrealieljuan@gmail.com
Cell:0834686325

I ………………………………………………… (name) consent to participate in an interview with Andrea Juan which will last approximately two hours to provide information that will provide an understanding of the governance in this FET College.

I understand that neither I nor the college nor the council of the college will benefit in any direct way from the interview or the audit.

SIGNED: ………………………………………… DATE: ………………………………….

I consent to have my name and the name of the FET College which I represent divulged in the PhD thesis that will result from this investigation.

SIGNED: ………………………………………… DATE: ………………………………….

Appendix E: Information sheet for participation in interview for HSRC audit (2010)

Dear College Principal / Chair of College Council

We are Michael Cosser and Dr Tshilidzi Netshitangani, senior researchers in the Education, Science and Skills Development research programme at the Human Sciences Research Council (HSRC). The National Board for Further Education and Training, under the auspices of the Department of Higher Education and Training (DHET), has commissioned the HSRC to conduct research in all 50 FET colleges in the country to ascertain their readiness to be incorporated into the newly established DHET. We are here to assess the establishment and systems of the college and to gather information on college, student and staff profiles. We are interviewing you in order to collect information on the functions of the college council and the management of the college as specified in the FET Act of 2006. This information will enable the fieldworkers you see before you to obtain contextual information for the audit by the HSRC.

The research will help the Ministry of Higher Education and Training to make informed decisions about how to incorporate the FET college sector into the DHET.

The answers you provide in the interview will be stored on a computer in the HSRC which is password protected; only the fieldworkers, data manager and we shall have access to it. Your name will be removed or changed before results are made public. The interview schedule has been approved by the Research Ethics Committee of the HSRC. If you have any questions about your rights as a participant, you may call the HSRC Ethics Line (free call: 0800 212 123).

The interview should take about an hour-and-a-half of your time. Please provide the fieldworkers with as much information as possible to help them understand the dynamics around the shift from Technical College to FET College and the impact of the FET Act of 2006 on the college.

The HSRC would like to share its findings with you. However, we are beholden to our client in this regard. It is our practice, nevertheless, to urge our clients to make our findings available to all participants in our research.

The fieldworkers assigned to this interview are ……………………………………………… and …………………………………………. They have received training from us on how to conduct the audit. We trust you will give them your full co-operation.

Thank you very much for your support.

Yours sincerely

Michael Cosser (Principal Investigator)   Tshilidzi Netshitangani (Fieldwork Manager)

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0001

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Appendix F: Formula of state funding of FET Colleges

The Formula used for the funding of FET Colleges is as follows:

Formula funding
$$ATFW = \frac{\left(FW_p \times AFBR_p\right) + \left(FW_c \times AFBR_c\right) + \left(FW_n \times AFBR_n\right)}{AFBR_{Tot}}$$ $$\times \left(1 - AFL\right)$$
Source: Department of Education, 2009

This is the system for funding the nationally approved FET College programmes was introduced in 2006. Programme funding accounts for the majority of public funding destined for FET Colleges. The system works as follows: The DoE sets a national funding base rate (NFBR), describing the cost of delivering a basic FET College programme. The DoE also sets a funding weight (FW) for each programme eligible for formula funding. This weight indicates how much more than the national funding base rate it costs to deliver a particular programme. Each programme is also assigned an assumed fee level (AFL) representing the cost that college fees can be expected to cover. The provincial department of education is allowed to adjust the national funding base rate upward or downward within a margin, to suit provincial circumstances. This results in an applied funding base rate (AFBR) in each province. For each programme within a college, individual students are multiplied by the programme duration in order to obtain the full-time equivalent students. An applied total funding weight is calculated for each programme in each college, representing public funding to be received for each full-time equivalent student. This weight takes into account expected fees. The weight is multiplied by the full-time equivalent students to obtain the programme weight of each programme. The sum of all programme weights, the college programme weight, is multiplied by the province applied funding base rate in order to obtain a college allocation. To this allocation is added an output bonus, which is the final amount to be transferred to the college (Department of Education, 2009).

Appendix G: Standard FET College Statute (FET colleges Act 16 of 2006)

INSTITUTION

3. Name, seat and powers

(1) The name of the college is _____

(2) The seat of the college is at _____

(3) Every public college is a juristic person with legal capacity to perform its functions in terms of this Statute and the Act.

4. Constitution of college

(1) The college consists of -

(a) the council; (b) the academic board;

(c) the management staff;

(d) the SRC;

(e) the lecturers and support staff of the college;

(f) the students of the college; and

(g) such other offices, bodies or structures as may be established by the council.

(2) No vacancy in any of the offices contemplated in subsection (1) nor any deficiency in the numbers or defect in the composition of the bodies or structures contemplated in subsection (1) impairs or affects the existence of the college as a juristic person or any function conferred by the Act or this Statute upon the college.

COUNCIL

5. Functions of council

(1) Subject to the Act and this statute the council governs the college.

(2) Without derogating from the generality of subsection (1), the council -

(a) makes rules for the college;

(b) establishes the council committees and determines the composition and functions of each committee;

(c) establishes, in consultation with the academic board, joint committees of the council and the academic board to perform functions which are common to the council and the academic board;

(d) subject to applicable policy and the approval of the Head of Department, determines the student admission policy of the college, after consultation with the academic board;

(e) determines and provides student support services after consultation with the SRC;

(f) subject to the approval of the Head of Department, determines the language policy of the college, after consultation with the academic board;

(g) determines tuition fees, accommodation fees and any other fees payable by students as well as accommodation fees payable by employees;

(h) approves the annual budget of the college; and

(i) may conclude a loan or overdraft agreement, with the approval of the MEC.

(3) Without derogating from the generality of subsection (1), the council - (a) determines conditions of service, code of conduct and privileges and functions of its employees and may, in the manner set out in the code of conduct, suspend or dismiss employees of the college; and

(b) may order an employee of the college who has been suspended to refrain from being on any premises under the control of the college and to refrain from participating in any of the activities of the college, or issue such other conditions as it may consider necessary.

6. Composition of council

(1) The council, as contemplated in section 10(4) of the Act, consists of -

(a) the principal;

(b) five external persons appointed by the MEC;

(c) one member of the academic board elected by the academic board;

(d) one lecturer elected by the lecturers at the college;

(e) two students of the college elected by the SRC;

(f) one member of the support staff elected by the support staff of the college;

(g) one external member representing donors; and

(h) four members contemplated in section 10(6) of the Act with a broad spectrum of competencies in the fields of education, business, finance, law, marketing, information technology and human resource management appointed by the council in consultation with the MEC.

(2) At least 60 per cent of the members of the council must be external persons who are not employed by the MEC or council, or are not students of the college.

(3) The council members contemplated in section 10(8) and (9) of the Act must have knowledge and experience relevant to the objects and governance of the college.

7. Termination of membership and filling of vacancies

(1) A member of the council's term of office terminates if -

(a) he or she tenders a written resignation;

(b) the MEC or entity who appointed or elected the member to the council terminates the membership in writing;

(c) he or she is absent from three consecutive meetings without leave of the council; (d) he or she is declared insolvent;

(e) he or she is removed from an office of trust by a court of law or is convicted of an offence for which the sentence is imprisonment without the option of a fine; or

(f) he or she is incapacitated to perform his or her functions.

(2) The council has the power to suspend and take disciplinary action against a member.

(3) If 75 percent or more of the members of the council resign, the council is deemed to have resigned.

(4) If the council resigns as contemplated in subsection (3) a new council must be constituted in terms of this statute and the Act.

(5) Whenever any vacancy occurs, section 10 of the Act must apply with the necessary changes thereto.

(6) Any member appointed in terms of subsection (5) must serve only the remainder of the term of office.

8. Election and term of office of chairperson, vice-chairperson and secretary of council

(1) The chairperson and vice-chairperson of the council must not be elected from members contemplated in section 6(1)(a), (c), (d), (e) and (f) of the statute.

(2) The chairperson, vice-chairperson and secretary of the council are elected for a period not exceeding three years.

(3) The chairperson, vice-chairperson and secretary are eligible for re-election.

(4) Nominations for the office of the chairperson, vice-chairperson and secretary of the council must be in writing and directed to the electoral officer.

(5) If more than one candidate is nominated, voting is by secret ballot.

(6) Each member of the council has only one vote during a ballot and no proxy is allowed.

(7) Whenever a vacancy occurs in the office of the chairperson, vice-chairperson or secretary, subsections (4) to (6) apply with the necessary changes to the filling of such vacancy.

(8) A person who fills a vacancy in terms of subsection (7) holds office until the end of the term of his or her predecessor. 9. Meetings of council

(1) The council has at least four ordinary meetings during each academic year.

(2) Notice of any motion for consideration at the next ordinary meeting must be in writing and must be lodged with the secretary at least 21 days before the date determined by the council for such meeting, provided that any matter of an urgent nature may, without prior

notice, by consent of the chairperson and a majority of the members present, be considered at such meeting.

(3) At least 14 days prior to the date of an ordinary meeting, the secretary gives due notice to each member of all the matters to be dealt with at such meeting and states the time and place of such meeting.

(4) A special meeting may be called at any time by the chairperson,

(5) A special meeting must be called by the chairperson at the request in writing of at least five members, if the objective of such meeting is clearly stated in the request, provided that at least seven days' notice of a special meeting is given.

(6) No business other than that for which the special meeting was called may be transacted at such meeting.

(7) An emergency meeting may be called by the chairperson or, in his or her absence, by the principal at any time.

(8) Notice of an emergency meeting may be given in any manner convenient under the circumstances.

(9) The objective of an emergency meeting must be stated to members and no business other than that stated may be transacted at such meeting.

10. Council meeting procedures

(1) The council members must participate in the deliberations of the council in the best interest of the college.

(2) Except where otherwise provided in this statute, all acts or matters authorised or required to be done or decided by the council or its committees and all questions that may come before it are done or decided by the majority of the members present at any meeting, provided that the number present at any meeting is at least half plus one of the total number of members of the council or its committees holding office on the date of such meeting.

(3) In the absence of the chairperson and the vice-chairperson of the council, the members present must elect one of their members to preside at such meeting.

(4) The first act of an ordinary meeting, after being constituted, is to read and confirm by the signature of the chairperson the minutes of the last preceding ordinary meeting and of any special meeting subsequently held, provided that the meeting may consider the minutes as read if a copy thereof was previously sent to every member of the council, provided further that objections to the minutes of a meeting are raised and decided before confirmation of the minutes.

(5) A member of the council may not, without the consent of the meeting, speak more than once to a motion or to any amendment and the mover of any motion or any amendment has the right of reply.

(6) Every motion or amendment must be seconded and, if so directed by the chairperson, must be in writing.

(7) A motion or an amendment seconded as contemplated in subsection (6) may not be withdrawn except with the consent of the meeting,

(8) The chairperson has a deliberative vote on any matter and, in the event of an equality of votes, also a casting vote.

(9) If so decided by the meeting, the number of members voting for or against any motion must be recorded in the minutes or, if so requested by any member, the chairperson must direct that such votes be recorded.

(10) When a majority of the members of the council reach agreement on a matter referred to them by the chairperson by letter or electronic means, without a meeting having been convened, and convey such resolution by letter or electronic means, such resolution is equivalent to a resolution of the council and must be recorded in the minutes of the next succeeding ordinary meeting.

(11) The views of a member of the council who is unable to attend a meeting may be submitted to the meeting in writing but may not count as a vote of such member,

(12) The ruling of the chairperson on a point of order or procedure is binding unless immediately challenged by a member, in which event such ruling must be submitted without discussion to the meeting whose decision is final.

11. Conflict of interest of council members

(1) A member of the council may not have a conflict of interest with the college.

(2) A member of the council who has a direct or indirect financial, personal or other interest in any matter which is to be discussed at a meeting and which entails or may entail a conflict or possible conflict of interest must, before or during such meeting, declare the interest.

(3) Any person may, in writing, inform the chairperson of a meeting, before a meeting, of a conflict or possible conflict of interest of a member of the council of which such person may be aware.

(4) The council member referred to in subsections (2) and (3) is obliged to recuse himself or herself from the meeting during the discussion of the matter and the voting thereon. 12. Committees of council

(1) The council appoints -

(a) an executive committee;

(b) an audit committee;

(c) a finance committee;

(d) a conditions of employment committee;

(e) a planning and resource committee; and

(f) such other committees as may be required.

(2) The composition and functions of the committees are determined by the council.

(3) At least 50 per cent of the members of a committee must be external persons who are members of the council,

(4) The chairperson of a committee must be a member of the council.

13. Minutes of council and committee meetings

(1) The secretary of the council keeps the minutes of each meeting of the council and includes such minutes in the agenda of the next council meeting when the agenda is sent out in terms of section 9(3).

(2) The minutes of all committee meetings must be included in the agenda of the next ordinary meeting of the council following the respective committee meetings,

(3) The members of the council must be provided with copies of the minutes referred to in subsection (2).

14. Drafting, amending or rescinding statute No motion to draft, amend or rescind a statute or a rule is of force and effect unless adopted by at least 75 per cent of all members of the council present at the meeting, provided that a quorum is present at such meeting.

ACADEMIC BOARD

15. Functions of academic board

(1) Subject to the Act, the academic board of the college -

(a) is accountable to the council for -

 (i) all the teaching, learning, research and academic functions of the college;

 (ii) the academic functions of the college and the promotion of the participation of women and the disabled in its learning programmes;

 (iii) establishing internal academic monitoring and quality promotion mechanisms;

 (iv) ensuring that the requirements of accreditation to provide learning against standards and qualifications registered in the National Qualifications Framework are met; and

 (v) performing such other functions as may be delegated or assigned to it by the

council;

(b) must -

(i) advise the council on a code of conduct and rules concerning students;

(ii) determine, in accordance with any relevant deed or gift and after consultation with the principal, the conditions applicable to any scholarships and other academic prizes;

(iii) determine the persons to whom scholarships and academic prizes are awarded;

(iv) determine the functions of its committees as well as the procedure of meetings of these committees; and

(v) take note of any action taken by a committee in exercising its delegated powers or functions when such committee reports its actions to the next meeting of the academic board; and

(c) may -

(i) establish committees to perform any of its functions, and may for this purpose deem a single person to be a committee;

(ii) make standing orders on procedures and delegation of powers; and

(iii) delegate its functions to a committee.

(2) Without derogating from the generality of subsection (1) the organisation and supervision of instruction and examinations, and of lectures and classes, vest in the academic board.

(3) The academic board submits to the council -

(a) such reports upon its work as may be required by the council;

(b) recommendations on matters referred to it by the council; and

(c) recommendations on any other matter affecting the college that the academic board considers useful.

16. Termination of membership of academic board

(1) Members of the academic board must participate in the deliberations of the academic board in the best interest of the college.

(2) Failure to act in the best interest of the college or behaviour that brings the college into disrepute may result in the removal of a member from the academic board by the council following due process.

17. Composition of academic board

(1) The academic board of the college must consist of -

(a) the principal;

(b) the vice-principal or vice-principals;

(c) lecturers at the college; (d) members of the council;

(e) members of the SRC; and

(f) such additional persons as may be determined by the council.

(2) The majority of members of the academic board must be lecturers.

(3) The manner of election and appointment of members must be determined by the council.

(4) The number of persons contemplated in subsection (1)(c) to (f) must be determined by the council.

18. Term of office of members of academic board

(1) Members appointed in terms of section 17(1)(a), (b) and (c) may hold office for as long as they are employed by the college in that capacity.

(2) The term of office for student members automatically lapses when a student ceases to be a registered student or a member of the SRC,

19. Chairperson, vice-chairperson and secretary of academic board

(1) The principal is the chairperson of the academic board and shall preside at meetings of the academic board.

(2) The vice-principal is the vice-chairperson of the academic board and shall preside at meetings of the academic board in the absence of the chairperson.

(3) The secretary of the academic board is elected by the academic board and he or she must perform functions as the board may decide.

(4) The chairperson presides at the meetings of the subcommittees of the academic board if the academic board considers it appropriate for him or her to do so.

(5) The chairperson and vice-chairperson shall perform such other functions as the academic board may determine.

(6) If both the chairperson and the vice-chairperson are absent, the academic board must elect from among its members a chairperson for the meeting concerned.

20. Meeting procedure of academic board

The procedure applicable to council meetings is applicable with the necessary changes to meetings of the academic board. 21. Committees of the academic board

(1) The academic board appoints -

(a) an executive committee; and

(b) such other committees as may be required,

(2) The composition and functions of the committees are determined by the academic board.

22. Joint committees of council and academic board

The council, in consultation with the academic board, appoints such joint committees of the council and the academic board as may be necessary for the performance of particular tasks.

STUDENT REPRESENTATIVE COUNCIL

23. Functions of SRC

(1) The students of the college are represented by the SRC in all matters that may affect them.

(2) The matters contemplated in subsection (1) include -

(a) liaison with management, the general public, other colleges, student representative councils of other colleges, national or international student organisations, unions and news media;

(b) being the umbrella organisation for all student committees, clubs, councils and societies, granting or withdrawing recognition of such student commit- tees, clubs, councils and societies as it considers appropriate;

(c) coordination and supervision of the use of students' facilities and all matters pertaining thereto, in conjunction with management;

(d) convening and conducting of all authorised meetings of the student body and being the managing body in all general referenda and petitions organised by the students within the rules;

(e) the election of office-bearers and establishing committees as the SRC considers necessary;

(f) the organisation and promotion of extramural activities among students;

(g) keeping account of all moneys allocated to the SRC by the council and any other moneys which may accrue to the SRC in its capacity as representative of the students;

(h) allocating or disbursing such funds for use by students, and making grants to approved student clubs, committees, societies and councils;

(i) the responsibility for preserving order at student functions and ensuring good conduct at other approved meetings of students;

(j) coordination of student involvement in all community projects initiated by the SRC;

(k) responsibility for all student publications;

(l) final decision making in all matters falling within the jurisdiction of the SRC; and

(m) such additional functions and privileges as may be specifically conferred upon the SRC in writing by the council.

24. Composition of SRC

(1) Only registered students are eligible to serve on the SRC.

(2) The SRC must be representative of the student body.

(3) The election of SRC members must be democratic and transparent.

(4) The SRCs of colleges that are to be merged must have a meeting before the merger to constitute a single interim SRC comprising all members of the SRC concerned for a period not exceeding six months.

25. Office-bearers of SRC

(1) The SRC elects from among its members a president to act as chairperson and a deputy president to act as deputy chairperson.

(2) The functions of other office-bearers and the election of such office-bearers are determined by the SRC.

26. Term of office of SRC members

(1) The term of office of the members of the SRC must be one academic year.

(2) A member of the SRC may serve more than one term of office. 27. Meetings of SRC The number of meetings, the quorum at a meeting and the meeting procedures are determined by the constitution of the SRC as approved by the council, provided that four ordinary meetings are held during an academic year.

28. SRC committees

(1) The SRC must establish a disciplinary committee responsible for the discipline of any members of the SRC and members of the student structures affiliated to the SRC.

(2) The SRC may establish such other committees as may be required.

29. General meeting

(1) The SRC must convene at least one general meeting of students per semester.

(2) If a majority of students sign a petition to the SRC requesting a general meeting, the SRC must comply with such a request,

(3) Meetings of the SRC may not disrupt academic activities.

MANAGEMENT

30. Management

(1) Management consists of the principal, vice-principal or vice-principals of the college, as contemplated in section 19(1) of the Act.

(2) The principal is the chief executive and accounting officer of the college.

31. Functions of principal

(1) The principal is responsible for the day-to-day management and administration of the college and has all the powers necessary to perform these functions.

(2) By virtue of his or her office the principal is a member of all the committees of the council and the academic board.

(3) Subject to section 19(1) and (4) the council may assign additional functions and grant additional powers to the principal.

(4) When the principal is absent or unable to carry out his or her duties, the vice-principal must act as principal, or the Member of the Executive Council may appoint an acting principal.

32. Vice-principal and financial officer

(1) The vice-principal or vice-principals are responsible for assisting the principal in the management and administration of the college.

(2) The council of a public college must appoint a financial officer.

33. Appointment of lecturers, support staff and financial officers

The advertising of the post, the invitation for nomination of candidates, the search for suitable candidates, the criteria for the short-listing of candidates and the interviewing and appointment processes for lecturers, support staff and financial officers must be in the manner determined by the council.

34. Conditions of employment

The council must approve conditions of employment, including the determination and review of salaries of lecturers and support staff and all other forms of remuneration in accordance with the rules.

35. Evaluation

(1) The management of the college are subject to evaluation by the MEC in the performance of their duties.

(2) The lecturers and support staff are subject to continuous evaluation in the performance of their duties.

36. Disciplinary code of lecturers and support staff. Every lecturer and member of the support staff is subject to a code of conduct and disciplinary procedures, as approved by the council and determined in the rules, which serve as an integral part of their conditions of service.

37. Representative organisation of employees

Agreements with representative organisations of employees may, with reference to salary and

related negotiations and according to the relevant labour legislation, be entered into by the representatives of lecturers and support staff and recommended to the council for approval.

STUDENTS

38. Admission and registration of students

A person may register as a student only if he or she satisfies the legal requirements for admission to study at the college and satisfies any other requirements for admission that may be determined by the council and laid down in the rules.

39. Student disciplinary code

The disciplinary measures and disciplinary provisions applicable to students are set out in the disciplinary code determined by the council after consultation with the SRC.

DONORS

40. Donors

(1) The college may receive moneys and equipment of any sort from donors to assist the college in providing quality education.

(2) The college may recognise and register certain donors as determined in the rules.