IMPROVING THE STRATEGIC MANAGEMENT OF EMPLOYEE JOB PERFORMANCE AND ORGANISATIONAL COMMITMENT AT MERGED HIGHER EDUCATION INSTITUTIONS IN SOUTH AFRICA

by

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ABSTRACT

In reaction to intense global competition and increased customer demands, business firms are continuously engaged in activities to increase the effectiveness of their businesses. To be effective business firms must reduce costs, improve the quality of their products and respond quickly to the new opportunities in the market place. These activities often require the restructuring of such businesses. The restructuring of businesses often takes the form of strategic alliances, outsourcing, vertical integration, mergers or acquisitions.

It is not only businesses that undergo restructuring, but recently also higher education institutions. The South African higher education system has undergone a complex restructuring process of merging universities, technikons, colleges and technical schools. This transformation of higher education in South Africa has been regulated by the Higher Education Act (101 of 1997). This restructuring took form of mergers between technikons and universities to form new higher education institutions and has been directed at correcting past educational discrimination and at ensuring equal opportunities for higher education.

High levels of negativity, demoralization, demotivation and disempowerment due to higher-education restructuring have been reported, not only in South Africa, but also in other countries. Despite the above-mentioned problems identified in the restructuring of higher education world-wide, a lack of quantitative research appears to exist on the human dimension involved in the process.

The main objective of the study is to improve the strategic management of the post-merger process at higher education institutions in South Africa by investigating what influence the present restructuring process exerts on the motivation, organisational commitment and job performance of their staff.
The sample consisted of three hundred and twenty-nine (329) staff members from the three merged universities in South Africa. The empirical results revealed the following:

- To improve the strategic management of the post-merger process at universities, management needs to focus on the managing of organisational commitment, as it is the strongest determinant of the employees’ performance intent;
- To manage organisation commitment, management must manage especially the employees’ identification with the organisational culture of the new institutions;
- after organisational commitment, management must focus on employee motivation which includes increasing the employees’ satisfaction with their remuneration packages, their peer relations and their growth factors; and
- To manage the employees’ identification with the organisational culture of the new institutions, management must manage employees’ perceptions about increased student access, successes in merger goal achievement and fairness of workload dispensations.

The main contribution of the study is the empirical support produced for elements which should be focused upon in strategy execution, namely the interplay among employee job performance, organisational commitment, organisational culture identification and motivational rewards. By doing so, the study provided the empirical foundation for a model that could be used to strategically manage the post-merger process at universities.

**KEY WORDS**

- Job performance
- Strategic Management
- Remuneration package
- Organisational culture

- Organisational commitment
- Higher-education restructuring
- Peer relations
- Growth factors
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CHAPTER 1

SCOPE OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND TO THE STUDY

In reaction to intense global competition and increased customer demands, business firms are continuously engaged in activities to increase the effectiveness of their businesses. To be effective business firms must reduce costs, improve the quality of their products and respond quickly to the new opportunities in the market place. These activities often require the restructuring of such businesses. The restructuring of businesses often takes the form of strategic alliances, outsourcing, vertical integration, mergers or acquisitions (Thompson, Strickland and Gamble, 2005).

A merger is a pooling of two or more firms as equals, with the newly created firm often taking on a new name (Thompson et al., 2005: 177). The present study focuses on mergers as a strategy to improve the effectiveness of institutions, be they business firms or non-business concerns. Mergers between business firms are driven by the synergies that are expected to come from increased sales volumes and market share, accessing valuable technology, acquiring scarce management and professional talent, improving efficiency and reducing costs (Renton, 2002). Mergers also have the advantage of the transferring of product knowledge and expertise, as well as achieving economies of scale (Coffey, Garrow and Holbeche, 2002: 9).

During mergers, however, employees suffer from uncertainty and anxiety associated with new tasks and having to discard long-standing work practices and formal social networks (Arnolds and Boshoff, 2004). It appears that managers of merging firms often fail to consider what impact mergers have on their employees. In fact research has shown that from 55 to 70 percent of mergers fail because human resource issues are neglected (Schraeder and Self, 2003). It is not only businesses that undergo restructuring, but
recently also Higher Education Institutions (HEIs). The South African Higher Education System has undergone a complex restructuring process of merging universities, technikons, colleges and technical schools. This transformation of higher education in South Africa has been regulated by the Higher Education Act (101 of 1997). This restructuring took the form of mergers between technikons and universities to form new higher education institutions and has been directed at correcting past educational discrimination and at ensuring equal opportunities for higher education (South Africa 1997)

1.2 PROBLEM STATEMENT

While the benefits of mergers are quite often realized in capital-intensive businesses, in employee-dependent institutions, such as Higher Education Institutions (HEIs), the problem of merging different organisational cultures can easily erode the expected gains. Mergers inevitably imply the downsizing of staff and various other types of institutional changes that require staff to make dramatic adjustments (Hay, Fourie and Hay, 2001). Employees in transforming institutions may experience intense feelings of pain, fear, vulnerability, uncertainty and anxiety (Viljoen and Rothman, 2002). It is expected that these experiences caused by restructuring will result in lower levels of job performance and high employee turnover and absenteeism (Arnolds and Boshoff, 2004).

HEIs are very important societal institutions as they should provide solutions to societal problems (Gourley, 1995). These institutions should be the drivers of social change through social, economic and scientific development. This task cannot be achieved without the commitment of the academic and administrative staff of these institutions. It is therefore important to investigate what impact the restructuring of HEIs would have on the commitment, motivation and job performance of the employees of these institutions. This is a strategic management issue, as the management of restructuring in higher education system will impact the education and training taking place in these institutions. This in turn will influence the quality of human resources these institutions provider for all sectors of society whether they are private or public enterprises.
High levels of negativity, demoralization, demotivation and disempowerment due to higher-education restructuring have been reported, not only in South Africa, but also in other countries (Fourie, 2001; Curri, 2002). Other negative consequences that have been reported include: the highly selective nature of student recruitment which leads to more exclusions of students from tertiary education (Gumport, 2000; Manicas, 1998); the managing of the restructuring process for personal gain rather than the interests of the new institution (Mildred, 2002); increases in costs due to travelling between sites and upgrading of services at different sites (Curri, 2002); the inability to implement the promised wider range of educational programmes due to the realities of multi-campus delivery and time-table constraints (Mildred, 2002); increased workloads of both academic and administrative staff (Mildred, 2002); and polarisation between the executive management and the member institutions (Curri, 2002).

Despite the above-mentioned problems identified in the restructuring of higher education world-wide, a lack of quantitative research appears to exist on the human dimension involved in the process. Marginson and Ramsden (2002) are for instance of the view that “practice has moved ahead of both theory and empirical investigation” as far as research into the effects of higher-education restructuring is concerned.

Curri (2002 and Fourie (1999) further highlighted the small samples on which previous studies were based as a major shortcoming in the research on higher-education restructuring. Only 24 people for example participated in the Curri (2002) study, while Fourie (1999) cited “the small pilot study” used in the Van Rensburg (1998) study.

In addition to the above shortcomings, it appears that most of the research reported on higher-education restructuring is of a qualitative nature. The Fourie (1999) “paper” is a qualitative analysis of previous research findings, which includes the Van Rensburg (1998) study.
The present study concurs with Viljoen and Rothman (2002:9) that it is a serious shortcoming that no quantitative study has been done on the relationship between variables interacting within the human dimension of the restructuring situation. Problems such as inadequate leadership training and employee demotivation have been highlighted without any attempt to quantify the impact these variables would have on the organisational commitment and job performance of employees.

The only quantitative study which focused on the empirical relationships between employee motivation, organisational commitment and job performance in the higher-education restructuring process, was the study conducted by Arnolds and Boshoff (2004). The latter study, however, does not investigate the potential impact of organisational cultural differences on the restructuring process. The present study attempts to address this short-coming by assessing how the identification with organisational cultures of the merging institutions influenced the restructuring process.

Against the background of the above-mentioned research gaps, the present study conducted a quantitative analysis of the relationship between organisational culture identification, employee motivation, organisational commitment and job performance in a restructuring HEI. This is done to improve the strategic management of the post-merger process at higher education institutions.

Thompson, Strickland and Gamble (2005: 3) define strategic management as a process of developing a strategic vision, setting objectives, crafting a strategy, implementing and executing a strategy and monitoring the preceding process. The present study asserts that all universities, including the merged ones, have already formulated their visions, objectives and strategic plans within the policy framework provided by the Department of Education (DoE). Universities are now busy with implementing and executing these plans. The present study further agrees with Thompson et al. (2005: 38), that the execution of strategy requires managers to lead their institutions, motivate their people, build and strengthen their organisational competencies and competitive capabilities, and to create a strong supportive work climate and meet their strategic plans. Against this
background, the present study studies the relationships between employee motivation, organisational commitment and organisational culture as elements of the strategic management of the post-merger process.

1.3 RESEARCH OBJECTIVES

1.3.1 Primary objective

The main objective of the study is to improve the strategic management of the post-merger process at higher education institutions in South Africa by investigating what influence the present restructuring process exerts on the motivation, organisational commitment and job performance of their staff. More specifically, the study investigates the relationship between employee motivation (as measured by Alderfer’s 1969 theory) and organisational culture identification, on the one hand, and organisational commitment and job performance (as measured by performance intent), on the other hand.

1.3.2 Research design objectives

To achieve the primary objective, the following research design objectives are pursued:

- To collect secondary data regarding the nature, benefits and disadvantages of restructuring in higher education and business firms respectively;
- To collect primary date about factors which affect job performance and organisational commitment;
- To ascertain the most appropriate research methodologies;
- To analyse the data using relevant statistical computer programmes;
- To draw findings and conclusions based on the analysed data; and
- To provide recommendations to the executive management of the merged institutions on ways of improving the strategic management of the restructuring process
1.4 THE PROPOSITIONS AND HYPOTHESES

To address the above-mentioned research questions, the following propositions and hypotheses were formulated:

1.4.1 The propositions

The first set of investigations focuses on the levels of employee motivation, organisational commitment and job performance. It is important to assess the levels of these variables, as the levels would have an influence on the relationship between the variables. For example, an individual who exhibits a low level of organisational commitment could be expected to exhibit low performance intentions as well (Zaccaro and Dobbins, 1989; Boshoff and Arnolds, 1995).

It is widely acknowledged that organisational culture influences the organisational performance of businesses (Hellriegel et al., 2004; Thompson, et al., 2005). A firm’s core values, beliefs, business principles, traditions and style of operating, in other words its organisational, culture has an impact on its business strategy, as well as on its employees’ work ethic and dedication to customer service (Thompson, et al., 2005: 369). If an employee does not identify with a firm’s organisational culture, such an employee’s job performance and organisational commitment could be negatively affected. It is therefore important that the employees’ level of identification with the new organisational culture also be assessed.

Assessing the levels of the variables will involve an analysis of a qualitative nature and not a quantitative measurement of the relationship between these variables. In other words, propositions rather than hypotheses are formulated to assess the levels of the variables. Against the background of the negative consequences of higher-education restructuring reported in the problem statement above, the following propositions are investigated:
P1: Employees involved in the higher-education restructuring process will exhibit low levels of employee motivation (as measured by the satisfaction with the Alderfer needs).

P2: Employees involved in the higher-education restructuring process will exhibit a low level of identification with the organisational culture of the new merged institution.

P3: Employees involved in the higher-education restructuring process will exhibit low levels of organisational commitment.

P4: Employees involved in the higher-education restructuring process will exhibit low levels of job performance (as measured by performance intentions).

1.4.2 The hypotheses

The second set of investigations focuses on the relationships among the variables included in the present study. The following null hypotheses were formulated in this regard:

H01: Organisational commitment exerts no influence on job performance

H02: Identification with the organisational culture of the new institution will exert no influence on organisational commitment

H03: Employee motivation, as measured by the satisfaction with monetary remuneration, exerts no influence on organisational commitment

H04: Employee motivation, as measured by the satisfaction with fringe benefits, exerts no influence on organisational commitment
H05: Employee motivation, as measured by the satisfaction with peer relations, exerts no influence on organisational commitment

H06: Employee motivation, as measured by growth need satisfaction, exerts no influence on organisational commitment

H07: Identification with the organisational culture of the new institution will exert no influence on the employee’s job performance

H08: Employee motivation, as measured by the satisfaction with monetary remuneration, exerts no influence on the employee’s job performance

H09: Employee motivation, as measured by the satisfaction with fringe benefits, exerts no influence on the employee’s job performance

H010: Employee motivation, as measured by the satisfaction with peer relations, exerts no influence on the employee’s job performance

H011: Employee motivation, as measured by growth need satisfaction, exerts no influence on the employee’s job performance

The relationships based on the null hypotheses described above are graphically depicted in Figure 1.1.
1.5 RESEARCH METHODOLOGY

The research methodology of the study includes the research paradigm, in which the study is located, the sampling design followed, the measuring instrument used to collect the data and the data analysis technique employed in the study.

1.5.1 Research paradigm

Research methodology, also known as the research paradigm, is the way a researcher thinks about research, how he/she collects and analyses the data and the way in which he or she writes the dissertation. Two types of paradigms have been identified, namely the qualitative and quantitative paradigms.
A qualitative paradigm is concerned with qualities and non-numerical characteristics while a quantitative paradigm is all about data collected in a numerical form. A phenomenological paradigm tends to produce qualitative data and a positivistic paradigm tends to produce quantitative data (Collis and Hussey, 2003).

The main advantage of a quantitative approach to data collection is the relative ease and speed which the data can be collected. In this paradigm, it is possible to use large samples while in a qualitative paradigm sample size may be small. For example, a case study may consist of one respondent. A qualitative data collection method can be expensive and time consuming, although it can be argued that qualitative data provide a more real basis for interpretation and analysis. An important difference between qualitative and quantitative research is that, in the latter relationships among variables are statistically measured, while in qualitative research this is not the case.

The research project follows a quantitative paradigm because of the nature of the problem statement which requires the researcher to measure the relationship between the factors which impact on organisational commitment and job performance.

### 1.5.2 The sample

Convenience sampling was used to conduct the data collection in three selected comprehensive universities in South Africa. A comprehensive university is one that is a result of a merger between former technikons and universities. Questionnaires were distributed personally and via e-mail. Two hundred (200) questionnaires were distributed at University A, of which eighty-two (82) were returned (response rate = 41%). One-thousand (1000) questionnaires were e-mailed to the staff members of each of University B and University C. One hundred and twenty (120) questionnaires were returned by the staff members of University B (response rate = 12%), while one hundred and twenty-seven (127) were returned by the staff members of University C (response rate = 12.7%). In other words, a total of three hundred and twenty-nine (329) questionnaires were returned (total response rate = 14.9%) by respondents.
1.5.3 The measuring instruments

A shortened version of Alderfer’s (1969) instrument was used to measure employee motivation, in other words, satisfaction with monetary remuneration, fringe benefits, peer relations and growth needs. Favourable results on the convergent and discriminant validation and reliability coefficients ranging from 0.64 to 0.90 were reported for these scales (Alderfer, 1969; Arnolds and Boshoff, 2000).

A self-constructed scale was used to measure employee identification with the new organisational culture. In the present study, organisational culture identification is defined as the individual’s identification with the culture of the new merged institution. Organisational commitment was measured using the shortened, 9-item version of the Mowday, Porter and Steers (1982) Organisational Commitment Questionnaire (OCQ). The reliability and validity of both the short and long (15-item) versions have been adequately proven (Brooke, Russell and Price, 1988; Matthieu and Farr, 1991).

Performance intentions have been described as a potent predictor or measure of employee job performance (Carkhuff 1986; Hampton, Summer and Webber 1982; Shore, Newton and Thornton 1990; Sumerlin and Norman, 1992). The performance intentions scale, developed by Shore et al. (1990), was used as a surrogate measure of job performance in this study. The reported reliability coefficients, which ranged from 0.60 to 0.84, are regarded as sufficient to use this instrument to measure the performance intention construct (Shore et al., 1990).

The questions in all the above-mentioned instruments except the open questions were anchored on a seven-point Likert scale ranging from strongly disagree to strongly agree. The measuring instruments are depicted in Annexure A.

Both the open and closed questions were used to assess the respondents’ perceptions on (1) the extent to which the intended reasons (objectives) of the mergers have been achieved, and (2) the outcomes of the mergers. Selected demographic data about the
respondents were also collected, such as age, gender, educational qualification, occupational title, language, job tenure, job experience and location before and after merger.

1.5.4 Data analysis

The levels of employee motivation, organisational commitment and job performance were measured by calculating the mean scores for the responses to the questionnaire items. For the purposes of this study a score of below 60% (a mean score of 3.0 on a 5-point scale) was regarded as an indication of low organisational commitment given that the global organisational commitment average ranges from 60 to 65 percent, while the South African average is 68% (Bennett, 2002). For the purpose of consistency the cut-off point of 60% was extended to the Alderfer needs, organisational culture and job performance as well.

The SPSS (SPSS, Version 14.0, 2005) computer program was used to analyse the data, as far as scale reliability, discriminant validity and multiple regression analyses were concerned.

1.6 TERMINOLOGY

The following are explanations of terms or concepts used in this study:

Job performance: The extent to which the employee exhibits the intention to increase his/ her performance at work. Performance intent is used as a surrogate measure for job performance.

Organisational commitment: The extent to which an employee identifies with the organisation he/she is working for, which is expressed in a willingness on the part of the employee to put in a great deal of effort beyond what is normally expected; a pride to be associated with the organisation; and an identification with the values of the organisation.
Employee motivation: The level of satisfaction with his/her monetary remuneration, fringe benefits, peer relations and growth factors at work.

Organisational culture identification: The extent to which an employee identifies with the values, methods of work and atmosphere of an organisation.

Monetary remuneration (pay): The extent to which an employee is satisfied that the money he/she receives is adequate to provide for the basic things in life; that the pay is good in comparison with the remuneration for similar work elsewhere; and that the pay is fair when considering what effort is required.

Fringe benefits: The extent to which the employee is satisfied that his/her fringe benefit package is adequate and covering many of the areas it should; that the package provides the necessary security that the employee wants; and the package compares favourably with fringe benefit packages of other employers.

Peer relations: The extent to which an employee is satisfied that his/her colleagues will speak out in his/her favour if justified; that these colleagues welcome opinions different from their own; that they would give a hand when it is needed; and that they are open to honest expression of feelings.

Growth factors: The extent to which an employee is satisfied that his/her work provides him/her with opportunities to do challenging things at work and a feeling of learning new things; and that the work requires the use a wide range of capabilities and the making of important decisions.

1.7 OUTLINE OF THE STUDY

The study is divided into six chapters. The first chapter outlines the scope of the study, the problem statement, the objective of the study, the propositions and hypotheses, and
the research methodology. In Chapter 2, the nature, importance, benefits and
disadvantages of organisational restructuring, both in the business and higher-educational
environments are discussed. In Chapter 3, the objectives of higher education in South
Africa, the legal framework for the South African mergers and the higher education
mergers in South Africa are discussed. Chapter 4 describes the strategic management
process and the theoretical model, which indicates the relations between the various
variables that were empirically investigated in this study. In Chapter 5, the research
methodology and the empirical analysis of results are discussed. This chapter also covers
the results of the validity and reliability assessments of the instruments used in the study.
In Chapter 6, the final chapter, the summary and the managerial implications are
discussed. Recommendations for future research arising from these results are also
presented.
CHAPTER 2

A LITERATURE OVERVIEW OF THE REASONS FOR AND MODELS OF HIGHER EDUCATION TRANSFORMATION

2.1 INTRODUCTION

Organisational changes are inevitable occurrences in the lives of organisations and institutions. Business firms in particular have to adapt to changes in the business environment if they are to survive. After 1994, South Africa has been undergoing tremendous amounts of change in its political, economic, social and technological environments (Bainbridge, 1996; Bill and Worth 1997). These changes have necessitated institutions, including businesses and educational institutions, to undergo fundamental transformation in all facets of their institutions. Pretorious and Lemmer (1998) also cite the impact that changes in the technological field have had on the demand for better education and training.

In the light of these political, economic and technological changes, among others, South African education higher education institutions have been grappling with serious transformational issues. This chapter reviews the reasons for and the models used in transforming higher education in selected countries. Before the latter can be pursued, the concept of transformation itself needs to be clarified.

2.2 THE CONCEPT: TRANSFORMATION

According to Kirsten (1994: 3) the term transformation is derived from the concept, transition. Transition refers to changes in the political, social, economic, cultural and educational structure of a society. These changes often lead to completely new configurations of relations of power. Transformation at the institutional level is defined
as working simultaneously, although at different speeds, along four dimensions, namely reframing, restructuring, revitalization and renewal (Gouillart and Kelly, 1995: 6).

Reframing is the shifting of the company’s conception of what it is and what it can achieve. The concept therefore addresses the corporate mind. Corporations often get stuck in certain ways of thinking and lose the ability to develop fresh mental models of what they are and what they will be in future. Reframing helps in developing new ideas and creates a new vision for the business firm.

Restructuring is the creation of something new in order to achieve a competitive level of performance. Restructuring has to do with the body of the business and its competitiveness. Restructuring is characterised by faster payoffs and great cultural difficulties. During restructuring, layoffs often take place and are therefore associated with high levels of anxiety. Revitalization and renewal seek to overcome these effects.

Revitalization is about igniting growth by linking the body of the business to the environment. It is similar to giving birth and developing a child. It is about bringing new life into an organisation, developing existing businesses and inventing new ones. This entails that revitalization is about how the corporate body relates to its environment but above all it is about growth. Revitalization is the single greatest factor that clearly distinguishes transformation from mere downsizing.

Renewal deals with the people side of the transformation, and with the spirit of the company. Spirituality is the key component of successful corporations. Without spirituality there can be no transformation. The spirit of learning and growth is what animates all great people and all great corporations. Renewal is by far the hardest form of transformation. Many companies have perfected reframing and restructuring, some are on their way to revitalization. But few can legitimately claim to have conquered renewal. Nonetheless, the ability to get large numbers of people to behave in a mutually supportive fashion and to strive together for renewal, is ultimately the only form of advantage the
corporation can attain. Revitalization is therefore about investing individuals with new skills and new purposes, thus allowing the company to regenerate itself.

Viljoen and Rothmans (2002: 3) concur that organisational or institutional transformation is a process whereby an organisation changes its form, structure and culture in order to adapt to environmental changes. It implies not only a change of form but also a creation of something new. Transformation in higher education institutions is therefore not only about changes in composition of staff and students, or changes in governance structures or course content but also transformation of organisational culture and the development and acceptance of new shared values (Fourie, 1999: 277). According to Viljoen and Rothmans (2002: 3), the transformation of higher education in South Africa should therefore include the revolutionary change of previous management practices and the ways of doing things; qualitative change in the experience of organisational members; and multi-dimensional change which refers to all the changes of all structures, processes and procedures and their attendant change in values, norms, attitudes, perceptions and behaviour.

The above mentioned review of the transformation concept provides the basis against which the transformation of higher education in other countries is assessed. The review also provides a point of departure to evaluate the reasons for the transformation of higher education in those countries and in South Africa.

2.3 THE REASONS FOR TRANSFORMATION OF HIGHER EDUCATION

The reasons for transforming higher-education institutions in South Africa can be divided into two categories, namely macro-level and micro-level reasons. At the macro-level these reasons include the external factors that necessitated changes in higher education such as economic, politics and technology. The micro-level reasons include the internal businesslike factors that necessitate change in higher education institutions.
2.3.1 Macro-level reasons

Changes in the political, economic and social environment of countries often impact the vision, structure, culture and operations of educational institutions. For example, since 1994, South Africa has been undergoing large-scale changes in its political, economic and social environments. On the political front, South Africa has changed from a dispensation which excluded the majority of South Africans from meaningful political participation to a democratic system of one person one vote. This has changed the social and educational landscape of the country, particularly as far the demand for access to equal education opportunities is concerned.

Prior to 1994, the majority of South Africans were excluded from the mainstream economy. After 1994, government initiatives, such as employment equity and affirmative action, have changed the employment and concomitant income status of a large section of the South African population. This again has changed access opportunities for education.

According to Pretorious and Lemmer (1998), rapid changes in the technological environment have increased the demand for better education and training. Higher education institutions are particularly challenged to keep up with information technology, otherwise the workforce they are producing will not succeed in helping their countries to be economically competitive (Gumport, 2000: 67; Curri, 2002: 136). It is the task of higher-education institutions to provide a well-trained workforce, not only to develop innovative technology to produce improved and competitive products, but also to find solutions to societal problems (ecological, educational, health, etcetera). This is one of the stated reasons for the higher education transformation in South Africa, namely to improve the quality of education through the merging of former disadvantaged higher-education institutions with the previously advantaged institutions (Higher Education Act, 1997).
The entire transformation process in South Africa is regulated by the Higher Education Act (101) of 1997 (South Africa, 1997). The main aim of the Act is to correct the past educational discrimination and ensure equal opportunities for higher education.

Another macro-variable that has necessitated changes in higher education is globalisation with its concomitant, knowledge-based economy (Mok, 2003). The search for new educational opportunities and information via the internet has changed the character of higher-education institutions in most countries. To answer to these demands of globalisation, higher-education institutions have adopted business-like practices to cope with competition in the market place (Mok, 2003).

2.3.2 Micro-level reasons

Traditionally micro-level reasons can be categorised as either financial or strategic in nature, but more recently the joining of diverse organisational cultures has become an increasingly popular reason for merging (Bezuidenhout and Hofmeyer, 2000: 23).

2.3.2.1 Financial reasons

In the world of business, business enterprises acquire, take-over or merge with other business enterprises to increase their financial situations and market share (Gitman, 2003: 781; Marx, Swardt, Smith, Naicker and Erasmus, 2005: 343). These acquisitions often involve the acquisition of the target company and/or groups of investors. Acquisitions enable the acquirer to drastically cut costs, sell off certain unproductive or non-compatible assets to increase the firm’s cash flow. Acquisitions also enable the acquirer to gain competencies and know-how which were absent in the firm prior to the acquisition. Financial objectives were one of the major reasons for the transformation of higher education in South Africa.
2.3.2.2 Strategic reasons

In the business environment, restructuring for strategic reasons seeks to achieve various economies of scale by eliminating redundant functions, increasing market share and improving raw material sourcing and finished product distribution (Gitman, 2003: 781). In strategic restructuring, the operations of two independent firms are sometimes combined to achieve economies of scale and thereby cause the performance of the merged firm to exceed that of the pre-merged firm. According to Gitman (2003), there are five prime motives for the strategic transformation or restructuring of business firms, namely growth or diversification, synergy, improved fundraising ability, increased managerial skill and technology and tax considerations (Gitman, 2003).

Growth or Diversification

Businesses that desire a rapid growth in size or market share or diversification in the range of their products often find that acquisitions and mergers can be used to fulfil this objective. To acquire or merge with an existing company is less time consuming and less costly than developing the necessary production capacity. Moreover when the firm expands or extends its product line by acquiring another, it also eliminates a potential competitor.

Diversification in South African higher-education institutions is regarded as one of the most valid reasons for mergers as it can result in more and better programmes for students. The findings by Wyngaard and Kapp (2004) show that some staff saw a potential for growth in higher education mergers though they were in the minority.

Synergy

Synergy reflects the economies of scale that result from the merged firm’s lower overheads. The economies of scale that result from lowering the combined overheads of the previously separate firms lead to an increase in income to a level that is greater than
the sum of the incomes of each of the independent firms. This synergy is most obvious when the firm merges with other firms in the same line of business. This is because many redundant functions and employees can be eliminated.

In South Africa some of the higher-education institutions earmarked for merger are geographically separated from each other with multi-site campuses. Managing geographically separated multi-campuses will not be cost effective but instead additional costs will be incurred. The main objective of mergers which is financial savings will be difficult to achieve. It is however expected that by removing duplications and streamlining some of the activities, increased savings will be achieved in a merged institution.

*Fundraising*

Often, business firms combine to enhance their fundraising ability. A firm may be unable to obtain funds for its own internal expansion but able to obtain funds for external business combinations. Quite often, a firm may combine with another that has high liquid assets and low levels of liabilities. The acquisition of this type of “cash-rich” company immediately increases the firm’s borrowing power by increasing its financial leverage. This should allow funds to be raised externally at lower costs.

According to the National Plan on Higher Education, subsidy cuts to higher education institutions, declining student numbers and the declining number of matriculants in the 1990s has precipitated the market-like behaviour currently experienced in the education sector (DoE, 2001: 12). These factors forced the institutions to look for other entrepreneurial sources of revenue (Clark, 1998). Therefore higher-education institutions in South Africa adopted market-like programmes and quasi-marketisation as strategies to find additional funding (Delanty, 2001: 121). One of the ways in which extra funding is raised both internationally and in South Africa is by securing increased student enrolment at lower cost and changes from grants to student loans. These developments led to
competition for students as well as revenue. It is expected that merged institutions will have better leveraging power to raise funds.

*Increased managerial skills or technology*

Sometimes a business firm finds itself unable to develop fully because of deficiencies in certain areas of management or absence of needed product or production technology. If the firm cannot hire the management or develop the technology it needs, it might combine with a compatible firm that has the needed managerial personnel and technical expertise. Merging South African higher-education institutions will make it possible for institutions to improve their management and to share academic staff with different forms of expertise. Academic mobility would be encouraged.

*Gap filling*

One business may have a major weakness, such as poor distribution channels, whereas the other business has some significant strength. By combining these two businesses, each company fills in strategic gaps that are essential for long-term survival (Evans, 2000: 2). In higher-education institutions gap filling could happen when a stronger institution takes over a weaker institution with high student debt.

The preceding review summarised the most important reasons why both business and higher-education institutions embark on transformation processes. The review also alluded to some of the models through which the transformation is pursued, namely acquisitions and mergers. In the next section a closer look is taken at the models for achieving transformation in higher-education institutions.

**2.4 TRANSFORMATION MODELS USED IN HIGHER EDUCATION**

According to Harman and Meek (2002), in all countries where higher education has been transformed, government has had to make a choice between various inter-institutional
arrangements. These institutional arrangements form a continuum ranging from a voluntary co-operation agreement on the co-operation end of the scale, through modes of coordination such as a formalised consortium and federation, to the unitary structure end of scale represented by amalgamation in the form of a new unitary organization (see Figure 2.1).

**FIGURE 2.1**

**THE CONTINUUM OF INTER-INSTITUTIONAL ARRANGEMENTS**

<table>
<thead>
<tr>
<th>Voluntary Co-operation</th>
<th>Consortia</th>
<th>Federation</th>
<th>Amalgamation through mergers</th>
</tr>
</thead>
</table>

*Source:* Researcher’s own construction as adapted from Herman and Meek (2002)

These structural models which are aptly described in the merger documentation of the Consortium of Open Learning Institutions of South Africa (COLISA, 2000: 25-37), suggest that these institutional arrangements were also considered in the transformation of higher-education institutions in South Africa. Depending on the needs and goal of restructuring, the institutional arrangement ranges from loose co-operation between institutions to absolute integration of institutions. For example in Australian higher education transformation between 1988 and 1991, which aimed amongst other things to abolish the binary system between universities and colleges and to achieve major consolidation of institutions through mergers, both federal and unitary mergers were attempted. According to Herman and Meek (2002), mergers are but one of four inter-institutional arrangements, namely voluntary co-operation (confederal structure), consortia, federation and mergers (amalgamation).
2.4.1 Voluntary co-operation/ confederal structure

A confederal structure is a formalised and fairly permanent union in which the constituent elements retain full autonomy. The structure is characterised by mutual consent to collaborate and cooperate on issues of mutual interest and a contract that describes the obligations and rights of each party regarding the collaboration. In this structure no party will be able to dictate to the other party regarding matters outside the cooperation agreement. There is no such form of cooperation in South African higher-education institutions.

The advantages of a confederal structure include the enhancing of cost effectiveness; efficiency and economies of scale; broadening the base of the expertise; opportunities of small successes, which could inform the future collaboration areas; and limited impact on staff. Disadvantages of the confederal structure however include the erosion of institutional identity and the perceived threat to self-interest such as remuneration packages.

2.4.2 Consortia

Consortia, are formal organisations that exist apart from, although because of, the institutions that constitute their membership. Consortia are separately incorporated, have assets, board of directors and rules like independent organisations. Members of the board of directors of consortia are appointed by the constituent membership of the consortia. The consortia constitute a definitely circumscribed entity that has an identity separate from the colleges and universities that constitute the membership of the consortia (Lang, 2002).

According to Lang (2002), the relationship of the consortium to its member institutions, could be described as an association or a centre. The association model comprises colleges and universities that share similar characteristics and purposes. The centre arrangement, on the other hand, brings together dissimilar institutions, for example
several small colleges and a large university in geographic proximity to one another. The consortium model was not followed in the South African higher-education restructuring.

### 2.4.3 Federation

The federal structure can take a variety of forms of which there are two main variants. In the first instance, centralised powers and functions are specified while the decentralized powers and functions (i.e. the rest) remain with the individual members of federation. In the second variant, devolved powers and functions are specified while everything else is centralised.

The federation does not result in the merging of any services. Each member institution maintains its own registrar, human resources and departments. Each institutional member retains its own pay scales and job descriptions as before federation and produces its own transcripts, academic timetables and examination schedules. The advantages of the federal structure are that distinct niches can be served; greater economies of scale are achieved and greater unity in the higher education sector is accomplished.

The federal structure was adopted by the Australian Universities and the reported outcomes were very positive. Nepean University, for example, more than doubled its students after federation. Hawkesburg University was a close second with a 95 per cent increase and Macarthur University’s student population grew by more than half (Curri, 2002). The staff complement of these institutions also increased.

The Australian federation structure produced some unexpected outcomes, namely the speed with which the university was accepted by the community and the ease with which the entities were transformed because so little did change. At one federated university in New South Wales, Australia, efficiencies were achieved because of its centralised structure. There was however recognition among universities that merging services also incur additional costs as staff spent a lot more time travelling.
Other reported negative outcomes include the tendency for greater centralisation and increased bureaucracy, as well as the difficulty of maintaining communication links among departments which did not share the same level of organisational maturity and expertise. The higher-education restructuring in South Africa did however not follow the route of federation.

2.4.4 The unitary structure/amalgamation/mergers

In the unitary structural model the existing parties merge into a single body with one central administration. Certain functions and powers are decentralised if necessary, but a single identity is essential.

Amalgamation presents the most difficult form of restructuring and generally a decision enforced by someone else. There is little negotiation. It usually involves a dominant partner and a minor partner where the minor partner relinquishes independence either voluntarily or because there are no other options (Curri, 2002).

2.4.4.1 The nature of mergers

Thompson, Strickland and Gramble (2004) define a merger as a combination and pooling of equals, with the newly created entity often taking on a new name. Mergers can be categorized in various ways, and these include friendly versus hostile mergers and strategic versus financial mergers.

2.4.4.2 Friendly versus hostile mergers

A friendly merger results from an agreement between the management of two firms to be combined into one. There is mutual recognition that the two firms are worth more than the sum of the two firms held separately, and by merging, the combined firm benefits from the synergy of merger (Chambers and Lacey, 1994: 611-612). Gitman (1991: 800) defines a friendly merger as a transaction endorsed by the target firm’s management,
approved by its stakeholders and consummated easily. In a hostile merger the integration of the constituents is resisted.

2.4.4.3 Strategic versus financial mergers

Financial mergers are undertaken with the goal of restructuring the acquired entity in order to improve its cash flow and unlock its hidden values, while strategic mergers are undertaken to achieve economies of scale (Gitman, 1991: 800). According to Skodvin (1999) mergers are often intended to save money though they require a lot of resources for planning coordination and physical infrastructure and are expensive in the short run. In a long run there may be some economies of scale, and this is especially relevant with regard to common library systems, management systems and other administrative systems.

According to Coffey, Garrow and Holbeche (2002: 127) and Gitman (1991: 805), there are five types of strategic mergers, namely vertical, horizontal, concentric, conglomerate and congeneric mergers. Vertical mergers occur when a buyer-seller relationship exists or could exist between the merging entities. Vertical mergers require that the target entity change from serving the market to linking up with the acquiring entity. A horizontal merger is a merger between entities with identical products operating in the same or different markets. This means that the acquirer would merge with a similar type of entity. A concentric merger is a merger between entities with very similar production or distribution technology, while a conglomerate merger is a merger between entities that have no buyer-seller relationship, technical and distribution relationship or identical products. In other words, they are unrelated businesses. A congeneric merger occurs when one entity acquires another entity which is in an unrelated business. In South Africa the concentric merger model was adopted in the higher education restructuring process.

To summarise: the transformation of higher education institutions in countries including South Africa, has taken place in various formats, namely voluntary co-operation, consortia, federation or amalgamation (or mergers). These different
institutional arrangements were driven by various reasons. In the next section the models of, reasons for and reported consequences of the higher education transformation in selected countries are reviewed.

2.5. TRANSFORMATION OF HIGHER EDUCATION IN OTHER COUNTRIES

Transforming higher education through a process of mergers is not a uniquely South African phenomenon. Mergers between the higher-education institutions have taken place in countries such as Australia, Canada, Germany, China, Russia and others. In the present study the higher education mergers in Australia, China, Canada, Russia and others are highlighted as they respectively represent a Western and Eastern world view on education.

2.5.1 The mergers in Australia

In 1973, South Australia had attempted to sustain ten tertiary institutions but by the end of 1981 a series of mergers had reduced this number to five, namely Adelaide University, Flinders University, Roseworthy Agricultural College, the South Australian College of Advanced Education and South Australian Institute of Technology (Mildred, 2002). In 1983 with the change in government in Australia, priorities for universities changed drastically. Wood and Meek (2002) summarised the major changes as (1) a movement in some of the costs of higher education from the state to the individual by the introduction of the Higher Education Contribution Scheme (HECS); (2) enhanced national and international competition for students and research income; (3) greater emphasis on accountability for how government funds are spent; and (4) greater deregulation within the higher education sector and diversification of the funding base.

These changes resulted in the above mentioned five institutions being further reduced to three and integrated into the Unified National System. There was a strong conviction in government that post-secondary institutions had to be more efficient in using their
resources and had to be flexible in preparing students for the labour market. Government also demanded higher education institutions to provide well-trained personnel that would develop new products and services in order to ensure Australia’s competitiveness (Curri, 2002).

In July 1988, the Australian federal government adopted a White Paper on higher education which proposed the following: (1) the dismantling of the binary divide between a university and college; (2) strengthening the link between teaching and research; (3) the introduction of a new system of funding that encourages higher-education institutions to diversify their funding sources; (4) the alignment of research to economic goals; (5) the promotion of focus areas in national research policy, and (6) the placing of greater emphasis on institutional management (Dawkins, 1988).

Three reasons underpinned these White Paper proposals. Firstly, the new arrangement would promote greater diversity in higher education rather than an artificial equalisation of institutional roles. Secondly, a balanced system of high quality institutions would be achieved, each with its own particular areas of strength and specialisation but coordinated in such a way as to provide a comprehensive range of higher education offerings. Thirdly, diversity and quality as paramount objectives would be achieved.

The 1988 White Paper on Higher Education was followed by a new funding policy framework for higher education in 1996, according to which operating grants were reduced by 5% over three years; commonwealth supplementation of academic salary increases was stopped, and the commonwealth funding of postgraduate coursework enrolment was phased out.

2.5.1.1 The consequences of the Australian higher-education restructuring

The new funding framework has had a profound negative effect on higher education. According to Gallagher (2000), one such negative outcome has been the pressures on
universities, which have as a result of enterprise bargaining deals, to concede salary increases beyond the affordability limits of their operating budgets. Another negative consequence has been the neglect of basic infrastructure.

Due to the decline in funding, Australian universities were forced to increase student fees. As a result, the Australian student fees have become the highest in the world. At the same time, revenue flowing to higher education from research outputs and investments by business and industry, is decreasing. Gallagher (2000) suggests that many of the problems and pressures that universities have been experiencing are symptoms of the government’s inadequate funding and the parlous state of many universities’ finances. According to Gallagher (2000), the Australian government was abrogating its responsibility for funding public higher education.

The funding problem is not the only challenge the Australian higher education has been facing. There also appears to be a crisis of confidence over what the basic objectives of the country’s national public system of higher education are and how they are to be achieved (Wood and Meek, 2002). There is the perception that the steering of higher education has been given over to the market and the outcomes of market competition and that marketisation has been the cause of the above-mentioned problems.

There is however also the view that market competition has not been all bad for Australian higher education (Sendte Employment, 2002). This school of thought suggests that marketisation has made the system more responsive and relevant to industry needs and is thereby directly contributing to the nation’s wellbeing. The managers of the Australian higher-education institutions have substantially increased their skills and capacity to find new markets. This has led to considerable increases in student enrolments and graduates, the creation of a multi-billion dollar overseas student market and a substantial reduction of most institution’s financial dependence on the Commonwealth (Wood and Meek, 2002).
Despite the benefits referred to in the previous paragraph, the Australian mergers have had a number of unintended consequences as well. These consequences include the level of institutional competition, the decreased diversity in the whole system and stifled innovation due to institutional competition. The cooperative style of the institutional management, encouraged by market-like competition has tended to substantially alienate staff, while the decline in financial support has threatened the quality of teaching and research in Australian institutions. Moreover excessively short-term market orientation has led to an over-concentration on teaching and research programmes for private benefit at the expense of long-term national needs. This has led to a call for a sustained and informed public debate to discuss the relative balance between higher education as a public good and a private benefit. Commentators have been questioning the market as a good arbitrator of public policy particularly in areas like higher education which are critical for both present and future generations.

After the mergers, increased complexities in governance have also been experienced (Berdahl, 1991; Birnbaum, 1988; Kezar, 2000; Leslie and Fretwell, 1996). In particular, institutions have been faced with greater competing priorities and demands to engage community, business and industry; to solve social problems and improve the schools; to generate cutting edge research and innovations to fuel the economy; and to develop a more just and equal society by preparing a diverse student body, while having fewer funds, more demands from students, and an increasingly complex legal environment (Eckel, Hill and Green, 1998; Kezar, 2000). These environmental demands on higher education have placed great responsibilities and strain on institutional leaders to make wise decisions in a timely manner. Governance has become less participatory as few individuals have been caring about or were involved in campus academic governance (Williams, Gore, Broches and Lostski, 1987).

To respond more quickly and to compensate for the shrinking staff participation, some institutions have adopted increasingly bureaucratic systems (Rhoades, 1990). This administrative prerogative was characterised by more centralized, hierarchical administrative oversight, where quality was measured by the speed of decision making
and not by results (Hardy, 1990). The inaccessibility of management was justified on the basis that the former collegial approach to decision-making was inappropriate because of the short time allowed for responses to government initiatives. Against this background, the senior management group made most decisions and powers were transferred from academics to managers. The governance complexities with which managers had to contend also included the blending of different cultures. The management of the new institutions recognised that until significant changes were made to old cultures, the new institutions would not achieve their full potential.

There were also important reactions to the mergers on the part of academics. Firstly, the administration and teaching workloads of academic staff increased. Secondly, postgraduate students suffered indirectly as supervisors had less time for interaction. Thirdly, greater competition for research funds was experienced because of the special consideration given to former non-university staff.

Merging institutions were often left to solve challenges on their own without assistance by government. This “hands off” policy led to institutions indulging in territorial ambitions. Instead of achieving the vision of diverse but equal institutions, the new entities, due to market forces, fought for the maintenance of their academic strongholds as far as the degrees and programmes are concerned (Mildred, 2002).

### 2.5.2 Higher-education mergers in China

Prior to 1980, higher education in China was governed centrally by a Ministry of Education (MOE) which was responsible for designing of curricula and syllabi, prescribing textbooks, regulating student admissions and assigning graduates to jobs. The Ministry also had control over budget, salary scales and personnel issues (Mok, 1996). After 1980 such a centralised governance model was believed to be inefficient in administration and ineffective in service delivery.
In order to create greater higher education opportunities, the Chinese government adopted a policy of decentralisation, according to which, individual institutions were given more autonomy and power in determining their own daily operations. This policy also involved a transfer of authority and decision making from top-level to the lower-levels; management, giving local governments more flexibility and autonomy to chart the course of higher education development (Mok and Ngak, 2001; Mok and Chan, 2001; Mok, 2001a; 2001b). In the decentralized framework universities were under pressure to demonstrate maximum output from the financial input they were allocated. This has resulted in an increase in privatisation and marketisation in Chinese higher education (Kwong, 2000; Bray, 2000) which involved the increasing of student tuition fees, reduction of state allocations, the strengthening of relationships between the university sector and the industry and business sector and the encouragement of academics to engage in business and market-like activities to generate income (Lee, 2001; Mok, 2001a).

Higher-education institutions in China have also undergone a restructuring process in the form of institutional mergers and cooperation between institutions in sharing resources. The main aim for these mergers and cooperation agreements were to increase student numbers and to achieve cost effectiveness (Zhao, 1998). The restructuring process coincided with the Ministry of Education’s decision to devolve responsibility and powers to individual higher education institutions, including their autonomy to manage their own finances. The Ministry also encouraged various forms of financing other than the 75 to 80 per cent of the institutions’ total budget provided by the Ministry. This meant that institutions had to find additional sources of funding in order to supplement their operating income. Similar to the Australian example, the increasing pressures of financial autonomy forced the Chinese higher education institutions to become more marketised and privatised (Mok, 2002; Mok and Lo, 2001).

A World Bank report suggests that an increase in the student-teacher ratio could significantly reduce the unit recurring cost given the fact that the ratio in China is much lower than in Asia and the Pacific. From 1993 to 1996 the proportion of higher education
expenditure decreased from 83% to 70% due to student expansion during this period (Yang, Vidovich and Currie, 2006). The percentage in 2001 was dramatically lower at 53%, demonstrating a significant proportional decline in government resources devoted to higher education. The Chinese Ministry of Education believed that institutional consolidation would help to achieve cost effectiveness and optimisation of the insufficient resources supplied to higher education, through raising student-teacher ratios, reducing waste and redundancy, and sharing resources (Clarke and Neave, 1992). It was on the basis of this belief that consolidation and cross-institutional cooperation were initiated and developed in China.

2.5.2.1 The consequences of the Chinese higher-education restructuring

Pennington (1991) suggests that some of the major problems which emanated from the Chinese higher education restructuring were loss of independence and diversity of amalgamated institutions and the decrease in collegial commitment and staff morale. Karnel (1992) reported that the envisaged benefits of larger institutions did not accrue and that smaller institutions were more successful in promoting innovation. Gilbert (1991) found that amalgamation contributed to the emergence of a larger, more differentiated, but less well-resourced university sector than its predecessor.

Li Zhengyuan (1995) lamented that the pursuit of larger and more comprehensive institutions failed to produce cost-effectiveness and improvement in the quality of education in China but caused a false upgrade of the education establishment (for example two-year colleges upgraded as a four-year universities when consolidated with universities), duplication and overlapping of organisations and contrary to expectations, increased staff members due to redundancy.

One year after the mergers in China had taken place a survey was conducted over the progress of the consolidation (Mok, 2002). It was found that very limited cooperative programmes had materialised but most of the agreed cooperation was not implemented and some cooperative activities failed to achieve the desired results. As far as exchanging
staff was concerned, few arrangements could be made because institutions had the same problems of over-supply of staff for some courses and under-supply of staff for other courses. In terms of the consolidation of staff and student service, no progress was made as a result of the lack of profit and fears of loss of jobs on the part of staff who worked at the services. Also, the plan to build shared student and staff residences for five consolidated institutions failed due to financial stringency.

Other problems raised in the process of consolidation in China were as follows:
- lack of powerful central administration with clearly defined roles and responsibilities to ensure cooperation plans were enforced;
- lack of support rather than the rhetoric of approval from the government with regard to promised funds for the consolidation;
- pre-occupation with quick economic returns from consolidation;
- fears of losing jobs because of the potential redundancy caused by consolidation;
- concern about losing institutional status;
- consumption of time in consolidation process; and
- obstacles to cultural integration of the merging institutions.

Despite the above mentioned negative consequences identified in the Chinese mergers, Zhao (1998) revealed that some benefits did accrue in consolidation between institutions that were closely located, which were previously governed by the same government agency and which had common or complementary programmes.

2.5.3 Higher-education mergers in Canada

Post-secondary education in Canada, at both university and college levels, is the responsibility of the provincial and territorial governments. These governments provide most of the funding for both institutions (General overview of education in Canada, 2007). The federal government of Canada has only an indirect influence on higher educational matters through the provision of grants, the transfer of tax points as support of research granting agencies and student financial support. Funding therefore is
provided by each respective provincial government to the post-secondary institutions through the bureaucracy established by each province.

The educational institutions are autonomous with respect to how they fulfil statutory mandates (Shale, 2002). Each respective institution through the particular governance and budgetary processes, identifies its own priorities and the financial requirements with these priorities.

In the early 1990s, institutions in Canada came under increasing pressure from federal and provincial governments to become more accountable on how they spend public funds (Association of Universities and Colleges of Canada, 1991). In addition the public had been questioning the ability of universities to deliver academic programmes and services efficiently. The Canadian constitution assigned responsibility for educational matters to the provinces and in the case of higher education the institutions were free to choose how they would discharge their educational mandates (Shale, 2002). The Canadian government demanded that higher-education institutions become more efficient in using their resources and more flexible in preparing students for the labour market. At the same time both the public and government had been suggesting that much duplication existed among the universities and that some universities should be merged or closed in order to reduce costs. By merging institutions, government hoped to achieve greater efficiencies, such as educating more students without additional costs.

2.5.3.1 The consequences of the Canadian higher-education restructuring

Some positive outcomes of the Canadian mergers have been reported. Barton (2005) for instance notes increased cohesion, access and standardization of curriculum within a high quality programme mix at merged institutions. Financial gains such as sharing of overhead costs and reduction of administrative costs were also reported (Keim, 1999; Larrance, 1990). There were also other positive outcomes such as shared resources and expertise; enhanced quality and breadth of programme/service offering; greater access to programmes and services; opportunities to build skills around cooperation; increased
dialogue among colleagues in a network of different institutions; greater diffusion of best practices; and mobilization for effective planning and control in higher education (Konrad and Smith, 1986; Keim, 1999; Van Soeren, Andrusyszyn, Laschinger, Goldenberg and DiCenzo, 2000). Polster (2006) is of the view that these benefits will persist only if the revitalisation of the under-resourced universities, programme innovation and student access to services and programmes are maintained.

There were also negative outcomes to the mergers reported. These negative outcomes or challenges include inadequate communication; prolonged and/or ineffective decision making processes and disrespecting institutional autonomy; lack of cohesion due to potential lack of trust and commitment as well as competition among the members; unarticulated roles and expectations; unclear mission, structure and philosophy underpinning merged institutions; poor visibility in each member institution; and lack of participation from various groups of people (Baus and Ramsbottom, 1999; Johnson, 1998; Keim, 1999; Konrad and Small, 1986; Lang, 2002; Van Soeren et al. 2002).

2.5.4 Higher-education mergers in Russia

The transformation of Russian higher education started in the 1990s due to changes in the political, economic and social situation in that country. The Russian federation has had a long and distinguished history in tertiary education and science. The higher education system has however changed greatly over the past decade and this transformation is currently continuing (The Russian Federation, 2007)

The transition from a centrally planned to a market oriented economy has had many implications for the quality and quantity of Russian higher education. Higher education in Russia is under the jurisdiction of the Ministry of General and Professional Education which is responsible for the accreditation of higher-education institutions and for the development and maintenance of state educational standards. Nevertheless, there are some institutions that continue to be owned and operationally controlled by sectoral Ministries.
According to the regulations that guide Russian higher education, there are three basic types of higher-education institutions:

- universities which offer a wide spectrum of programmes on all levels of education: undergraduate, graduate and continuing. Universities are leading research centres in fundamental fields that combine teaching, learning and research;
- academies which provide higher education at all levels and conduct research mainly in one branch of science, technology or culture; and
- institutes which are independent higher education institutions or part (structural division) of universities or academies that offer several professional education programmes.

The process of integrating Russia into the world economy led to severe financial constraints and sharp cuts in federal funding on education. This situation prompted the restructuring of education in Russia whereby its government decided to dramatically reduce their higher education budget (Sharpe, 2003).

This led to radical changes in the social context, structure, goals and conditions of financing higher education in Russia. In 1992, the Russian Federation Law on Education for the first time legalized tuition charges under conditions that were extended in the 1996 Law on Education and introduced the concept of higher education cost sharing. This law guaranteed the right of free access to public higher education on a competitive basis and in accordance with a quota of students that are financed from the Federal budget. The first private higher-education institutions which cater for students that do not make the quota appeared as a result of this law (Bologna process and mechanisms of international interaction in Russian Higher Education, 2006).

The emergence of the private higher-education institutions introduced the dual-track system in Russia. According to this system a certain proportion of top scoring students are awarded free tuition and scholarships from the federal budget to cover their costs,
while the second track of tuition included students, parents, enterprises and philanthropic organisations who form private higher education institutions that cater for students who have passed the entrance exam, but have not scored high enough to qualify for state support. Instruction on a fee-paying basis in these private institutions was geared towards the market value of a programme and the prestige of the institution rather than the actually incurred costs. Law, economics, business management and foreign languages were the most expensive fields of study since they provide training for high demand careers and were most likely to attract students capable of full-cost payment. In contrast science and engineering were the least expensive (Bain, 1996b: 7)

Many public institutions have however lately come to depend on tuition revenues as a second major income source after state allocations. The restructuring of the Russian higher-education institutions has not gone the merger route but rather the adoption of liberal law that provided for the autonomy of higher-education institutions to manage their own efforts. This freedom enabled higher-education institutions to develop their own educational programmes, provided the standard meets the minimum requirements set by the state (Sharpe, 2003). Liberalization also led to the extensive broadening of international contacts due to the Russian higher-education institutions’ participation in the international programmes and projects (Belogna process and mechanisms of international interaction in Russian higher education, 2006).

The newly granted academic freedom enables universities to take care of their own sustainable development. These reforms fostered the diversification and humanization of higher education; decentralization of management and university autonomy; the achievement of international standards; and the provision of the country’s human resource needs.

2.5.4.1 The consequences of the Russian higher-education restructuring

The new financial dispensation negatively changed the nature of academic life in Russian higher education (Kniazev, 2002). Firstly, remuneration on state subsidies has fallen to
dramatically low levels for a number of teachers working in average institutions of higher
education. In many Russian State institutions, the situation was so bad that discontent
with their financial situations forced personnel to look for a second and even a third job
outside their institutions. This led to the neglect of main duties and lowering academic
standards. More and more academics embarked on additional jobs in the private
educational sector, in consulting and part-time contract appointments.

Secondly, Russian universities were forced to broaden their outlook and follow their
Western European counterparts in their movement towards a concept of a university as a
conglomerate of every different activities, and working in a complicated network for a
widening range of stakeholders. However in pursuing this policy, many universities did
not pay enough attention to maintaining the climate of basic research which was regarded
as a precondition for their sustainability.

Thirdly, due to the fact that academics were allowed to hold more than one job in private
institutions they could set up competing study programmes in new fields. Such highly
paid study programmes could be organized equally well within and to the benefit of the
universities themselves.

A fourth consequence is related to the widening quality range of institutions. Quality
competition, which is inherent in project funding, tended to concentrate funds and talent
in fewer and fewer institutions.

Because of the importance of new knowledge acquisition, a whole range of new
competitors has appeared and succeeded in reducing the market share of the official
teaching system. In the knowledge chain the clear boundaries between basic research and
the subsequent stages of applied research, product development and production and
marketing have disappeared (Gibbons, 1995).

Changing sources of income for the higher institutions prompted a change in product
offering and services. Russian higher-education institutions had to learn how to earn
additional income, but this happened mostly through expanding paid additional services and not through research activities. Leading universities were forced to become institutions of mass education with little room for international competitive research, while others chose a strategic management approach aimed at a full exploitation of the new opportunities inherent in the modern knowledge society (Kniazev, 2002). A third group decided to follow the increasingly popular model in Western Europe, where traditional universities broadened their mission by explicitly stating that the socio-economic valorisation of their scientific expertise was part of their primary task. This entailed changing universities into complex conglomerates which managed a wide range of different activities ranging from business schools, science parks, spin-off firms, contract research to patent activities.

2.6 SUMMARY OF PRECEDING REVIEW

To summarise: it appears that the transformation in higher education started in the 1990s due to a common change in the political, social and economic situation all over the world. The general objective with higher education transformation has been that institutions have to be more efficient in using their resources and have to be flexible in preparing students for the labour market. In order to achieve this objective, in the first instance, greater diversity was required. Secondly, a balanced system of quality institutions was envisaged in order to provide a comprehensive range of higher education offerings. At the same time some sections of the public and the government have been suggesting that much duplication exists among the universities and that some should be closed down or merged in order to survive.

All over the world governments were withdrawing from the full funding of higher-education institutions while the optimisation of educational funds was pursued through institutional mergers and cooperation in order to share resources and to be cost effective. To offset financial short-fall institutions opted to increase student fees and to find additional sources of funding. This had the consequence of raising the student-teacher
ratio as student numbers increased while staff numbers stayed the same or decreased (Clarke and Neave, 1992).

2.7 CONCLUSION

In the present chapter, the nature, reasons and models of higher education transformation were reviewed. The chapter focused also on the positive and negative outcomes of the transformation process in selected countries. In the next chapter the higher education transformation in South Africa is reviewed.
CHAPTER 3

HIGHER-EDUCATION TRANSFORMATION IN SOUTH AFRICA

3.1 INTRODUCTION

In the previous chapter, higher education transformation in other countries was reviewed. The present chapter reviews higher education transformation in South Africa which is the main focus of this study. In this chapter the reasons for reported positive and negative outcomes, reported reactions and the actual South African higher-education mergers are discussed.

3.2 OBJECTIVES OF HIGHER EDUCATION TRANSFORMATION IN SOUTH AFRICA

The South African higher education system before 1994 was characterized by inequalities across disciplines and institutions in terms of student access and pass rates (NCHE 1996), research orientation and research output (Pourris, 1996), and governance and funding (NCHE 1996). During this time there was an increased demand for higher-education institutions (HEIs) to demonstrate their social responsibility and their commitment to the common good by making expertise and infrastructure available for programmes of community service, answering to the needs and contributing to the social, cultural, educational and economic development of their immediate environment (NCHE, 1996: 76). The above mentioned environment prompted a transformation of the South African higher education system (Habib and Perekh, 2000: 39).

At the beginning of 1994 many of these HEIs in South Africa however found themselves in dire financial straits. It seemed that a lack of visionary planning, non-innovative strategic fiscal policies, unrealistic enrolment projections and the absence of effective cooperation between institutions were paralysing the future of many South African HEIs
There is general agreement that the following general and specific reasons necessitated the transformation of higher education:

### 3.2.1 General reasons

Various sources highlighted the following reasons for transformation in South Africa (Rethinking and reimagining mergers in further and higher education: a human perspective, 2004):

- The fragmented further and higher education systems inherited from the previous dispensation;
- the profound inequalities and distortions of the above mentioned systems;
- incoherent and poor articulation between various types of further and higher education institutions;
- underprepared students from poorly resourced socio-economic and academic contexts;
- the poor quality of school systems, and particularly the collapse of the senior secondary school system with the resultant low entry into higher education and high failure rates;
- unequal distribution of resources and subsidies amongst further and higher education institutions;
- declining state subsidy mainly as a result of poor economic growth;
- impact of new legislation such as the Labour Relations Act resulting in the permanent appointment of temporary workers, increased salaries and the expansion of basic fringe benefits to all members of the staff;
- the production and dissemination of knowledge not only by traditional further and higher education institutions, but also by new types of institutions and modes of delivery;
- increased competition in the system from particularly international and private further and higher education institutions;
- declining student enrolments; and
- regional overlap and duplication in programmes.

The new South African policy framework for higher education transformation (Mapasela and Hay, 2005) highlights the above-mentioned deficiencies in the local higher education system and national global economic opportunities and challenges as the main drivers of the need for transformation. In order to eradicate deficiencies in the higher education system, the new policy framework would seek to overcome the historically determined pattern of fragmentation, inequality and inefficiency; to increase access for Black students and for women; and to generate new models of learning and teaching to accommodate a larger student population.

To address the above-mentioned general reasons for transformation, it is envisaged that the following specific objectives, such as increased student enrolments; exploiting national and global opportunities and addressing concomitant challenges; increased responsiveness to changing societal interests and needs; and achieving co-operative governance would be pursued.

3.2.2 Specific objectives

- Increased student enrolments: A key feature of the new system would be to expand student enrolments to address the imperatives of equity and redress. Greater numbers of students would have to be accommodated, and recruited from a broader distribution of social groups and classes. Such 'massification' of higher education would by necessity involve different patterns of teaching and learning, new curriculums and more varied modes of delivery. In a situation of financial constraints, planning and negotiations would have to ensure that wider participation is affordable and sustainable.

- National and global opportunities and challenges: The restructured higher education system would have to meet the needs of an increasingly technologically oriented economy; deliver the requisite research; produce highly trained people
who are equipped to develop South African society with the capacity to participate competitively in a rapidly changing global context.

- Responsiveness to changing societal interests and needs: Higher education would have to be more responsive to societal interests and needs as expressed in a transition from racial discrimination and oppression towards a democratic order. Aspects of this objective would have to be reflected in the content, focus and delivery modes of higher education programmes. Governance structures would have to provide for stakeholder consultation and participation in decision-making processes, while funding mechanisms would be introduced that were sensitive to, and able to address, the demands of redress and the challenge of development.

- Achieving co-operative governance: The new system would emphasize cooperation and partnerships in governance structures and operations of higher education. The model of cooperative governance, proposed by the NCHE and endorsed by the Ministry, would change the directive role of the state to a steering and coordinating role. This would reconcile the self-regulation of institutions with the decision-making of central authorities. According to this objective, the relationship between civil society and higher-education institutions would involve new linkages between institutions and commercial enterprises, parastatals, research bodies and non-governmental organisations. Relations between higher-education institutions would see new partnerships and cooperative ventures among regional clusters of institutions in order to optimise the use of scarce resources.

3.3 THE LEGAL FRAMEWORK FOR THE SOUTH AFRICAN MERGERS

The above-mentioned reasons and envisaged objectives set policy makers in all spheres of public life the task of overhauling the social, political, economic and cultural status of HEIs in South Africa in order to bring them into line with the imperatives of the new
democratic order (RSA MoE, 2001). This section explores the historical development of the legal framework that underpins the transformation of the South African HEIs.

3.3.1 The National Education Policy Investigation (1992)

The National Education Policy Investigation (NEPI) of early 1992 started the transformation debate by proposing various policies influencing nearly all levels and aspects of higher education (Hay, 2001: 2). The main purpose of that investigation was to interrogate policy options in all areas of education within a value framework derived from the ideals of the broad democratic movement. The NEPI recognised the necessity of the training and development of educators and support staff in HEIs and recommended programmes whereby employees at higher-education institutions could enhance their skills through improving their qualifications. The NEPI also recommended that special attention be given to equipping higher education employees with skills to deal with the proposed changes to the institutional environment. The NEPI recommendations were transferred to the National Commission on Higher Education (NCHE) which set out to create a framework for the higher education transformation.

3.3.2 The National Commission on Higher Education (1996)

The framework created by the NCHE (1996) identifies some fundamental principles that would guide and direct the process of transformation in higher education. These principles included, among others, equity and redress, diversity, quality, effectiveness and efficiency, academic freedom and institutional autonomy, as well as public accountability.

To fulfil the recommendations of the NEPI, the NCHE developed a variety of policy guidelines that eventually found their expression in three key pieces of legislation that would subsequently underpin the higher education transformation in South Africa namely:
- **The South African Qualifications Authority Act of 1995.** This Act was responsible for developing and implementing the rules of a National Qualification Framework (NQF).

- **The Education White Paper 3 (1997).** The purpose of this White Paper was to identify the different strategies necessary for higher education transformation. It also outlined and described the challenges, needs, purposes, goals, structure, projected and desired growth, governance and funding mechanisms for a future higher education system.

- **The Higher Education Act (No 101 of 1997).** The objective of this Act was to regulate higher education by establishing a Council on Higher Education (CHE), as well as providing for quality assurance and promotion in higher education. This Act levelled the ground for the regulation of higher education by allaying any fears experienced by the academics that the government was taking over higher education.

In terms of the Higher Education Act (No 101 of 1997) the existing 36 universities and technikons would be reduced to 22 higher-education institutions. Eleven (11) institutions in the new regime would be universities, five (5) universities of technology (former technikons) and six (6) comprehensive universities (which offer both university and technikon-type programmes. This would be achieved through the merging of institutions which would be undertaken on the basis of strategies which were envisaged in the National Plan for Higher Education Transformation of 2001.

3.3.3 **The Nation Plan for Higher Education Transformation (2001)**

The National Plan for Higher Education gives effect to the vision for the transformation of the higher education system outlined in the Education White Paper 3 – a programme for the transformation of the Higher Education System (DoE, July 1997). This policy was launched in March 2001, and represents the most recently envisaged strategies for the transformation of South African higher education.
The Act provides an implementation framework and identifies the strategic intervention and levers necessary for the transformation of the higher education system. This Act also provides an opportunity and challenge to chart a path that locates the higher-education system as a key engine driving and contributing to the reconstruction and development of South African society. The Act also strongly supports all the other higher education policies which came before it. For example, it emphasises equity and redress as a matter of high priority and therefore places them very high on the agenda of the National Plan (Asmal, 2001b; Hay, 2001). This document also gives clear targets which higher-education institutions should be striving for in terms of students and staff participation rates, as well as enrolment figures for science and technology programmes.

**TABLE 3.1**

**THE FURTHER AND HIGHER EDUCATION LANDSCAPE**

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Number of institutions before amalgamation, mergers and closures</th>
<th>Number of existing/envisaged institutions after restructuring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical colleges</td>
<td>152</td>
<td>51 clusters</td>
</tr>
<tr>
<td>Colleges of education</td>
<td>94</td>
<td>0</td>
</tr>
<tr>
<td>Nursing colleges</td>
<td>35</td>
<td>27</td>
</tr>
<tr>
<td>Universities and technikons</td>
<td>36</td>
<td>21</td>
</tr>
<tr>
<td>Agricultural colleges</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

*Source: Bitzer, E as compiled from information obtained from APAC (agricultural colleges), AFETISA (Technical colleges), CCERSA (Colleges of education), the South African Nursing Council and the Government Gazette, DoE, 2002*

The process of amalgamation, incorporations, mergers and closures in the further and higher education sectors in South Africa resulted in a landscape with the profile depicted in Table 3.1. Only the university and technikon mergers are focused upon in this study.
3.4 THE HIGHER-EDUCATION MERGERS IN SOUTH AFRICA

The interaction of governmental macro-politics and institutional micro-politics shaped the form and content of the HE mergers, which meant either institutional obliteration, protected enclosure or equal partnership.

3.4.1 Institutional obliterations and protected enclosures

In the case of institutional obliterations, which primarily took place among colleges, the college entity would disappear in its entirety, even though residual components of the obliterated partner must reside in the curriculum and students of the powerful staying partner. This happens in the case of Giyani and the South African College of Teacher Education (SACTE). In the Giyani case, the physical plant was taken over for the establishment of an agricultural school of the university and no name has been proposed yet.

Protected enclosure meant the continued separate existence of the merged entity within the new institution. This happened in the case of the Johannesburg College of Education (JCE) at the University of the Witwatersrand. This did not mean that the JCE did not work within broad institutional obligations, like any other academic unit or faculty at the University of the Witwatersrand. It simply meant that it was able to secure a separate dispensation of finances, appointments, promotions, reporting lines, curriculum autonomy and campus status than allowed in the normal body of institutional regulations governing departments, schools and faculties.

3.4.2 Joint structures, incorporation and equal partnership

The status of incorporation partners in merger discussions was an important issue and one which signals the complexity of not only the process, but also of the environment surrounding the merger, and even of the legislation. In terms of the Higher Education Act
(No. 101 of 1998) and the Higher Education Amendment Act of 2002, mergers and incorporation were intended to be legally distinct processes.

Policy has been at pains to emphasise the equality of partners in mergers. In short, it required a commitment from all institutions to accept the merger process as a process between equals, irrespective of the current strengths and weaknesses of the merging institution due to the legacy of the apartheid. The Minister indicated clearly that principles of equality between merging partners was not to be breached in the development of the policies, procedures and structures of the merging institutions (Transformation and restructuring, 2002).

For both political and pragmatic reasons, it seemed wisest to institutions, involved in mergers, to engage all affected parties, whether merging or incorporating, in joint merger discussions and structures from the very beginning. In the case where the subdivision of a historically disadvantaged institution was being incorporated by a historically-advantaged institution which would subsequently merge with another historically-advantaged institution, it was very important to stick rigidly to the letter of law regarding incorporation. Pragmatically, it would be extremely difficult for the acquiring institution to move ahead in the incorporation process without engaging its merger partner. The merger partner could insist on its equal partner status being recognised during the process, in an effort to preclude any agreements between the councils of the acquiring and the incorporating institutions that could be binding upon the merged institutions and could compromise its own interests.

The dynamics highlighted above, made it very clear that mergers in South African higher education could not be reduced to models of takeovers that predominate in the corporate environment. The mergers of South African institutions were all involuntary except the merger of Technikon Natal and ML Sultan to form the Durban Institute of Technology.
3.4.3 The mergers

On 5 March 2001, the Minister released a National Plan for Higher Education that stated that the number of public higher-education institutions in South Africa would be reduced (DoE, 2002; 88). In December 2001, the Minister appointed a National Working Group to deal with the restructuring of the higher education system in South Africa. The National Working Group recommended the reduction of higher-education institutions from 36 to 22 through the specific mechanism of mergers. On 23 October 2003, the Minister of Education announced all the names of the institutions of higher learning that were required to undergo a restructuring process.

As mentioned above, in terms of the National Plan for Higher Education of 2001, the existing 36 universities and technikons would be reduced to 22 higher-education institutions. Eleven (11) institutions in the new regime would be universities, five (5) universities of technology (former technikons) and six (6) comprehensive universities (which offer both university and technikon-type programmes).

3.4.3.1 Universities of technology

The universities of technology would offer post-secondary programmes leading to diplomas and certificates. All the previous technikons, except Free State, Mangosuthu and Vaal Triangle) were merged with another technikon or university to constitute a new university of technology. The universities of technology in South Africa are now the following:

- Cape Peninsula University of Technology (merger between the Cape Technikon and the Peninsula Technikon;
- Durban Institute/University of Technology (merger between ML Sultan and Natal Technikon;
- Tshwane University of Technology (merger between Pretoria Technikon, Technikon North West and Technikon Northern Gauteng).
3.4.3.2 Comprehensive Universities

Comprehensive universities are a new type of institution resulting from the merger of a technikon with a university. These institutions offer both university and technikon programmes and degrees in the traditional arts, business and science disciplines. Comprehensive universities are intended to be one important vehicle for the achievement of a unitary system, in other words, breaking down the binary divide between universities and technikons (CHE, August 2004). The objectives of this particular type of merger are to strengthen research in vocational technikon-type programmes; to give students a wider range of programmes with different entry requirements; to increase access to technical education throughout the country; to facilitate student mobility between programmes; and to remove the barriers to further education.

In South Africa the following institutions were merged to form comprehensive universities:

- Nelson Mandela Metropolitan University (merger between Port Elizabeth Technikon, Port Elizabeth University and the Port Elizabeth branch of Vista University);
- University of Johannesburg (merger between Rand Afrikaans University and Witwatersrand Technikon);
- University of South Africa (Merger between Technikon South Africa, University of South Africa and Vista University Distance Education Campus);
- Walter Sisulu University for Technology and Science (merger between Eastern Cape Technikon, Border Technikon and University of Transkei);
- Zululand University (merger between University of Natal and University of Durban Westville)
3.4.3.3 Traditional universities

Traditional universities offer a wide range of degree programmes at both undergraduate and graduate level. There is a huge diversity of degree programmes especially at the bachelor’s degree level. These were the universities, except in the cases of the North West, KwaZulu-Natal and Limpopo, which were not required to merge with other HEIs and include the following:

- Cape Town University;
- Fort Hare University;
- North West University (Potchefstroom University and University of North West);
- Orange Free State University;
- Rhodes University;
- Stellenbosch University;
- University of KwaZulu Natal (Durban Westville and Natal University);
- University of Limpopo (MEDUNSA and University of the North);
- Venda University;
- Western Cape University; and
- Witwatersrand University.

3.5 REACTIONS TO THE MERGERS

Transformation in higher education has occurred at different levels (Fourie, 1999). A distinction was made between structural or governance level, demographic level, level of core function of the institution and the level of vision/mission and organisational culture. According to Viljoen and Rothmann (2002), transformation in tertiary education institutions therefore includes:

- revolutionary changes, which involved the discontinuation of obsolete management practices and the way things were done;
- qualitative change, which referred to the changing of the experiences of organisational members; and

- multidimensional change which was change that affected all structures, processes and procedures and which required changes in values, norms and attitudes, perceptions and behaviour.

Transformation in higher-education institutions was not only about changes in the composition of staff and students or changes in governance structures or course content. It was about transformation of organisational culture and development and acceptance of new shared values (Fourie, 1999). It was noted in Chapter Two that transformation of higher education is part of a broad political and socio-economic transition to democracy characterizing the country and its people. These historical legacies led to a number of tensions or reactions which were not anticipated during the initial policy-making process (Cloete and Moja, 2005). These tensions were characterized by, among others, five closely interlinked and interdependent issues that have particular implications for academic staff. They include the democratisation of institutional governance; increased access for financially and educationally disadvantaged students; the restructuring of the curricula, a shift in focus of research and community service and the redressing of race and gender inequalities (Fourie, 1999).

3.5.1 Democratisation of institutional governance

Governance was one of the important issues that higher-education institutions had to deal with during the merger process. Institutional governance and management structures and processes were under constant attack from staff, students and leadership (Fourie, 1999). Seemingly management and leadership were not in line with staff expectations. Most staff expressed dissatisfaction with the way in which the merger process was handled by managers and leaders (Viljoen and Rothmann, 2002).
Academics felt that their interests were not adequately represented by Senate members nor that their views reflected in the decisions that Senate took. A study on institutional governance by Fourie (1999) showed that there was a lack of interest by Senate members themselves in their Senate duties. These conflicting paradigms hampered the functioning of these bodies during the transformation process. It was found that Senate and institutional management were unable and unwilling to respond to the demand for rapid change. There were also perceptions that sources of institutional policy, processes and planning for inclusive decision-making were lacking. This called for the establishment of transformation forums to prevent unilateral restructuring of institutional governance and management (Fourie, 1999).

The meeting for the forums often resulted in political power struggles between the representatives of various constituencies because of the context within which the forum originated. The behaviour and actions of students and management as well as non-execution of rules and regulations were regarded as stressors by academic staff members. Staff members indicated that they felt aggressive towards management and sometimes actions of students made them feel frustrated, powerless, uncertain and anxious (Viljoen and Rothmann, 2002). Feelings of demotivation and tiredness were also attributed to management’s action.

3.5.2 Increased access for financially and educationally disadvantaged students

Institutional transformation meant that institutions had to work with new types of students who had different backgrounds and expectations from those with whom the institution had worked previously (Viljoen and Rothmann, 2002). According to Cloete and Moja (2005), it was envisaged that a transformed higher education system would become more equitable in terms of access for large numbers of black students. For example, at the University of the Free State the number of white students decreased by 17 percent between 1990 and 1996, whereas black student numbers grew by 219 percent. Another example is that of Nelson Mandela Metropolitan University where white
students formed 86 percent of the total students in 1988 but by 1996 this had decreased to 41.7 percent.

The admission of larger numbers of students who come from financially deprived families has resulted in certain difficulties. Firstly, all lecturers have to repeat lectures in both languages and this implies a massive increase in the workload of academics as in most cases no additional staff members have been appointed. Secondly, the South African system is experiencing tension between rising social and economic demands and a finite pool of public resources (Fourie, 1999). Thirdly, the personal contribution to the costs of higher education has reached its ceiling for most students and their families. The above-mentioned factors have caused a decrease in the income of institutions through state subsidy and their being prohibited from raising student fees to make up the lost income. It has also led to massive amounts of unpaid student fees which are posing a real threat to the survival of the institutions.

Institutions are also required to reduce their unit costs through greater efficiency and more cost-effective methods of delivery. Universities have also had to embark on rationalization programmes, in terms of staff, courses and research projects. Contract academic staff are continuously facing an uncertain future while permanent staff are continuously facing forced retirements or severance packages (Fourie, 1999). This has resulted in low staff morale among many academics.

3.5.3 Restructuring the curriculum

Changes in the demographic composition of students at higher-education institutions necessitated changes in the operations of these institutions. The fundamental assumptions upon which academics build their discipline and curricula have had to be reassessed. For example academics have had to change their mindsets to accommodate both teaching and learning from the changed environment (Fourie, 1999).
Changes brought about by the National Qualification Framework (NQF) required new flexible and appropriate programmes which cut across the traditional divide of education and training. Academics and institutions were now charged with the responsibility to conceptualise, plan and implement these programmes themselves. This brought about more paradigm shifts such as a shift from a disciplinary approach to an interdisciplinary approach; a shift from a collection type curriculum to an integrated type curriculum; and a shift from disciplines which are based in departments to programmes which are presented across departments, faculties and even across institutions. Academics during this period experienced uncertainty about their role in the design and implementation of programmes. They also had fears regarding the survival of their disciplines in the new dispensation.

3.5.4 Focusing on developmental needs in research and community service

One of the central features of the new South African higher education dispensation system was the need to become more responsive to the needs of the whole South African nation. This was described as a shift from a closed to a more open and interactive higher education system which is sensitive to social, political and economic changes in its environment (Fourie, 1999).

According to the NCHE (1996b: 76), higher-education institutions should demonstrate their social responsibility and their commitment to the common good by making expertise and infrastructure available for community service programmes, answering to the needs and contributing to the social, cultural, educational and economic development of their environment. Academics, in turn should become involved in socially responsive research and community service.

3.5.5 Redressing inequalities in terms of race and gender

The central proposal of the NCHE (1996) was that the South African higher-education system should be massified and centrally managed through goal-directed funding. In
doing so an increased participation rate would provide greater opportunity for access, while goal-oriented funding and central steering would produce increased skill levels required for economic growth (Cloete and Moja, 2005).

The increased participation rate also had to address past race and gender inequalities. As a result many institutions have formally adopted or informally agreed upon affirmative action policies in staff appointments, and although appropriate qualifications and experience were still of importance, much more sensitivity was encouraged for redressing the wrongs of the past (Viljoen and Rothmann, 2002).

3.6 NEGATIVE PERCEPTIONS ABOUT THE SOUTH AFRICAN MERGERS

Many negative perceptions abound since the announcement of the higher-education mergers. Disagreement with the reasons provided by the government for the institutions to merge is most prominent, although some of the reasons provided were accepted by the merging institutions. Also the merits of the merging institutions played no role, and the merger was politically motivated (Van Tonder, 2006). The government’s announcement of the intended merger created deep concern among all levels of staff from academics to administrators, to technicians, to clerks and to maintenance workers. Before, during and after the mergers, there remained widespread concern about job losses, uncertainty about personal careers, anxiety about institutional futures, myths about who would or would not be retained, fears about loss of autonomy on the part of the weaker partner, perceptions about white staff being advantaged over black staff or black staff being affirmed over white staff and a general loss of morale on the part of all (Jansen, 2003)
3.7 CONCLUSION

In this chapter the transformation of higher education in South Africa was reviewed. The reasons and legal framework, as well as the reactions to mergers were discussed. These reviews provide the background against which a theoretical model is proposed to improve the strategic management of these merged institutions.
CHAPTER 4

THEORETICAL MODEL TO IMPROVE THE STRATEGIC MANAGEMENT
OF POST-MERGER HIGHER-EDUCATION INSTITUTIONS

4.1 INTRODUCTION

In the previous two chapters the reasons, legislative framework and consequences (both
negative and positive) of higher education restructuring in South Africa and in other
countries were reviewed. The objective of this study is to assess the impact of these
restructuring processes on selected perceptions and attitudes of the staff members of these
institutions. This study asserts that the strategic management of these perceptions and
attitudes is vital as the latter are critical elements in the extent to which the post-merger
phase at merged institutions would be successfully managed.

4.2 THE STRATEGIC MANAGEMENT PROCESS

Thompson, Strickland and Gamble (2005: 3) define a strategy as management’s game
plan for growing the business, staking out a market position, attracting and pleasing
customers, competing successfully, conducting operations and achieving targeted
objectives. A strategy thus shows the choices managers make about how to attract and
please customers, how to respond to evolving market conditions, how to compete
successfully, how to grow the business, how to manage each functional area of the
business and develop needed capabilities, how to achieve performance targets.
Consequently, formulating a strategy is a process not an event which entails developing a
strategic vision, setting objectives, crafting a strategy, implementing and executing a
strategy, and monitoring and development. This process is represented by Figure 4.1
below.
The primary objective of the present study is to improve the strategic management of the post-merger phase at universities. To this end, the Thompson et al. (2005) strategic management process is followed.

Phases one to three of this process, namely the development of a strategy and setting objectives, have been discussed in Chapters Two and Three. These phases involved the DoE setting merger objectives and formulating policies which have been regulating the transformation of higher-education institutions. Within this framework, universities have been developing their own strategic and operational plans, which included important decisions about programme mix, vision of the institutions, number of faculties, number of delivery sites and institutional governance.

Merged institutions now find themselves in the “implementation and executing of strategy” phase. This, according to Thompson et al. (2005: 38), involves shaping the core
business strategy in a supportive manner to convert strategic plans into actions and results. To this end, managers must be able to lead their institutions, motivate their people, build and strengthen their organisational competencies and competitive capabilities, create a strong supportive work climate and meet or beat performance targets. Against this background, the present study examines the relationships between employee motivation, organisational commitment and organisational culture as elements of the strategic management of the post-merger process.

Changing an organisation’s culture to align it with strategy is among the most difficult management tasks because of people’s inclination to cling to the old and familiar. In addition, both the institution as a whole and the individual employees must be committed to execute the strategy if objectives are to be achieved (Thompson et al. (2005). In order to get employees motivated and committed, managers must be resourceful in designing and using the most effective motivational incentives, both monetary and non-monetary. Against this background, Thompson et al. (2005: 359) outlined the following motivational approaches to increase employee commitment:

- provide attractive perks and fringe benefits;
- relying on promotion from within whenever possible;
- making sure that the ideas and suggestions of employees are valued and respected;
- create a work atmosphere in which there is a genuine sincerity, caring and mutual respect among the workers and between the management and employees;
- stating the strategic vision in inspirational terms that make employees feel they are part of doing something very worthwhile in a larger social sense;
- sharing information with employees about financial performance, strategy, operational measures, market conditions and competitive actions;
- having very good facilities; and
- being flexible in how the company approaches people management (motivation, compensation, recognition, recruitment) in a multinational, multicultural environment.
Most of the above-mentioned motivational elements are included in the hypothesised model to improve organisational commitment and job performance in the present study. Strategy execution in the present study is thus conceptualised as involving the reciprocal relationships between employee motivation, organisational commitment, organisational culture and job performance. Each of these elements is now discussed.

4.3 ORGANISATIONAL COMMITMENT

There appears to be no consensus on the definition of organisational commitment (Suliman and Iles, 2000; Dougherty and Slocombe, 1998; Bagraim, 2003; Bagraim and Sader, 2007). Organisational commitment has been defined and measured in many different ways ranging from viewing commitment as a singular construct to different forms of commitment within a multidimensional model.

4.3.1 The nature of organisational commitment

The nature of organisational commitment has been described and measured from various angles (Meyers and Allen, 1991; Bagraim 2003). Table 4.1 provides a set of definitions from the organisational commitment literature, which describe the concepts from different interests and perspectives. In some definitions organisational commitment is viewed as a single construct (Becker, 1996; Mowday, Steers and Porter 1979; Wiener, 1982), while in other cases it is defined as the common element linking different forms of commitment within a multidimensional model (Allen and Meyer, 1990; O’Reilly and Chatman, 1986).
<table>
<thead>
<tr>
<th>Author/Researcher</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Becker (1960: 32)</td>
<td>Commitment comes into being when a person, by making a side bet, links extraneous interests with a consistent line of activity.</td>
</tr>
<tr>
<td>Salancik (1977: 62)</td>
<td>A state of being in which an individual becomes bound by his actions and through these actions to beliefs that sustain the activities of his own involvement.</td>
</tr>
<tr>
<td>Scholl (1981: 593)</td>
<td>A stabilising force that acts to maintain behavioural direction when expectancy/equity conditions are not met and do not function.</td>
</tr>
<tr>
<td>Brickman (1987: 2)</td>
<td>A force that stabilizes individual behaviour under circumstances where the individual would otherwise be tempted to change that behaviour.</td>
</tr>
<tr>
<td>Oliver (1990: 30)</td>
<td>One’s inclination to act in a given way towards a particular commitment target.</td>
</tr>
<tr>
<td>Brown (1996: 241)</td>
<td>An obliging force which requires that the person honour the commitment, even in the face of fluctuating attitudes and whims.</td>
</tr>
<tr>
<td>Mowday, Steers and Porter (1979: 226)</td>
<td>The relative strength of an individual’s identification with and involvement in a particular organisation.</td>
</tr>
<tr>
<td>Wiener (1982: 421)</td>
<td>The totality of normative pressure to act in a way which meets organisational goals and interest.</td>
</tr>
<tr>
<td>O’Reilly and Chatman (1989)</td>
<td>The psychological attachment felt by the person for the organisation. It will reflect the degree to which the individual internalises or adopts characteristics or perspectives of the organisation.</td>
</tr>
<tr>
<td>Mathieu and Zajack (1990: 7)</td>
<td>A bond or linking of the individual to the organisation.</td>
</tr>
<tr>
<td>Rusbult and Farrel (1983)</td>
<td>Refers to the likelihood that an individual will stick with a job and feel psychologically attached to it, whether it is satisfying or not.</td>
</tr>
<tr>
<td>Blau (1985: 278)</td>
<td>One’s attitude towards one’s profession or vocation.</td>
</tr>
</tbody>
</table>
### TABLE 4.1 (Continued)
DEFINITION OF ORGANISATIONAL COMMITMENT

<table>
<thead>
<tr>
<th>Source</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carson and Bedeian (1994: 240)</td>
<td>One’s motivation to work in a chosen vocation.</td>
</tr>
<tr>
<td>Champion and Lord (1982: 268)</td>
<td>An unwillingness to subsequently reduce goals to a lower level when confronted with error signals.</td>
</tr>
<tr>
<td>Locke, Latham and Erez (1988)</td>
<td>One’s attachment to or determination to reach a goal regardless of the goal’s origin.</td>
</tr>
<tr>
<td>Hollenbeck, Williams and Klein (1989: 18)</td>
<td>The determination to try for a goal and persistence in pursuing it over time.</td>
</tr>
<tr>
<td>Tubbs (1993: 86)</td>
<td>A committed person is thought to adopt a specific performance goal and to persist in attempts to reach it even through difficulties.</td>
</tr>
<tr>
<td>DeShone and Landis (1995: 106)</td>
<td>The degree to which the individual considers a goal to be important, is determined to reach it by expending effort over time, and is unwilling to abandon or lower the goal when confronted with setbacks and negative feedback.</td>
</tr>
<tr>
<td>Herscovitch (1999: 17)</td>
<td>A psychological state that binds an employee to a course of action deemed necessary for the successful implementation of a change initiative.</td>
</tr>
<tr>
<td>Weissbein, Plamondon and Ford (1998: 3)</td>
<td>Involves willingness of the person to put forth effort to enact the strategy.</td>
</tr>
</tbody>
</table>

Table 4.1 reveals that the core essence of organisational commitment is that it (i) is a stabilizing or obliging force (the belief that employees have a responsibility to their organisation), and (ii) gives direction to behaviour (e.g restricts freedom, binds a person to a course of action). Against this background, organisational commitment is generally viewed as an employee attitude or force that binds an employee to an organisation. These attachments include: affective commitment (emotional attachment to the organisation), continuance commitment (the perceived investment versus costs), and normative commitment (involving obligation-based considerations) (Allen and Meyer, 1990, Bagraim and Sader, 2007; Bagraim, 2003).
As already indicated, there is a school of thought that regards these attachments as a different form of commitment, called the multidimensional model of organisational commitment (Becker and Billings, 1993; Meyer and Allen, 1991; O’Reilly and Chatman, 1986). Table 4.2 presents organisational commitment within a multidimensional context.

**TABLE 4.2**

**ORGANISATIONAL COMMITMENT WITHIN THE MULTIDIMENSIONAL MODEL**

<table>
<thead>
<tr>
<th>Author</th>
<th>Forms of commitment</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angle and Perry (1998: 4)</td>
<td>Value commitment</td>
<td>Commitment to support the goals of the organisation</td>
</tr>
<tr>
<td></td>
<td>Commitment to stay</td>
<td>Commitment to retain their organisational membership</td>
</tr>
<tr>
<td>O’Reilly and Chatman (1986: 673)</td>
<td>Compliance</td>
<td>Instrumental involvement for specific extrinsic rewards</td>
</tr>
<tr>
<td></td>
<td>Identification</td>
<td>Attachment based on a desire for affiliation with the organisation</td>
</tr>
<tr>
<td></td>
<td>Internalization</td>
<td>Involvement predicted on congruence between individual and organisational values</td>
</tr>
<tr>
<td>Meyers and Allen (1991)</td>
<td>Affective</td>
<td>The employee’s emotional attachment to, identification with, and involvement in the organisation</td>
</tr>
<tr>
<td></td>
<td>Continuance</td>
<td>The awareness of the cost associated with leaving the organisation</td>
</tr>
<tr>
<td></td>
<td>Normative</td>
<td>A feeling of obligation to continue employment</td>
</tr>
<tr>
<td>Author</td>
<td>Forms of commitment</td>
<td>Definition</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Penley and Gould (1988)</td>
<td>Moral</td>
<td>Acceptance and identification with organisational goal</td>
</tr>
<tr>
<td></td>
<td>Calculative</td>
<td>A commitment to an organisation which is based on the employee’s receiving inducements to match contributions</td>
</tr>
<tr>
<td></td>
<td>Alienative</td>
<td>Organisational attachment which results when an employee no longer perceives that there are rewards commensurate with investment, yet he or she remains due to environmental pressures</td>
</tr>
<tr>
<td>Mayers and Schoorman (1992: 673)</td>
<td>Value</td>
<td>A belief in and acceptance of organisational goals and values and a willingness to exert a considerable effort on behalf of the organisation</td>
</tr>
<tr>
<td></td>
<td>Continuance</td>
<td>A desire to remain a member of the organization</td>
</tr>
<tr>
<td>Jaros, Jemier, Keohle and Sincich (1993)</td>
<td>Affective</td>
<td>The degree to which an individual is psychologically attached to an employing organisation through feelings such as loyalty, affection, belongingness, fondness, pleasure and so on.</td>
</tr>
<tr>
<td></td>
<td>Continuance</td>
<td>The degree to which an individual experiences a sense of being locked in a place because of high cost of leaving.</td>
</tr>
<tr>
<td></td>
<td>Moral</td>
<td>The degree to which an individual is psychologically attached to an employing organisation through internalisation of its goal, values and missions.</td>
</tr>
</tbody>
</table>

Source: Meyer and Herscovitch (2001)
Figure 4.2 describes commitment in terms of three dimensions, affective, continuance and normative, respectively. These researchers credit the work of Kelman (1958) who laid the foundation of the multidimensional approach to commitment by linking compliance, identification and internalisation to attitudinal change. According to Bagraith and Sader (2007), affective commitment denotes an emotion-based sense of involvement and identification with the organisation; continuance commitment denotes a cost-based assessment of the losses associated with leaving the organisation and the benefits it provides and normative commitment denotes a socialised sense of moral obligation to the organisation or felt need to reciprocate to the organisation for benefits received.

The most popular multi-dimensional approach to organisational commitment is that of Meyer and Allen (1991). Meyer and Allen (1991) initially developed their three model to address observed similarities and differences in existing unidimensional conceptualisations of organisational commitment (for example, Becker, 1960; Mowday et al., 1982; Wiener, 1982). Common to all, the conceptualisation of organisational commitment was a belief that commitment binds an individual to an organisation and thereby reduces the likelihood of turnover. The main differences were in the mindsets presumed to characterize the commitment. These mindsets reflected three distinguishable themes: affective attachment to the organisation, obligation to remain and perceived cost of leaving. To distinguish among commitments characterized by these three different mindsets, Meyers and Allen (1991) labelled them “affective commitment”, “normative commitment,” and “continuance commitment,” respectively.

Meyers and Allen (1991) argue that one of the most important reasons for distinguishing among the different forms of organisational commitment is that they have very different implications for behaviour. Although all three forms tend to bind employees to the organisation, and therefore relate negatively to turnover, their relations with other types of work behaviour can be quite different. Research, for example, shows that affective commitment has the strongest positive correlation with job performance, organisational citizenship behaviour, and attendance followed by normative commitment. Continuance commitment tends to be unrelated or negatively related to these behaviours.
Against the background of the preceding literature review commitment can therefore be described from an attitudinal, behavioural, normative and multi-dimensional approach/perspective (Stevens, Beyer and Harrison, 1978; Suliman and Iles, 2000).

- The attitudinal approach: This is the most common approach for conceptualising organisational commitment. According to this approach organisational commitment is defined as the relative strength of an individual’s identification with and involvement in a particular organisation (Mowday, et al., 1998). The attitudinal approach includes three characteristics of organisational commitment: (i) a strong belief in and acceptance of the organisation’s goals and values, (ii) a willingness to exert a considerable effort on behalf of the organisation, and (iii) a strong intent or desire to remain with the organisation. Antecedents of attitudinal commitment include work experience; personal characteristics and job characteristics while the outcome includes increased performance, reduced employee turnover and reduced absenteeism (Allen and Meyer, 1990; Dunham, Grube and Castaneda, 1994). The above determinants will be discussed further in the next section.

- Behavioural approach: This approach suggests that the investments (for example time, friendships, pension) an employee makes into an organisation bind him or her to be loyal to the organisation. Organisational commitment from this point of view is defined as “profit associated with continued participation and a “cost associated with leaving” (Suliman and Iles, 2000; Zangaro, 2001). This means that an employee stands to either profit or lose depending on whether he/she chooses to remain with the organisation. Whereas the attitudinal approach uses willingness to perform and the desire to maintain membership to explain organisation commitment, the behavioural approach uses the concept of investment as a force that ties employees to the organisation to explain organisational commitment (Scholl, 1981).
- The normative approach: This approach argues that congruency between employee goals and values and organisational aims makes the employee feel obligated to the organisation (Becker, Randall and Reigel, 1995). From this point of view, organisational commitment has been defined as “the totality of internalised normative pressures to act in a way which meets organisational goals and interests” (Weiner, 1982).

- The multi-dimensional approach: This is the most recent approach to conceptualising organisational commitment. It assumes that organisational commitment is more complex than emotional attachment, perceived costs or moral obligation. This approach suggests that organisational commitment develops because of the interaction of all three of these components. According to Suliman and Isles (2000b), several studies have contributed to this new conceptualisation of organisational commitment. The earliest contributor to the multi-dimensional approach was Kelman (1958) as cited by Mathebula (2004). Kelman (1958) linked compliance, identification and internalisation to attitudinal change. Another earlier contribution was made by Etzioni (1961) who, as cited by Zingaro (2001), described organisational commitment in terms of three dimensions: moral involvement, calculative involvement and alienative involvement, with each of these dimensions representing an individual’s response to organisational powers.

The most popular multi-dimensional approach to organisational commitment is that of Meyer and Allen (1984). In 1984, Meyer and Allen introduced the dimension of continuance commitment to the already existing dimension of affective commitment. As a result commitment was regarded as a bi-dimensional concept that included attitudinal aspects as well as behavioural aspects. In 1990 Allen and Meyer added a third component, normative commitment to their two dimensions of organisational commitment. They proposed commitment as a psychological attachment that can take three forms: the affective, continuance and normative forms.
Finally organisational commitment is also a dynamic and reciprocal concept too. That means if the employees are committed to their organisation, they expect their organisation to be committed to them. Figure 4.2 depicts this relationship.

FIGURE 4.2
COMMITMENT- RECIPROCAL CONCEPT

Source: Gardner and Wright (1998: 320)

Figure 4.2 shows that a high level of commitment requires an interaction from both the employer and the employee. A high level of organisational commitment depends on the organisations’ view of the employee. If the organisation views the employee as part of the organisation not just a member who is being treated as adding value to the organisation then the organisational commitment will be enhanced. If employees perceive that they are treated as valuable members of the organisation their level of commitment to the organisation will also be high. Organisational behaviour has an impact on employee behaviour and employee behaviour influences organisational behaviour.
4.3.2 The importance of organisational commitment

Organisational commitment produces different outcomes (Shore, Newton and Thornton, 1990). For instance, according to Brown (2003), organisational commitment is an important measurement of organisational effectiveness. Organisational effectiveness is viewed as a continuous striving of an organisation to utilize its resources efficiently in order for the organisation to achieve its goals. Organisational commitment is also a potent measure of increased employee performance, and reduced turnover, absenteeism, tenure and organisational goals (Meyer and Allen, 1997: 12; Angle and Perry, 1991; Bagraim, 2003; Mathebula, 2004).

4.3.3 The development of organisational commitment (OC)

Recently there has been a realisation that it is important to identify the mindsets that accompany commitment as it explains how commitment develops (Meyer and Herscovitch, 2001). According to this perspective any factor that contributes to the development of commitment does so through its impact on one or more of the mind-sets that bind an individual to a course of action of relevance to a particular target.

The mind-set associated with affective commitment is for example desire. The mechanisms involved in creating this desire vary somewhat across the different conceptualisations but include involvement (Meyer and Allen, 1991; Chatman 1986), shared values (Mayers and Schoorman, 1992, 1998; O;Reilly and Chatman, 1986), and identification (Shamir, 1991). In other words, any personal or situational variable that contributes to the likelihood that an individual will become involved in a course of action, recognizes the value relevance of association with an entity or pursuit of a course of action, and /or derives his or her identity from association with an entity, or from working towards an objective, will contribute to the development of affective commitment. The primary vehicle for the development of affective commitment is personal involvement, identification with the relevant target and value congruence.
Continuance commitment on the other hand is associated with the perception that it would be costly to discontinue a course of action. Continuance commitment develops as the result of accumulated investment or side bets that will be lost if an individual discontinues a course of action and as a result of lack of alternatives to the present course (Powell and Meyer, 2004). The primary vehicle for the development of continuance commitment is the level of personal, professional or other investment made in the organisation or course of action.

Finally, normative commitment is associated with the mind-set that one has an obligation to pursue a course of action of relevance to a target. The primary vehicle for the development of normative commitment is the feeling of obligation to remain with the organisation and work towards the attainment of goals. Normative commitment develops when an individual has internalised a set of norms concerning the appropriate conduct, and/or is the recipient of benefits and experiences a need to reciprocate (Scholl, 1981; Wiener, 1982; and Meyer and Allen, 1991).

4.3.4 The determinants of organisational commitment

There is some establishment literature on organisational commitment amongst South African employees (e.g Komfer, Venter and Boshoff, 1994; Arnolds 2005), but Meyer and Allen’s (1997) three component model of organisational commitment has became universally accepted (Bagraim, 2007). The three components of organisational commitment were labelled as follows: affective, continuance and normative commitment respectively. Common to the above three approaches is a link between the employee and the organisation and the nature of that link differs (Meyer and Allen, 1990). Given the conceptual difference it is reasonable to suggest that each component should be treated independently of the others as a function of the different antecedents (Bagraim and Hayes, 1990).
4.3.4.1 Determinants of affective commitment

Mowday et al. (1982) suggested that the antecedents of affective commitment to the organisation fall into four categories namely personality characteristics, job characteristics, work experiences and structural characteristics; these four antecedents are regarded as the most important determinants of affective commitment.

The personality variable includes elements such as protestant ethics, self-esteem, locus of control and need for achievement (Arnolds, 1994). Job characteristics were defined comprehensively by Hackman and Oldham (1976) who argued that to enhance employees motivation the job must have five core characteristics, namely skill variety, task significance, task identify, autonomy and feedback. All job characteristics variables were found to be significantly correlated to job satisfaction and organisational commitment (Allen, Cambert, Pasupulet, Tolar and Venture, 2004).

Work experience includes variables such as career factors and anticipatory socialization (Arnolds, 1994; Bashir and Ramay, 2008). Career opportunities have been found to be an important predictor of organisational commitment (Puah and Ananthram, 2006). John (2005) suggested that employees that have advanced will put more effort into their work.

Structural/Organisation characteristics include human resources management practices and leadership style (Bagraim and Sader, 2007; Mathebula, 2004). Reichheld (1996) and Pfeffer (1998), as cited by Mathebula (2004), argue that organisations that pursue a strategy increasing employee commitment gain a competitive advantage over the other organisations that do not follow a similar strategy. One strategy is to develop family-friends human resource policies and practices to assist employees to balance the demands of their work and family responsibilities (Bagraim and Sader, 2007). The above studies concluded that perceived values of human resource management resulted in high levels of affective commitment.
4.3.4.2 Continuance commitment

The continuance component of organisational commitment will also develop on the basis of two factors: the magnitude and/or number of investments (or side-bets) individuals make and a perceived lack of alternatives. These predictions derive from the theoretical work of Becker (1960) and Farrell and Rusbult (1981; Rusbult and Farrell, 1983). According to Becker, individuals make a side-bet when they take an action that increases the costs associated with discontinuing another, related, action. Consider, for example, employees who invest considerable time and energy mastering a job skill that cannot be transferred easily to other organisations. In essence, they are 'betting' that the time and energy invested will pay off. Wining the bet, however, requires continued employment in the organisation. According to Becker, the likelihood that employees will stay with the organisation will be positively related to the magnitude and number of side-bets they recognize.

The potential antecedents of continuance commitment include age, tenure, career satisfaction, and intent to leave. Age and tenure could function as predictors of continuance commitment primarily because of their roles as surrogate measures of investment in the organisation (Dunhan, Grude and Castaneda, 1994).

4.3.4.3 Normative commitment

The antecedents of normative commitment were proposed by Grube (1990) and included co-worker commitment, organisational dependability, and participatory management. Co-worker commitment was expected to provide normative signals that would influence the development of normative commitment. Organisational dependability and perceived participatory management were expected to instil a sense of moral obligation to reciprocate to the organisation, whereas an obligation to reciprocate with commitment because of favourable task characteristics would not be as likely. Finally it is proposed that the normative component of organisational commitment will be influenced by the individual's experience both prior to and following entry into the organisation. It might
be expected for example that an employee would have a strong normative commitment to
the organisation if they have been long-term employees of the organisation and have
stressed the importance of organisational loyalty (Allen and Meyer, 1990).

In the present study determinants of organisational commitment which are pertinent to
the strategy execution phase were selected. According to Thompson et al. (2005),
organisational culture, employee motivation to organisational goals and values are
important in ensuring that organisations implement their strategies successfully.

4.3.5 Organisational culture and organisational commitment

Nel et al. (2003: 22) defined organisational culture as a system of assumptions shared by
members which distinguishes one organisation from the other. Organisational culture
shapes behaviour by helping members make sense of their surroundings and serves as a
source of shared meaning that explains why things occur in the way they do (Kreitner and
Kinicki, 2004; Wegner and Hollenbeck, 2002). Organisational culture is therefore the
personality of the organisation. Carrol (1982) observed that culture shaped behaviours
and is something that an older generation hands down to a younger one. The perceived
impact of organisational culture and individual behaviour has been articulated for many
years. Mergers and acquisitions often highlight the importance of organisational culture
(Pikula, 1999: 1).

Lack of cultural fit between organisations has been identified as a possible reason for
mergers and acquisitions failure in most studies (Weber, 1996). It has been reported that
culture mismatches in organisations result in difficulties in communication (Luo, 2001)
and cultural shock that leads to discomfort among employees (Buono, Bowditch and

(1) In order to be consistent with Figure 1.1 in Chapter One, the hypothesis begins with H2
as the organisational commitment – job performance relationship will be numbered H1
In other words, in the context of the higher education restructuring, a positive culture fit between merger institutions would have a positive influence on the organisational commitment of the merged institutions’ employees. Moreover the extent to which employees identify with the values and beliefs of the new institution would influence their commitment to that institution. Against the background of the preceding review, it is hypothesised that:

H2: Identification with an organisational culture exerts a positive impact on organisational commitment \(^{(1)}\)

4.3.6 Organisational commitment and monetary remuneration

Monetary remuneration is often viewed as part of the sanction system used by the organisation to motivate compliance with its rules and regulations (Mueller and Price, 1990). For an individual employee on the other hand monetary remuneration is viewed as an important reward or outcome. A positive relationship between monetary remuneration and organisational commitment has been reported in the literature. McElroy (2001), for instance, found that higher remuneration leads to higher organisational commitment for a variety of reasons. Firstly it allows the organisation to attract a larger pool of applicants from which to recruit selectively. Secondly, high compensation serves as an indication of how much an organisation values its employees. Lastly, linking remuneration to performance motivates employees to exert more effort on behalf of the organisation.

It is suggested that current models of remuneration satisfaction have their basis in concepts of equity theory (Lum, Kervin, Clark and Sirola, 1998). Equity theory emphasizes that remuneration satisfaction is caused by feelings regarding the equity of remuneration. These feelings result from perceptual and comparative processes. The theory suggests that an employee formulates a ratio of outcome to inputs. This ratio is then compared with the output/input ratio of some referent source. If the ratio corresponds, remuneration equity results. If an employee’s remuneration is perceived to
be less than a comparable other’s, a feeling of being inequitably compensated may result. Against this background Lawler (1990) suggests that remuneration satisfaction or dissatisfaction is a function of the discrepancy between what one feels one should receive and how much pay one does receive. Reported consequences of pay satisfaction include a variety of unwanted employee behaviours such as absenteeism, willingness to strike and lowered job performance (Heneman, 1985 a). The latter behaviour also has a negative effect on organisational commitment (Boshoff and Arnolds, 1995).

The principle of distributive justice is also related to remuneration and organisational commitment (Folger and Konovsky, 1989). Distributive justice is positively related to organisational commitment (McFarlin and Sweeney, 1992). Fair procedures in decision making about remuneration provide evidence of a genuine caring and concern on the part of the organisation for the wellbeing of employees (Mondi, 2002). Against the background of the preceding literature review it is hypothesised that:

H3: Satisfaction with monetary remuneration exerts a positive influence on organisational commitment.

4.3.7 Organisational commitment and fringe benefits

Historically, employee benefits were commonly used by employers to increase organisational commitment. The hope was that benefits could be used to attract and retain good employees while the fear was that inadequate employee benefits would contribute to worker dissatisfaction coupled with absenteeism and turnover problems (DeCenzo and Holoviak, 1990).

The social exchange theory also suggests that fringe benefit coverage is an indicator of an employee’s exchange relationship with his or her organisation and therefore a determinant of organisational commitment (Sinclair et al, 1995). Employees’ perceptions of their fringe benefit systems convey information about their social exchange relationship with the organisation such that employees with more positive perceptions of
their benefit system should develop stronger affective commitment to the organisation (Konovsky and Cropanzano, 1991; Martin and Bennet, 1996). The social exchange theory posits that as employees feel valued and supported by the organisation, a reciprocity develops in which the employee returns such positive exchange with a higher level of loyalty and commitment to the organisation (Crooker and Grover, 1993). Additions to fringe benefits will therefore positively influence affective commitment while reduction in fringe benefits will negatively influence affective commitment. Against this background the following hypothesis is formulated:

H4: Satisfation with fringe benefits exerts a positive influence on organizational commitment.

4.3.8 Organisational commitment and peer/co-worker relations

It has been reported that the extent to which employees received social satisfaction in the workplace was the most powerful influence on productivity (Rachel, 2008). According to Moss (1986: 14), co-workers can make a job a blessing or a curse as co-worker relations include positive and negative relations within task groups at work. Such social relations constitute an important part of the social climate at work and provide a setting in which workers can experience meaning and identity (Gabbaro, 1987: 174). Co-worker relations are important for humanizing the workplace and in so doing have a significance well beyond what has been termed “pro-social behaviour” or organisational citizenship behaviour (Schnake, 1991: 737). Interest in co-worker relations also has been highlighted by increased diversity in the workplace which further highlights the importance of co-worker relations (Jackson and Ruderman, 1995; Morrison, Ruderman and Hughes, 1995).

Kram and Isabella (1985) maintain that co-worker friendships are a valuable means of growth and support. They also argue that characteristics of reciprocity set friendship somewhat apart from other work relationships such as mentoring or superior-subordinate relationships. Reciprocity is an important issue in work relationships because the perception of receiving more help than one can return can result in negative feelings
(such as guilt and indebtedness), as can the perception of giving more. Workplace relationships often have inequality built into the relationship, particularly when the friendship spans organisational hierarchical boundaries, with one member being able to provide better salient rewards (Rachel, 2004).

Most empirical studies have highlighted the positive outcomes of social relationships at work (Richer, Blanchard and Vallerand, 2002; Riordan and Griffeth, 1995). Informal social relationships offer significant and rewarding benefits to individuals such as increased communication (Kramer, 1996), support (Blunk, Doosje, Liesbeth and Hopstaken, 1993), trust, respect, cooperation, growth, development, energy and security, that in turn, influence work-related attitudes and behaviours (Foote, 1985; Riordan and Griffith, 1995). As a result, friendships developed within the workplace represent a key element in the formal structure of the organisation. Friendships are potentially powerful structure units that can either hinder or facilitate organisational effectiveness. The research by Bagraim (2003) and Arnolds (2005) has also shown that commitment to co-workers (peer-relatedness) is significantly and positively related to organisational commitment. It is therefore hypothesised that:

H5: Satisfaction with peer relations exerts a positive influence on organizational commitment.

4.3.9 The influence of growth factors on organisational commitment

The management of people at work is an integral part of the management process. To understand the critical importance of people in the organisation is to recognize that the human element and the organisation are synonymous. A well-managed organisation usually sees an average worker as the root source of quality and productivity gains (Patterson, 2001: 384). Such organisations do not look to the capital investment, but to employees as a fundamental source of improvement. It has therefore become the employer’s responsibility to develop and prepare people for their next job: a message that has registered with the workforce. Thus it is in the organisation’s best interest to focus on
effective staff development/growth strategies, since companies strong on training and development may be preferred, over those offering the greatest rewards (McDowell and Fletcher, 2004).

Research has shown that employees who are not empowered through training and development would eventually become less committed to their organisation. Such employees will remain with the organisation only if financial benefits are satisfactory, while rendering mediocre performance (Arnolds, 2005). Against the preceding review the following hypothesis is formulated:

H6: Satisfaction with growth opportunities exerts a positive influence on organisational commitment.

4.4 JOB PERFORMANCE

No organisation including a higher-education institution can achieve its objectives without the mental and physical efforts of its employees. More specifically strategy execution is not possible without efforts and commitment from the employees. Employee job performance has therefore been selected as one of the dependent variables (that which needs to be manipulated, more specifically improved) in the study if the strategic management of the post-merger process is to be enhanced.

4.4.1 The conceptualisation of job performance

Job performance is defined as a worker’s execution of tasks that are a useful contribution to the social work environment (Abramis, 1994). According Deadrick and Gardner (2008), job performance is defined as the record of outcomes achieved over the multiple instances of carrying out a job during a specified period of time. It is also defined as a behaviour or actions that are relevant to the goals of the organisation in question (McCoy, Campbell and Cludeck, 1994). Performance is not an outcome, consequence, or result of behaviour or action, but the action in itself. In addition performance is multi-dimensional,
meaning for a specific job there are a number of performance components that are distinguishable in terms of their intercorrelations and patterns of covariation with other variables. Therefore performance can be represented as a distribution of outcome levels over a specified time period.

As a multi-dimensional construct job performance indicates how well employees perform their tasks, the initiatives they take and the resourcefulness they show in solving problems. It also indicates the extent to which they complete a task, the way they utilize their available resources and the time and energy they spend on their task (Boshoff and Arnolds, 1994; Rothmann and Coetzer, 2003; Sutherland, De Bruin and Crous, 2007). Campbell, McCoy, Oppler and Sager (1993) define job performance as individual behaviours that are related to organisational goals.

Campbell (1990), as cited by Ferris, Munyon, Basik and Buckley (2008), proposes a conceptualization of job performance which includes dimensions focusing on the execution of substantive tasks as well as elements focusing on motivation and interpersonal features. Murphy and Cleveland (1995) concur that two categories of job performance can be distinguished, namely (1) the explicitly prescribed tasks and duties provided in a job description, and (2) aspects of performance dictated by the social context of the job and work environment. Borman and Motowidlo (1997a, b) describe the two categories as task performance (the set of core duties and tasks that are central to a particular job) and contextual performance (behaviour not formally prescribed by any particular job but instead informal aspects of all jobs). Contextual performance is characterized by activities that employees are not necessarily contracted to perform, but which are necessary for the achievement of organisational goals (Sutherland et al., 2007).

Task performance refers to employees’ performance on specific job-related activities. Task performance differs greatly between jobs and is assessed by means of performance evaluation systems (Motowidlo, 1997). Task performance is best predicted by cognitive variables whereas contextual performance is best predicted by dispositional or personality variables (Betty, Murphy and Cleveland, 2001; Sutherland et al., 2007).
Despite the fact that job performance plays a major role in almost all human resource decisions, there is no comprehensive theory of job performance (Deadrick and Gardner, 2008). Most industrial psychologists agree that individual performance changes over time, yet few performance measurement models directly address this aspect of job performance. Most criterion models ignore the variable nature of individual performance on the job over time (Barnes and Morgeson, 2007). The systems approach to performance measurement focuses on the importance of identifying and separating sources of performance variability attributable to the organisation context/environment from sources attributed to the person (Deadrick and Gardner, 2000). The systems approach is also relevant in helping to understand the causes of individual variations in performance on the job over time. Also this approach attempts to separate individually-determined changes in job performance from organisationally-induced changes in performance.

Attempts to distinguish between maximum and typical measures of performance focus on the impact of motivational variations on performance measurement (Campbell, 1990; Schmitt, Cortina, Ingerick and Wiechmann, 2003). In general maximum performance is achieved when an individual is highly motivated, whereas typical performance is usually achieved over a period of time. Sackett et al. (1988) as cited by Deadrick and Gardner (2008) argued that the maximum-typical performance distinction revealed information about the importance of ability and motivation as the determinants of performance.

In the present study, job performance is conceptualised as including both task and contextual performance. The focus in the present study is however the degree or tendency of intent with which the employee will pursue an improvement in task and contextual performance. The present study asserts that both the development over time and motivation to perform propositions are adequately addressed in the above mentioned conceptualisation of job performance. Job performance in the present study is defined as the extent to which an employee contributes to achieving the objectives of an organisation (Schultz, Bagraim, Potgieter, Viege and Werner, 2003: 66).
4.4.2 The importance of job performance

Prior to 1977 applied psychologists and employers presumed that the abilities required for job performance were job specific and differed substantially from job to job (Kuncel, Hezlett, and Ones, 2004). According to Gottfredson (1997: 83), general cognitive ability is one of the most powerful measures of overall job performance. Current theories explaining the universal relationship between cognitive abilities and job performance emphasized related sets of mediating variables. For example, consider a theory proposed by Campbell (1990); Campbell, Gasser; and Oswald, (1996).

Campbell (1990); and Campbell, et al. (1996) outline eight dimensions of job performance and their determinants. McCoy, Campbell and Cudeck (1994) provided empirical support for this model, showing that performance on the job is a direct function of declarative knowledge (DK), procedural knowledge and skill (PKS) and motivation. This can be summarized as

\[ PC = f(DK, PKS, M) \]

Declarative knowledge (DK) represents the ability to state the facts, rules, principles and procedures that are prerequisites for successful task performance (Kanfer, and Ackerman, 1990). Procedural knowledge and skill constitute the capability attained when declarative knowledge has been successfully combined with knowing how and being able to perform a task. Motivation (M) is a direct determinant of job performance. Motivation is defined as the combined effect of three choice behaviours: (1) the choice to expend effort, (2) master the prerequisite skills and (3) choose to work on the job tasks for some period of time at some level of effort.

The present study follows this conceptualisation of job performance, as an intent to expand sustained effort over a future period is a key element in this conceptualisation.
4.4.3 The relationship between job performance and job satisfaction

Researchers have had difficulty in determining the relationship between job satisfaction and performance. From the 1930s to the mid 1950s, the view on the job satisfaction-performance relationship can be summarized in the statement “a happy worker is a productive worker”. As a result of the Hawthorne studies, managers generalized that if their employees were satisfied with their jobs, that satisfaction would be translated into high productivity (Robbins and Coulter, 1999).

FIGURE 4.3
RELATIONSHIP BETWEEN JOB SATISFACTION AND JOB PERFORMANCE

Source: Researcher’s own construction

One of the most widely debated and controversial issues in the study of job satisfaction is its relationship to job performance or effectiveness. According to Ivancevich and Matteson (1999: 124), three general views of this relationship have been advanced: (1) job satisfaction causes job performance; (2) job performance causes job satisfaction; and
(3) the job satisfaction-job performance relationship is moderated by other variables such as rewards. Figure 4.3 shows each of these viewpoints.

Most studies dealing with the performance-satisfaction relationship have found low association between performance and satisfaction (Lussier, 1996). A satisfied employee is not necessarily a high performer. Managerial attempts to make everyone satisfied will not necessarily yield high levels of productivity. Likewise, the assumption that a high performing employee is likely to be satisfied is not well supported. The third view suggested that satisfaction and performance are related only under certain conditions. The study attempts to discuss a number of factors which may be considered as affecting the relationship. The present study is situated in category I above, as it suggest that the extent to which employees would be satisfied with rewards would impact their job performance.

4.4.4 The determinants of job performance

No one questions the central role motivation plays in shaping the behaviour and specifically, in influencing job performance in organisations. Nonetheless, as important as motivation is, it is not the only factor that determines performance (Ivancevich and Matteson, 1999: 146). A variety of other variables play an important role in determining job performance (see Figure 4.4).

Figure 4.4 shows that job performance may be viewed as a function of capacity to perform, the opportunity to perform and the willingness to perform. The capacity to perform relates to the degree to which an individual possesses task-relevant skills, abilities, knowledge and experience. Opportunity to perform is regarded as a critical ingredient in the performance recipe. An employee in a manufacturing plant who always experiences equipment failure and a shortage of components needed is not given a fair opportunity to be able to perform at the same level as the worker who does not encounter those difficulties. The third factor, willingness to perform, relates to the degree to which an individual both desires and is willing to exert effort towards attaining job performance.
Source: Ivancevich and Matteson (1999: 146)

In order to enhance organisational productivity and competitiveness, it has become necessary for employees to provide outstanding performance in the face of a constantly changing environment. Research on job performance has shown that a multitude of situational and dispositional factors could possibly influence an employee performance (Rothmann and Coetzer, 2003).

The situational factors include the characteristics of the job, the organisation and co-workers while dispositional factors include variables such as personality characteristics, needs, attitudes, preferences and motives that result in a tendency to react to a situation in a predetermined manner (Douglas, Frink and Ferris, 2004). In the light of these factors that have been shown to influence job performance the present study explores the relationship between some selected situational and dispositional factors on the one hand and job performance on the other hand, for example one prominent situational factor that has been shown to influence job performance is employee empowerment, in other words, the provision of training and growth opportunities to improve one’s performance.
and therefore advancement opportunities (Sutherland and Crous, 2007). Employee empowerment has been shown to influence performance on both the psychological and the organisational level (Liden, Wyne and Sparrowe, 2000; Sparrowe, 2004; Bekker and Crous, 1998). In the present study determinants of job performance such as organisational commitment, monetary remuneration, fringe benefits, peer relations and growth factors are investigated.

4.4.4.1 The influence of organisational commitment on job performance

Research on the relationship between organisational commitment and performance has generally produced only positive relationships (Mathieu and Zajac, 1990); but the evidence is mixed, and has typically focused only on affective commitment.

Meyer and Allen (1987) used the terms affective commitment and continuance commitment respectively, to characterize Porters and Becker’s (1960) discrepant views of the construct. Commitment is apparent when employees are willing to make sacrifices in pursuit of the employer’s goals (Nel et al., 2008:47). Commitment is closely related to issues such as:

- Increased attendance. Employees who are deeply involved with the goals and the values of the organisation are more inclined to increase their participation in the activities of the organisation. With such employees voluntary absenteeism will be lower than with employees who are less involved.
- Employee retention: This implies that employees who feel committed to an organisation have a strong desire to stay with that organisation, so that they may continue their contribution to goal achievement with which they identify
- Work involvement: Increased identification with and belief in the goals of the organisation will increase employees’ involvement in their work, as work is the key mechanism by which individuals contribute to the achievement of the goals of the organisation.
- Increased effort: This variable implies that individuals who are deeply committed will be willing to make a bigger effort on behalf of the organisation. Such increased effort will result in outstanding performance.

There is a belief that commitment is an important issue for work organisations, and that it fosters better superior-subordinate relationships and improves organisational climate development, growth and survival through enhanced job performance (Awamleh and Gardner, 1996: 65). Likewise, Angle and Lawsan (1994) found a positive relationship between affective commitment and two performance facets out of four facets. Several studies have shown that organisational commitment is positively related to employee job performance (Boshoff and Arnolds, 1995a; Mowday, Steers and Porter, 1979; Zaccaro and Dobbins, 1989). This implies that an increase in organisational commitment leads to an increase in employee job performance and vice versa. Against the above-mentioned background, it is hypothesised that:

H1: Organisational commitment exerts a positive influence on job performance.

4.4.4.2 Organisational culture and job performance

Organisational culture is an environmental influence which impacts what employees think, perform tasks, communicate and interact with each other (Schultz, Potgieter, Viege and Werner, 2003). It is therefore reasonable to expect that the job performance of an employee who does not identify with the culture of an organisation will be weakened by that fact. Konoan and Clegg (1998) concur that organisational culture influences staff motivation, departmental communication and cooperation, and improving peers’ job performance. It was also reported that organisational culture influences people’s behaviour such as how to perform a job and how to communicate (Bates, Amundson, Schroeder and Morris (1995). These in turn affect an individual’s job performance and satisfaction, and then affect the firm’s performance.
Likert (1961), as cited by Davidson, Coetzee and Visser (2007), reported that co-operative corporate culture is positively correlated to employee performance. Kotter and Heskett (1992) found that corporate culture has a significant effect on organisations’ long term sustainability and economic performance. They found that organisations with a deeply entrenched positive culture had greater revenue growth, larger workforce expansion, larger share price growth and larger improvements in net income than their counterparts with weaker cultures. It has been shown that organisational culture can have a positive effect on competitive advantage, increased productivity and a firm’s performance (Davidson et al., 2007). Organisational culture could affect an employee’s participation and involvement (Glaser and Zamanou, 1994). Against the background of the preceding literature review it is hypothesised that:

H7: Organisational culture exerts a positive impact on job performance.

4.4.4.3 Motivation and job performance

Owen (1995: 24) describes motivation as the force that explain why people do things they do, why some people come to work on a regular basis and do as little as necessary while others are full of energy and ideas and do their work enthusiastically. Motivation has also been defined as the willingness to exert high levels of effort towards the organisational goals conditioned by the effort’s ability to satisfy some individual needs (Chindanya, 2002).

Based on the preceding definitions, motivation includes three elements that are related to job performance, namely (1) it is a force that energizes human behaviour; (2) it leads and directs human behaviour by creating a goal orientation, and (3) it identifies, monitors and supports behaviour. It is generally accepted that unsatisfied needs are the motivators of job performance. The following needs theories explain the need which drives employees to enact behaviour in general and performance in the workplace in particular.
**Maslow’s hierarchy of needs**

“Few individuals have had anything approaching Maslow’s impact on human-relations training” (Bryan, 1983: 81). This statement underscores the extent to which Abraham Maslow has influenced how people view human behaviour. Hoffman (1988: 79) concurs that in an American context, Maslow has affected the perception of human behaviour more than any other psychologist has.

Maslow (1942: 372-382) proposed that people are motivated by a hierarchy of needs. This hierarchy consists of five categories of needs, namely physiological, safety, love, esteem and self-actualisation needs. As literature on Maslow’s work expanded, these categorizations took on new names. Safety needs for instance are now also called security needs (Hellreigel and Slocum 1992:433; Smit and Cronjé 1992: 311), while the love needs are referred to as the social needs (Smit and Cronjé, 1992: 311), belonging needs (Borrow, 1991: 82) and affiliation needs (Hellreigel and Slocum, 1992: 434).

The contents of these categories have also expanded as research on this concept increased. Maslow (1943: 372-376) only referred to hunger, thirst and sexual desire as physiological needs. Nisbet (1992: 34) adds adequate living conditions to the list of physiological needs, while Borrow (1991: 82) includes clothing and Mullins (1996: 489) oxygen, sleep, sensory pleasure and maternal behaviour. In an organisational context these could be satisfied by an adequate wage, pleasant working conditions and a cafeteria to provide food and drinks (see Table 4.3).

The safety needs are defined as the need for protection against danger and the need for predictability and order (Maslow, 1943: 376-377). People need to feel protected against extremes in temperature, assaults and murder, tyranny, criminals, disease, war and natural catastrophes. Table 4.3 shows that these needs are satisfied in firms through safe working conditions, job security and the various fringe benefits such pension fund and medical aid schemes.
### TABLE 4.3
MASLOW’S NEEDS HIERARCHY APPLIED TO FIRMS

<table>
<thead>
<tr>
<th>PHYSIOLOGICAL NEEDS</th>
<th>SAFETY AND SECURITY NEEDS</th>
<th>LOVE NEEDS</th>
<th>ESTEEM NEEDS</th>
<th>SELF-ACTUALISATION NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>Safe working conditions</td>
<td>Friendly supervision</td>
<td>Social recognition</td>
<td>Challenging job activities</td>
</tr>
<tr>
<td>Pleasant working conditions</td>
<td>Job security</td>
<td>Cohesive work groups</td>
<td>Job status</td>
<td>Creativity</td>
</tr>
<tr>
<td>Cafeteria</td>
<td>Pension fund</td>
<td>Professional association</td>
<td>Feedback on the job</td>
<td>Achievement</td>
</tr>
<tr>
<td></td>
<td>Medical aid</td>
<td></td>
<td></td>
<td>advancement</td>
</tr>
</tbody>
</table>

**Source:** Steers and Porter (1991: 35)

Maslow (1943: 380) defines the love needs as the desire for affection and belongingness. This category according to Mullins (1996: 490) includes both giving and receiving love, which is manifested in people’s desire to have friends, to be accepted and to interact socially. Friendly supervision, membership of professional associations and cohesive work groups can satisfy these needs in firms.

The esteem needs are conceptualized as the desire for a stable, firmly based high evaluation of oneself, for self-respect, or self-esteem, and for the esteem of others. This includes the desire for strength, achievement, adequacy, confidence in the face of the world, independence and freedom. From the perspective of how other people view us, it is believed that we desire a desirable reputation, prestige, recognition, attention, importance and appreciation (Maslow, 1943: 382). In the organisational context these needs are often satisfied by social recognition, high status jobs with respected job titles and positive feedback on the job.

Maslow (1943: 382) viewed the self-actualization need as “the individual [must do] what he is fitted for” or “What a man can be, he must be.” He believed a musician will only be
happy when making music. In the same fashion a poet must write and an artist must paint. This need is often referred to as self-fulfilment (Maslow, 1943: 382) and points to a person’s need to develop to one’s fullest potential, the scope to apply all one’s skills, and for challenge (Nisbet 1992: 34). Table 4.3 shows that self-actualisation needs can be satisfied by providing for job activities and opportunities for creativity and advancement.

In terms of human behaviour, Maslow (1943: 370) believes that a person is motivated by a desire to satisfy these needs. These needs are arranged in a hierarchy of prepotency, which means that physiological needs must be satisfied before the safety needs will become prepotent. Similarly, the love needs will become important only when the physiological and safety needs have been gratified. An unsatisfied need is therefore the motivating stimulus for human behaviour, while a satisfied need does not motivate the organism. Despite exceptions such as reversal of the order of the hierarchy and needs not satisfied mutually exclusively from the other needs, the above-mentioned model provides the basic foundation on which Maslow’s theory rests (Maslow, 1943: 395).

**Alderfer’s ERG theory**

Alderfer (1969) agrees with Maslow that needs are arranged in a hierarchy, however this theory proposed only three sets of needs, namely existence needs (needs satisfied by food, air, water, pay and work); relatedness (needs satisfied by social and interpersonal relationships; and growth needs (needs satisfied by individuals making creative and productive contributions). Alderfer (1969: 145) is of the opinion that there is not a conceptual clarity between safety needs and physiological needs, on the one hand, and safety and love needs on the other. Similarly there appears to be an overlap between the esteem, love and actualization needs.

Alderfer (1960: 145-147) argued that human beings have only three main needs, namely existence, relatedness and growth needs, hence the abbreviation E.R.G theory. The existence needs refer to a person’s material and physiological desires, such as hunger and thirst. Pay and fringe benefits and good working conditions are examples of existence needs.
needs in the work set-up. The related needs include the need to be involved in relationships with people who are important to the individual, such as family, friends and co-workers. These needs include acceptance, confirmation, understanding and influence of people.

Alderfer (1969: 146) proposed that in contrast to the perceived overlapping nature of Maslow’s needs, there was a clear distinction between the existence and relatedness needs. He explains this as follows:

“One of the best characteristics of existence needs is that they can be divided among people in such a way that one person’s gain is another’s loss when resources are limited. When two people are hungry, for example, the food eaten by one is not available to the other” (Alderfer, 1969: 145). The satisfaction of relatedness needs, on the other hand, “…depends on a process of sharing and mutuality” (Alderfer, 1969: 146).

The growth needs involve those creative and productive influences a person has on himself and the environment (Alderfer, 1969: 146). One’s need to utilize one’s capacities to the fullest and to develop additional capacities, the need to become what one can become, and the need to experience a sense of wholeness and fullness are all examples of Alderfer’s growth needs.

Alderfer’s (1969: 172) theory differs from Maslow’s one in many other respects. Although he agrees with Maslow that needs are satisfied in some order of progression, that is that people move up a hierarchy as they fulfil lower-order needs, he disagreed that one level needs had to be satisfied before the next level of needs become prominent. In fact, lower-order needs do not have to be satisfied before higher-order needs emerge in importance.

Alderfer (1960: 151) also believed that individuals regress to lower-order needs if higher-order needs are not satisfied. An individual who is perpetually frustrated in his
endeavours to satisfy growth needs, for instance, may progress down the hierarchy in getting his related needs satisfied.

Despite the differences in Maslow and Alderfer’s theories, they share the same basic premise as far as motivation is concerned. Both suggest that the “What” which motivates human behaviour is satisfaction of needs. Herzberg theory follows the same path but introduces the important work-related perspective of motivation (Nisbet, 1992: 34).

*Herzberg motivation – hygiene theory*

Frederick Herzberg (1923-2000) developed a content theory known as the two-factor theory of motivation. Using the critical incident method of research, Herzberg asked subjects to describe events they felt exceptionally good or bad about. Herzberg identified two sets of factors from the responses. Hence it is called Herzberg two-factor theory.

First there is a set of extrinsic conditions, the job context which results in dissatisfaction among employees when the conditions are not present. These factors are called hygiene or maintenance factors, since they are needed to maintain at least a level of no dissatisfaction. These factors prevent job dissatisfaction and maintain neutrality (zero motivation and they include, salary, job security, working conditions, status, company procedures, quality of supervision, and relationship with co-workers. The second set of intrinsic conditions includes the job content which builds a strong level of motivation and can result in good job performance. This set is called motivators and includes achievement, recognition, responsibility, advancement, the work itself and possibility for growth.
### TABLE 4.4
**HERZBERG TWO FACTOR THEORY**

<table>
<thead>
<tr>
<th>HYGIENE FACTORS</th>
<th>MOTIVATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company policy and administration</td>
<td>Achievement</td>
</tr>
<tr>
<td>Supervision</td>
<td>Recognition</td>
</tr>
<tr>
<td>Relations with supervisors</td>
<td>The work itself</td>
</tr>
<tr>
<td>Working conditions</td>
<td>Responsibility</td>
</tr>
<tr>
<td>Salary</td>
<td>Advancement</td>
</tr>
<tr>
<td>Relationship with co-workers</td>
<td>Growth</td>
</tr>
<tr>
<td>Relationship with subordinates</td>
<td></td>
</tr>
<tr>
<td>Status</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
</tr>
</tbody>
</table>

Source: Smit and Cronjé (1992: 314)

Some criticism has been levelled at Herzberg’s theory. Schult et al. (2003: 60) list the following criticisms. Firstly, the theory investigated the factors that lead to satisfaction and job dissatisfaction by asking people to remember past events. People do not always remember past events accurately. Secondly, the sample was not representative as it was conducted on accountants and engineers. Thirdly, Herzberg did not use an overall measure of job dissatisfaction. This is a problem because an employee may dislike part of his or her job, but find another part of his or her job very satisfying. The fourth criticism according to Mullins (1996: 497) is a shortcoming in the methodology used by Herzberg. He suggests that the critical incident method, whereby interviewers had to interpret the responses of the subject, exposes itself to interviewer’s bias. That is the reason why researchers reported different results from those predicted by Herzberg theory.

Despite these criticisms, Smith and Cronje (1992: 315) as cited by Arnolds (1999) are of the opinion that the two-factor theory has made a considerable contribution to the knowledge of motivation. The theory has contributed by expanding the views of Maslow and made them more relevant to the work situation. The Herzberg theory also focused the attention of managers on the importance of job-centred factors in the motivation of workers. In addition the theory offers some explanation as to why hygiene factors, such as money, fringe benefits and working conditions have a limited influence on work motivation in some situations.
The bottom line of the Herzberg theory, as far as motivation is concerned, is the fact that people are motivated by the desire to satisfy needs. The only difference between Maslow’s and Alderfer’s theories and that of Herzberg is that the latter identified what needs people try to satisfy in the work situation.

**McClelland’s achievement motivation theory**

David McClelland (1917-1998) has become synonymous with achievement as a motivator of human behaviour (Steers and Porter, 1991: 50) McClelland identified three important needs that motivate human behaviour, namely achievement, power and affiliation (Smit and Cronje, 1992: 317; Robbins, 1992: 50). The need for achievement refers to a person’s drive to excel, to achieve in relation to a set standard and to strive to succeed. The need for power is defined as a person’s need to make others behave in a way in which they would not otherwise have behaved. The desire for friendly and close interpersonal relationships is referred to as the need for affiliation.

From a motivational point of view it is important to understand what supplementary needs people try to satisfy in their endeavours to satisfy the identified major needs. Firstly, “high need for achievement individuals” prefer situations of responsibility, rapid and unambiguous feedback and challenging goals. “High need for power individuals” have a need to be influential, to have control over others, desire competitive and status-oriented situations and prestige. People with a high need for affiliation strive for friendship, co-operative relations and mutual understanding. In given situations people exhibiting the three major needs, namely, achievement, power and affiliation, will always strive to satisfy the supplementary needs in order to satisfy the major ones.

It is important to note that the above-mentioned needs do not reflect the total range of people’s needs. The McClelland needs can be regarded as higher-order needs that correspond with the self-actualisation, esteem and love needs of Maslow (Mullins, 1996: 498). They are therefore to be viewed as some of the needs that motivate human behaviour.
All the need theories encompass psychological processes and are of a cognitive nature (Steers, 1991: 96). This means that the desire to satisfy needs gives rise to internal experiences and thought processes to institute certain actions to attain these unsatisfied needs.

Monetary remuneration and job performance

There is much confusion about the relationship between monetary remuneration and performance. Recently a number of authors contributed a set of articles to the Harvard Business Review, which debated the impact of pay and its effect on performance (Schultz, Bagraim, Potgieter, Viege and Werner, 2003: 24). Their finding was that in reality pay systems are complex and create a lot of emotions in the organisation. Some studies have reported a significant positive relationship between satisfaction with monetary remuneration (pay) and job performance (Arnolds, 2005).

On the other hand, Herzberg two-factor theory states that extrinsic awards, such as pay, benefits, working conditions or company policy do not motivate people. They merely bring performance to an acceptable level (Nel et al., 2008: 346). According to Maslow’s (1954) hierarchy theory and Alderfer (1969) money satisfies basic or existence needs and does therefore influence employees’ performance. Kreitner and Kinicki (2001: 258-259) however argue that pay should be linked to performance goals only when goal attainment is under the control of the employee; goals are quantitative and measurable; and payments are frequent and substantial.

But then recent studies have reported positive correlations between remuneration system and corporate performance (Bussin and Huysamen, 2004; Rodgers, 1999; Rynes and Gerhart, 2000; Young, 2002). Corporate performance is dependent on the employee job performance. It appears therefore that recent studies found a positive association between monetary remuneration and job performance while the older studies reported no relationship between the said variables. Many studies have also reported a significant
positive relationship between satisfaction with monetary remuneration and job performance (Arnolds and Boshoff, 2000). Against this background it is hypothesised that:

H8: Satisfaction with monetary remuneration (pay) exerts a positive influence on job performance.

Fringe benefits and job performance

Benefits have become the most important part of the psychological contract defining the relationship between the employers and the employees (Lucero and Allen, 1994). As costs escalate it becomes difficult for individuals to afford the high cost of valued benefits like medical aids and pensions. Therefore if employees have to realize the advantages offered by such benefits, they are dependent upon their employers to provide them as part of the compensation package. Employee benefits have therefore become an important inducement in the exchange between employers and employees (Gerhart and Milkovich, 1992).

Studies have shown that the effects of fringe benefits on employee attitudes and behaviour are distinct from those of pay or other forms of compensation (Dreher, Ash and Brets, 1988; Henemann and Schwab, 1985; Williams, McManus, Gordon and McDaniel, 1999). Many studies show that employees’ perceptions about the benefits are positively related to job satisfaction and job performance (Barber, Dunham and Formisano, 1992; Sinclair, Hannigan and Tetrick, 1995; Ward and Davis, 1995). Empirical studies have shown that employees’ satisfaction with fringe benefits has a significantly positive influence on job performance (Arnolds, 2002). On the basis of the preceding review, the following hypothesis is formulated:

H9: Satisfaction with fringe benefits exerts a positive influence on job performance.
Peer/ Co-worker relations and job performance

Previous research by Arnolds (1999) suggested that the satisfaction of affiliation needs, also referred to as a need for love or belongingness, has a positive influence on indicators of employee’s productivity. As early as the 1960s Vroom (1964: 264) and Lodahl and Kejner (1965: 26) found that job performance levels and job commitment of employees were influenced by social nearness of co-workers and related to the extent to which performance was instrumental in attaining acceptance by co-workers.

There is empirical evidence that co-worker relations influence job performance either directly or indirectly via job satisfaction. A study by Markiewiez, Devine & Kausilas (2000) found that the quality of close friendship was associated with both the career success and job satisfaction of employees. Riordan and Griffith (1995) examined the impact of friendship on workplace outcomes. Their results indicated that friendship opportunities were associated with increase in job performance, job involvement and with a significant decrease in intention to turnover. Smith and Tisak (1993: 298- 299) found a positive relationship between social needs and measure of employee productivity. The satisfaction with social needs was found to have a significant impact on job involvement (commitment) and internal work motivation (positive performance intentions). Against the preceding explanation it can be hypothesised that:

H10: Satisfaction with peer/ co-worker relationship exerts a positive influence on job performance.

Growth and job performance

Growth encompasses the need for development, a challenging work environment and opportunities to learn new things (Arnolds and Boshoff, 2004). Employee development is a broad term which includes training, education, learning and growth (Beardwell and Holden, 2001: 295).
Employee training is job-related learning that is provided by employers for their employees (Swanepoel et al., 2003: 452). The main purpose of employee development is to improve the employee skills, knowledge and attitudes so that they can perform their duties according to standards (Swanepoel et al., 2003: 452). In other words by contributing to an employee development (growth needs), a firm creates an environment for increased employee job performance.

The theory by Oldham and Hackman developed in 1975 emphasised the importance of a person and a job. According to this theory, job characteristics can be designed in such a way that employees can enjoy their job, regard their work as valuable and care about them. This model indicates that enriching certain components of the jobs changes employees’ psychological state in a way that enhances their work effectiveness. The three psychological states that are indicated include the meaningful work, autonomy and feedback. According to Greenberg and Baron (1995: 148) this will result in high internal work motivation, high work satisfaction, high quality of work, as well as low level of absenteeism.

An employee’s growth needs can also be satisfied by creating learning opportunities in the work place. According to Jooste (2003: 227), opportunities to learn new things or empowerment refers to the use of a person’s potential and competencies, the discovery of new expertise and the creation of new opportunities to apply such competencies. Empowerment is the process of identifying and removing the conditions that cause powerlessness while enhancing feelings of self-efficiency (Newstrom and Davis (1993: 246). Empowerment provides workers with the skills and authority to make decisions that would traditionally be made by managers.

Satisfaction of growth needs (training and development, learning new things and empowerment) has been found to correlate positively with job performance (Arnolds, 2005). It is therefore hypothesised that:

H11: Growth need satisfaction exerts a positive influence on job performance.
In summary, the present study asserts that, against the background of reported reactions to higher education mergers, selected variables will have a significant impact on organisational commitment and job performance. These variables need to be strategically managed as they will eventually influence the goal achievement of higher-education institutions. These variables include identification of the organisational culture in the new merged institution and motivational factors such as monetary remuneration, fringe benefits, peer relations and growth opportunities. The hypothesised relationships among these variables are graphically depicted in Figure 4.5:

FIGURE 4.5
THE HYPOTHESED RELATIONSHIPS
4.5 CONCLUSION

The aim of this chapter was to provide an overview of the relationships among variables that underpin the theoretical model to improve organisational commitment and job performance of staff in post-merger higher-education institutions. More specifically the proposed relationship between motivation variables (monetary remuneration, fringe benefits, peer relations and growth factors) and organisational culture on the one hand, and organisational commitment and job performance on the other hand have been discussed. Hypotheses were formulated about these relationships. The theoretical model will therefore in all subsequent analysis be referred to as the hypothesised model.

The next chapter reviews the research methodology employed to empirically investigate the hypothesised model.
CHAPTER 5

METHODOLOGY OF THE STUDY AND EMPIRICAL RESULTS

5.1 INTRODUCTION

In the previous chapter the theoretical model to strategically manage the organisational commitment and job performance of staff in a post-merger higher-education institution was discussed. This theoretical model suggests that these two dependent variables (organisational commitment and job performance) could be improved by effectively managing employee motivation (satisfaction with monetary remuneration, fringe benefits, peer relations and growth factors), as well as the employees’ identification with the new organisational culture of the merged institution. The current chapter (Chapter 5) discusses the research methodology used to investigate this theoretical model. This discussion includes a review of the research paradigm, sampling design, measuring instruments and the data analyses used in the present study.

5.2 RESEARCH PARADIGM

According to Collis and Hussey (2003), researchers usually choose between two main approaches to research, namely the positivistic and the phenomenological approaches. The positivistic or quantitative approach attempts to explain social phenomena by establishing a relation between variables, which are information converted into numbers. This approach suggests that by assigning numeric values to observed phenomena and counting the frequency of those phenomena, some conclusions about the characteristics of the populations may be inferred (Collis and Hussey, 2003). In the quantitative approach, clearly constructed hypotheses are formulated about the relationship between two or more variables and data about these variables are collected through methods such as questionnaires, focus groups, interviews, case studies and experiments. The relationships between the variables are measured by means of statistical methods such as...
multiple regression analysis, structural equation analysis and the Pearson product-moment correlational analysis (Struwig and Stead 2001).

The phenomenological or qualitative research paradigm suggests that the act of investigating the reality has an effect on that reality, because social reality is within the unit of research. The subjective state of the both the researcher and the participant play an important role in qualitative research. Researchers applying the phenomenological approach focus on the meaning rather than the measurement of social problems (Collis and Hussey, 2003). Statistical methods used in qualitative research include observation, archival source analysis, interviews, focus groups and content analysis (Struwig and Stead 2001).

In the present study, the aim was to empirically investigate the relationships among variables included in the hypothesised model. This required that the positivistic or quantitative approach be used. The quantitative approach was therefore used in this study.

5.3 THE SAMPLE

Convenience sampling was used to conduct the data collection at three selected comprehensive universities in South Africa. A comprehensive university is one that is a result of a merger between former technikons and universities. Questionnaires were distributed personally and via e-mail. Two hundred (200) questionnaires were distributed at University A, of which eighty-two (82) were returned (response rate = 41%). One thousand (1000) questionnaires were e-mailed to the staff members of each of University B and University C. One hundred and twenty (120) questionnaires were returned by the staff members of University B (response rate = 12%), while one hundred and twenty-seven (127) were returned by the staff members of University C (response rate = 12.7%). In other words, a total of three hundred and twenty-nine (329) questionnaires were returned (total response rate = 14.9%) by respondents. Table 5.1 depicts the demographic composition of the total sample.
### TABLE 5.1
DEMOGRAPHIC COMPOSITION OF SAMPLE

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prof</td>
<td>30</td>
<td>9%</td>
</tr>
<tr>
<td>Dr</td>
<td>24</td>
<td>7%</td>
</tr>
<tr>
<td>Mr</td>
<td>94</td>
<td>29%</td>
</tr>
<tr>
<td>Mrs</td>
<td>74</td>
<td>23%</td>
</tr>
<tr>
<td>Miss</td>
<td>103</td>
<td>32%</td>
</tr>
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<td></td>
<td>329</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
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<td></td>
</tr>
<tr>
<td>Male</td>
<td>128</td>
<td>39%</td>
</tr>
<tr>
<td>Female</td>
<td>200</td>
<td>61%</td>
</tr>
<tr>
<td></td>
<td>329</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20- 29</td>
<td>46</td>
<td>12%</td>
</tr>
<tr>
<td>30- 39</td>
<td>94</td>
<td>29%</td>
</tr>
<tr>
<td>40- 49</td>
<td>98</td>
<td>30%</td>
</tr>
<tr>
<td>50- 59</td>
<td>74</td>
<td>22%</td>
</tr>
<tr>
<td>60 plus</td>
<td>16</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>329</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than matric</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Matric</td>
<td>15</td>
<td>5%</td>
</tr>
<tr>
<td>Matric plus</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Diploma</td>
<td>42</td>
<td>13%</td>
</tr>
<tr>
<td>Degree</td>
<td>35</td>
<td>11%</td>
</tr>
<tr>
<td>Honours</td>
<td>76</td>
<td>24%</td>
</tr>
<tr>
<td>Masters</td>
<td>96</td>
<td>30%</td>
</tr>
<tr>
<td>CA</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>PhD</td>
<td>53</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>329</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Frequency</td>
<td>Composition</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Job Title</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academics</td>
<td>219</td>
<td>66%</td>
</tr>
<tr>
<td>Non-Academics</td>
<td>112</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td>331</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Language</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>English</td>
<td>129</td>
<td>39%</td>
</tr>
<tr>
<td>Afrikaans</td>
<td>76</td>
<td>23%</td>
</tr>
<tr>
<td>Xhosa</td>
<td>95</td>
<td>29%</td>
</tr>
<tr>
<td>Zulu</td>
<td>12</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>329</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Tenure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>95</td>
<td>29%</td>
</tr>
<tr>
<td>5 – 9</td>
<td>89</td>
<td>27%</td>
</tr>
<tr>
<td>10 – 14</td>
<td>68</td>
<td>21%</td>
</tr>
<tr>
<td>15 – 19</td>
<td>44</td>
<td>13%</td>
</tr>
<tr>
<td>20 plus</td>
<td>30</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>329</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Experience</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>63</td>
<td>19%</td>
</tr>
<tr>
<td>5 – 9</td>
<td>86</td>
<td>26%</td>
</tr>
<tr>
<td>10 – 14</td>
<td>56</td>
<td>17%</td>
</tr>
<tr>
<td>15 – 19</td>
<td>53</td>
<td>16%</td>
</tr>
<tr>
<td>20 plus</td>
<td>63</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>329</td>
<td>100%</td>
</tr>
</tbody>
</table>
A total of 329 usable questionnaires were returned (n = 329). The sample included 219 (66%) academics and 112% (34%) non-academics. Academics included Deans, heads of department, programme leaders and lecturers (including junior and senior), while non-academics included administrators, secretaries, faculty officers, research officers, human resource officers, librarians and examination officers. There were 128 (39%) males and 200 (61%) females.

With reference to titles, 32% constitute unmarried female respondents, 23% constitute married females, 29% constitute males, 9% constitute professors and 7% constitute doctors. More than 50% of respondents are between the age of 30 and 49 (59%). The majority of respondents are English speaking (39%), followed by Xhosa speaking (29%), Afrikaans speaking (23), Zulu (4%) and other languages only 3%

With reference to educational qualifications, 30% of the respondents had a master’s degree, 24% had honours, 16% had a PhD, 13% had a diploma, 11% had a first degree, 5% had matric and 1% had a matric plus a certificate. As far as tenure is concerned, 29% of the respondents have been with their respective institutions for less than 5 years, 27% have been with the institution for a period of 5 – 9 years, 21 %for a period of 10 – 14, 13% for a period of 14 – 19 and 9% of the respondents have been with their respective institutions for more than 20 years.

5.4 THE MEASURING INSTRUMENTS AND DATA ANALYSES

A shortened version of Alderfer’s (1969) instrument was used to measure employee motivation, in other words, satisfaction with monetary remuneration, fringe benefits, peer relations and growth needs. Favourable results on the convergent and discriminant validation and reliability coefficients ranging from 0.64 to 0.90 were reported for these scales (Alderfer, 1969; Arnolds and Boshoff, 2000).
A self-constructed scale was used to measure organisational culture. In the present study, organisational culture is defined as the individual’s identification with the culture of the merged institution. No existing measuring instrument was available to measure organisational culture as defined above.

Organisational commitment was measured using the shortened, 9-item version of the Mowday, Porter and Steers (1982) Organisational Commitment Questionnaire (OCQ). The reliability and validity of both the short and long (15-item) versions have been adequately proven (Brooke, Russell and Price, 1988; Matthieu and Farr, 1991).

Performance intentions have been described as a potent predictor or measure of employee job performance (Carkhuff 1986; Hampton, Summer and Webber 1982; Shore, Newton and Thornton 1990; Sumerlin and Norman, 1992). The performance intentions scale, developed by Shore et al. (1990), was used as a surrogate measure of job performance in this study. The reported reliability coefficients, which ranged from 0.60 to 0.84, are regarded as sufficient to use this instrument to measure the performance intention construct (Shore et al., 1990).

The questions in all the above-mentioned instruments were anchored on a five-point Likert scale ranging from (1) strongly disagree to (5) strongly agree.

Questions surrounding respondents’ perceptions on the extent to which merger objectives have been achieved as they were envisaged by the Department of Education (DoE), were also formulated. Respondents were also requested to indicate their perceptions with regard to reactions (outcomes) to the merger process. These perceptions about merger objectives and outcomes were anchored to five-point scales ranging from either (1) strongly disagree to (5) strongly agree, or (1) Not at all to (5) a great deal. Two of the merger outcomes questions were open-ended questions.
The questionnaire also included questions about the demographic composition of the respondents. The demographic variables captured were personal title, gender, age, educational qualification, job title, first language, job tenure and job experience. Annexure A depicts all the measuring instruments used in this study.

The data collected using the above-mentioned instruments were analysed with a computer software program (SPSS, version 14.0, 2005). The data analyses included assessment of the reliability and validity of the measuring instruments, as well as the multiple regression relationships among the variables in the hypothesised model.

5.5 THE RELIABILITY OF THE MEASURING INSTRUMENTS

According to Collis and Hussey (2003), a measuring instrument is reliable when the research results emanating from these instruments can be repeated. Zikmund (2000: 280) defines reliability as the degree to which measures are free from error and therefore yield consistent results. Malhotra (1999: 281) states that the ability of a measuring instrument to determine the proportion of systematic variation in the scores yielded by the instrument is a reflection of the reliability of that instrument. This is done by determining the association between the scores obtained from different administrations of the instrument. If the association is high, the instrument yields consistent results and is therefore reliable. Test-retest, split-half, equivalent-form and the Cronbach (1951) alpha coefficient are commonly used methods to assess reliability (Cant, Gerber-Nel, Nel, and Kotze, 2003:122-124). In the present study, the Cronbach (1951) coefficient alpha was used to calculate the internal consistency (reliability) of the measuring scales.

Cronbach's alpha is the most widely used measure of the reliability of instruments in the social sciences. It indicates the extent to which a set of test items can be treated as measuring a single latent variable (Malhotra, 1999: 283). It has also been reported that the Cronbach coefficient alpha formula is a more accurate and careful method of establishing internal consistency than the Spearman-Brown and Kuder-Richardson
reliability measures (Parasuraman, 1991: 444). In addition, the Cronbach coefficient alpha has the advantage of producing a reliability estimate with only one administration.

The Cronbach alpha is expressed in terms of a reliability coefficient. Although there is no prescribed standard, a scale that renders a reliability coefficient of above 0.70, is usually regarded as a reliable instrument (Nunnally and Bernstein, 1994:264-265). A Cronbach alpha of 0.50 has, however, been regarded in numerous other studies as acceptable for basic research (Tharenou, 1993; Pierce and Dunham, 1987).

A reliability coefficient of 0.80 means that 80 percent of the variance in observed scores (the actual scores obtained on the measure) is due to the variance in the true scores (the true amount of the trait possessed by the respondent). In other words, the score obtained from the measuring instrument is an 80 percent true reflection of the underlying trait measured.

**TABLE 5.2**

**INITIAL CRONBACH ALPHA VALUES OF THE MEASURING INSTRUMENTS**

<table>
<thead>
<tr>
<th>MEASURING INSTRUMENT</th>
<th>ALPHA VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational commitment</td>
<td>0.85</td>
</tr>
<tr>
<td>Job performance</td>
<td>0.75</td>
</tr>
<tr>
<td>Monetary remuneration satisfaction</td>
<td>0.79</td>
</tr>
<tr>
<td>Fringe benefit satisfaction</td>
<td>0.84</td>
</tr>
<tr>
<td>Relatedness to peers satisfaction</td>
<td>0.73</td>
</tr>
<tr>
<td>Growth need satisfaction</td>
<td>0.65</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>0.69</td>
</tr>
</tbody>
</table>

The first step in the data analysis procedure was to assess the internal reliability of the measuring instruments by means of Cronbach alpha coefficients. The results, reported in Table 5.2, show that all the instruments returned alpha values of more than 0.70, which
are above the minimum acceptable cut-off point of Nunnally (1989), except growth need satisfaction (0.65) and organisational culture (0.69). These values were however acceptable for basic research (Tharenou 1993; Pierce and Dunham 1987) and were therefore retained in subsequent analyses. The present study qualifies for basic research, as a limited number of studies have been done on the quantification of merger effects on employee job performance and organisational commitment (Viljoen and Rothman, 2002).

5.6 THE VALIDITY OF THE MEASURING INSTRUMENTS

Validity is often considered to be the single most important attribute of a measuring instrument (Cooper and Schindler, 2006; Zikmund, 2000), as an instrument should measure what it is supposed to measure. For example, kilogram is an invalid measure of height. According to Malhotra (1999: 283), validity is the extent to which differences in observed scale scores reflect true differences among subjects on the characteristic being measured, rather than systematic or random errors. Perfect validity requires that there be no measurement error.

There are different ways in which validity can be assessed. According to Diamantopoulos and Schlegelmilch (2000: 33), the main methods are content validity; criterion validity; nomological validity; construct validity; convergent validity; and discriminant validity. While all of the above-mentioned types of validity are important, construct validity is considered the most sophisticated and rigorous type of validity to establish (Diamantopoulos and Schlegelmilch 2000:34). It is therefore also the type of validity most researchers recommend for social research.

Construct validity addresses the question of what construct or characteristic the scale is measuring. It seeks to answer theoretical questions of why a scale works and what deductions can be made concerning the theory of the basic scale. Construct validity includes convergent and discriminant validity. Convergent validity is the extent to which
the scale correlates positively with other measures of the same construct, while discriminant validity assesses the extent to which a measure does not correlate with other constructs from which it is supposed to differ (Malhotra, 1999).

A measure has discriminant validity when it has a low correlation with measures of dissimilar concepts (Diamantopoulos and Schlegelmilch, 2000: 36; Zikmund, 2000: 283). Discriminant validity is calculated by means of one of the primary tools for establishing construct validity, namely a factor analysis. A factor analysis facilitates the identification of measuring items that have a high correlation among themselves, referred to as factors. The items which comprise the factors help determine the structure of the construct being measured.

5.6.1 Discriminant validity of the instruments used in the present study

In the present study the discriminant validity of the measuring instruments was assessed by conducting two sets of exploratory factor analyses, using the SPSS statistical software package (SPSS 14.0 for Windows, 2005). Principal Component Analysis was specified as the method of factor extraction and Varimax rotation of the original factor matrix was used (Jennrich and Sampson, 1966) in all instances. This combination of factor extraction and rotation is preferred if discriminant validity is based on the objective that measurement items of variables are not to be correlated (Cooper and Schindler, 2006: 590 and 592).

The first set of exploratory factor analyses involved determinants of organisational commitment and job performance. The extraction of five factors, namely monetary remuneration satisfaction, fringe benefit satisfaction, relatedness to peers satisfaction, growth need satisfaction and organisational culture, were specified. It was surmised that each of the five variables modelled were separate and distinct constructs but that their "separateness" needed to be empirically verified. The resultant empirical evidence did
not, however, support this contention. Four, instead of five, distinctly separate factors could be identified. The most interpretable factor structures for the determinants of organisational commitment and job performance are reported in Table 5.3.

Table 5.3 shows that all the items expected to measure satisfaction with monetary remuneration (pay), namely ALPY 1 to 4 loaded on factor 1. All the items expected to measure satisfaction with fringe benefits (ALFB 1 to 4) however also loaded on factor 1. All the pay and fringe benefit items were therefore combined into a new variable labelled remuneration package. All the items (CULT 1 to 6) expected to measure identification with organisational culture, except CULT 4 are above the cut-off point of 0.4. Factor 3 comprises items expected to measure peer relations, while all the growth satisfaction items (ALGR 1 to 4) loaded on Factor 4 as expected. Table 5.3 also shows that all four factors produced Eigen values of more than 1.00. Based on the above-mentioned factor analysis results, it can be concluded that the above-mentioned four variables exhibit sufficient discriminant validity.
<table>
<thead>
<tr>
<th>Measuring items</th>
<th>Remuneration package Factor 1</th>
<th>Organisational culture Factor 2</th>
<th>Peer relations Factor 3</th>
<th>Growth factors Factor 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALPY1</td>
<td>0.685</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALPY2</td>
<td>0.693</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALPY3</td>
<td>0.647</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALPY4</td>
<td>0.706</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALFB1</td>
<td>0.777</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALFB2</td>
<td>0.767</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALFB3</td>
<td>0.775</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALFB4</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CULT1</td>
<td></td>
<td>0.601</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CULT2</td>
<td></td>
<td>0.742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CULT3</td>
<td></td>
<td>0.788</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CULT5</td>
<td></td>
<td>0.766</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CULT6</td>
<td></td>
<td>0.734</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALRP1</td>
<td></td>
<td></td>
<td>0.741</td>
<td></td>
</tr>
<tr>
<td>ALRP2</td>
<td></td>
<td></td>
<td>0.733</td>
<td></td>
</tr>
<tr>
<td>ALRP3</td>
<td></td>
<td></td>
<td>0.741</td>
<td></td>
</tr>
<tr>
<td>ALRP4</td>
<td></td>
<td></td>
<td>0.632</td>
<td></td>
</tr>
<tr>
<td>ALGR1</td>
<td></td>
<td></td>
<td></td>
<td>0.570</td>
</tr>
<tr>
<td>ALGR2</td>
<td></td>
<td></td>
<td></td>
<td>0.702</td>
</tr>
<tr>
<td>ALGR3</td>
<td></td>
<td></td>
<td></td>
<td>0.623</td>
</tr>
<tr>
<td>ALGR4</td>
<td></td>
<td></td>
<td></td>
<td>0.747</td>
</tr>
<tr>
<td>Eigen values</td>
<td>6.137</td>
<td>2.686</td>
<td>1.879</td>
<td>1.172</td>
</tr>
</tbody>
</table>

Note: Loadings greater than 0.4 were considered significant.
The second set of exploratory factor analyses involved the dependent variables in the hypothesised model, namely organisational commitment and job performance. The extraction of two factors, namely organisational commitment and job performance, was specified. The resultant empirical evidence did support the contention that these dependent variables were two distinctly separate factors. The most interpretable factor structure for the dependent variables is reported in Table 5.4.

**TABLE 5.4**

**ROTATED FACTOR LOADINGS: ORGANISATIONAL COMMITMENT AND JOB PERFORMANCE**

<table>
<thead>
<tr>
<th>Measuring items</th>
<th>Organisational commitment</th>
<th>Job performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Factor 1</td>
<td>Factor 2</td>
</tr>
<tr>
<td>OC1</td>
<td>0.764</td>
<td></td>
</tr>
<tr>
<td>OC3</td>
<td>0.656</td>
<td></td>
</tr>
<tr>
<td>OC5</td>
<td>0.748</td>
<td></td>
</tr>
<tr>
<td>OC6</td>
<td>0.723</td>
<td></td>
</tr>
<tr>
<td>OC7</td>
<td>0.792</td>
<td></td>
</tr>
<tr>
<td>OC8</td>
<td>0.435</td>
<td></td>
</tr>
<tr>
<td>OC9</td>
<td>0.646</td>
<td></td>
</tr>
<tr>
<td>OC4</td>
<td></td>
<td>0.720</td>
</tr>
<tr>
<td>PERF1</td>
<td></td>
<td>0.595</td>
</tr>
<tr>
<td>PERF2</td>
<td></td>
<td>0.826</td>
</tr>
<tr>
<td>PERF3</td>
<td></td>
<td>0.794</td>
</tr>
<tr>
<td>Eigen values</td>
<td>4.676</td>
<td>1.410</td>
</tr>
</tbody>
</table>

*Note*: Loadings greater than 0.4 were considered significant
Table 5.4 shows that all items which were supposed to measure the various constructs loaded on separate factors as expected. Seven of the nine items expected to measure organisational commitment (OC 1 to 9) loaded on factor one, except OC 2 and OC 4. The OC 2 was deleted during the assessment of reliability phase, while OC 4 was viewed by the respondents as a measure of job performance. Together with PERF 2, 3 and 4, OC4 is therefore regarded as a measure of job performance. Both the organisational commitment and job performance constructs produced Eigen values of more than 1.00. Table 5.4 therefore confirms the discriminant validity of these two contracts.

**TABLE 5.5**

EMPirical FACTOr STRUCTURE OF VARIABLES INCLUDED IN THE REVISED HYPOTHEsISED MODEL

<table>
<thead>
<tr>
<th>LATENT VARIABLE</th>
<th>MEASURING ITEMS</th>
<th>ALPHA VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational commitment</td>
<td>OC 1, 3, 5, 6, 7, 8, 9</td>
<td>0.84</td>
</tr>
<tr>
<td>Job performance</td>
<td>PERF 1, 2, 3</td>
<td>0.77</td>
</tr>
<tr>
<td></td>
<td>OC 4</td>
<td></td>
</tr>
<tr>
<td>Remuneration package</td>
<td>ALPY 1, 2, 3, 4</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>ALFB 1, 2, 3, 4</td>
<td></td>
</tr>
<tr>
<td>Relatedness to peers satisfaction</td>
<td>ALRP 1, 2, 3, 4</td>
<td>0.73</td>
</tr>
<tr>
<td>Growth need satisfaction</td>
<td>ALGR 1, 2, 3, 4</td>
<td>0.65</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>CULT 1, 2, 3, 5, 6,</td>
<td>0.83</td>
</tr>
</tbody>
</table>

The Cronbach (1951) reliability coefficients of the scales as they emerged from the factor analyses were then recalculated to confirm their internal consistency. Based on the factor analysis results and Cronbach alphas, certain latent variables were finally removed from the hypothesised models. On the basis of inadequate indiscriminant validity, the fringe benefit variable was deleted from the hypothesised model. Table 5.3 indicated that the respondents did not view monetary remuneration satisfaction and fringe benefit satisfaction as two distinct and separate constructs, but as rather as one variable. Table 5.5 indicates the final Cronbach alphas of the latent variables that were included in the
The final hypothesised model. All the Cronbach reliability coefficients were above the 0.50 cut-off point needed for basic research (Tharenou, 1993; Pierce and Dunham, 1987). Only the latent variables shown in Table 5.5 and their corresponding measuring items were included in the revised model to improve organisational commitment and job performance. The revised hypothesised model to improve organisational commitment and job performance is graphically depicted in Figure 5.1.

**FIGURE 5.1**

THE REVISED HYPOTHESISED MODEL TO IMPROVE ORGANISATIONAL COMMITMENT AND JOB PERFORMANCE
5.6.2 Factor analysis of additional determinants of organisational commitment and job performance

Although the following analyses did not form part of the original scope of the study, their importance warrants reporting. This analysis was prompted by the realisation that the respondents’ perceptions of the extent to which DoE (The South African Department of Education) merger objectives had been achieved might also have an effect on the organisational commitment and job performance of the staff of the merged institutions. This is because the higher education mergers were fiercely resisted in the pre-merger phase of higher-education restructuring. Similarly it was felt that perceived reactions (outcomes) of the mergers might also exert an influence on the organisational commitment and job performance of the employees of the merged institutions. The fact that the perceived DoE objectives and outcomes were measured on interval scales facilitated these additional analyses.

Two sets of exploratory factor analyses were conducted, firstly on the perceived achievement of DoE objectives and secondly on the perceived outcomes to mergers. In the first set of factor analyses, the number of factors was specified based on Eigen values of above 1.00. The Eigen values indicated the existence of two distinct and separate factors in the respondents’ perceptions about the achievement of DoE objectives, namely perceived achievement of improved student access (in short, improved student access) and perceived achievement of merger goals (in short, merger goal success). The most interpretable factor structures for perceived achievement of DoE objectives are reported in Table 5.6.
The second set of exploratory factor analyses involved the perceived outcomes of the higher-education mergers. The number of factors was specified based on Eigen values of above 1.00. The Eigen values indicated the existence of four factors in responses about the perceived outcomes of the higher-education mergers. These factors were named increased demand for higher-education services (in short, increased HE demand), increased workload due to cost cutting (in short, cost-induced workload), access to finance by universities and social aspects surrounding fairness of workload (in short, workload fairness). The most interpretable factor structures for perceived outcomes of higher-education mergers are reported in Table 5.7.
TABLE 5.7

ROTATED FACTOR LOADINGS: PERCEIVED OUTCOMES OF HIGHER-EDUCATION MERGERS

<table>
<thead>
<tr>
<th>Measuring items</th>
<th>Workload fairness</th>
<th>Increased university finance</th>
<th>Cost-induced workload</th>
<th>Increased HE demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Factor 1</td>
<td>Factor 2</td>
<td>Factor 3</td>
<td>Factor 4</td>
</tr>
<tr>
<td>OUT 8</td>
<td>0.782</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT4</td>
<td>0.660</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT13</td>
<td>0.628</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT12</td>
<td>0.612</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT10</td>
<td>0.429</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT5</td>
<td></td>
<td>0.688</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT1</td>
<td></td>
<td>0.677</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT3</td>
<td></td>
<td>0.439</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT 11</td>
<td></td>
<td></td>
<td>0.673</td>
<td></td>
</tr>
<tr>
<td>OUT7</td>
<td></td>
<td></td>
<td></td>
<td>0.625</td>
</tr>
<tr>
<td>OUT6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUT9</td>
<td></td>
<td></td>
<td></td>
<td>0.766</td>
</tr>
<tr>
<td>Eigen values</td>
<td>2.716</td>
<td>1.446</td>
<td>1.067</td>
<td>1.051</td>
</tr>
</tbody>
</table>

Note: Loadings greater than 0.4 were considered significant

5.6.3 Reliability of additional determinants’ instruments

After the exploratory factor analyses, the reliability coefficients of the latent variables were calculated to ascertain their suitability for further analyses. Table 5.8 shows the latent variables, their corresponding measuring items and their reliability coefficients.
TABLE 5.8

CRONBACH ALPHA VALUES OF THE ADDITIONAL DETERMINANTS

<table>
<thead>
<tr>
<th>LATENT VARIABLES</th>
<th>MEASUREMENT ITEMS</th>
<th>ALPHA VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved student access</td>
<td>OBJEC 5, 7, 8</td>
<td>0.54</td>
</tr>
<tr>
<td>Merger goal success</td>
<td>OBJECT 1, 2, 3, 4, 6</td>
<td>0.76</td>
</tr>
<tr>
<td>Increased HE demand</td>
<td>OUT 6, 9</td>
<td>0.29</td>
</tr>
<tr>
<td>Cost-induced workload</td>
<td>OUT 7, 11</td>
<td>0.19</td>
</tr>
<tr>
<td>Increased university finance</td>
<td>OUT 1, 3, 5</td>
<td>0.46</td>
</tr>
<tr>
<td>Workload fairness</td>
<td>OUT 4, 8, 10, 12</td>
<td>0.61</td>
</tr>
</tbody>
</table>

Table 5.8 shows very low reliability Cronbach alpha values for the instruments measuring increased HE demand, cost-induced workload and increased university finance. These alpha values are below the 0.50 cut-off point for basic research which resulted in these constructs being omitted in all subsequent analyses. The constructs which showed acceptable reliability, namely improved student access, merger goal success and workload fairness, were included for subsequent multiple regression analyses of the relationships between the afore-mentioned constructs, on the one hand, and selected outcomes on the other hand.

The initial negative reactions to the higher-education mergers centred among others on whether these mergers were the correct strategy to achieve the envisaged DoE objectives. It therefore could be argued that if merger objectives were indeed achieved and positive reactions (outcomes) to the mergers were reported, employees would be inclined to have positive feelings towards their new institutions. Against this background, and given the preceding factor analysis results, it would therefore be reasonable to hypothesise that:
H12: Perceived improved student access would exert a positive influence on organisational commitment

H13: Perceived merger goal success would exert a positive influence on organisational commitment

H14: Perceived workload fairness goal success would exert a positive influence on organisational commitment

H15: Perceived improved student access would exert a positive influence on employee job performance

H16: Perceived merger goal success would exert a positive influence on employee job performance

H17: Perceived workload fairness goal success would exert a positive influence on employee job performance

The above-mentioned hypotheses about the additional determinants of organisational commitment and job performance are graphically depicted in Figure 5.2.
5.7 MULTIPLE REGRESSION ANALYSIS: THE EMPIRICAL RESULTS

The revised hypothesised model for organisational commitment and job performance (Figure 5.1) was subjected to a multiple regression analysis by using the SPSS computer program (SPSS, Version 14.0, 2005). Tables 5.9 to 5.12 and Figures 5.3 to 5.6 show the empirical results of this analysis.

5.7.1 The relationship between organisational commitment and job performance

Table 5.9 shows that organisational commitment is significantly related to job performance ($r = 0. 61$, $p < 0.01$). This also means that the hypothesis (H1) that organisational commitment exerts a positive influence on job performance is supported.
This indicates that highly committed employees are likely to render high level of job performance, while low levels of organisational commitment would lead to reduced job performance levels. Table 5.9 also reveals that organisational commitment explains 37.0% ($R^2 = 0.37$) of the variance in job performance. This means that among all the other possible factors that influence job performance, organisational commitment explains more than a third (33.3%) of the movement in job performance. Organisational commitment is therefore a very important determinant of employee job performance and a latent variable which managers should take very seriously.

### TABLE 5.9

**EMPIRICAL RESULTS: RELATIONSHIP BETWEEN ORGANISATIONAL COMMITMENT AND JOB PERFORMANCE**

<table>
<thead>
<tr>
<th>Dependent variable: JOB PERFORMANCE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>R²</th>
<th>Std. error of the estimate</th>
<th>F change</th>
<th>Df1</th>
<th>Df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.37</td>
<td>2.33694</td>
<td>191.540</td>
<td>4</td>
<td>327</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>Standardised Beta coefficient</th>
<th>t-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>8.586</td>
<td>15.837</td>
<td>0.000*</td>
<td></td>
</tr>
<tr>
<td>Commit</td>
<td>0.299</td>
<td>13.840</td>
<td>0.000*</td>
<td></td>
</tr>
</tbody>
</table>

Note:  
* = p < 0.01  
** = p < 0.05

5.7.2 The determinants of organisational commitment

Table 5.10 shows significant positive relationship between the employee motivation variables, namely satisfaction with remuneration package, peer relations and growth factors, on the one hand, and organisational commitment, on the other hand. This means that these motivation variables exert a strong influence of an employee’s organisational
commitment. If satisfaction with these motivation variables decreases for whatever reason, the employee’s organisational commitment will also decrease. In the light of section 5.7.1 above, this could also decrease the employee’s job performance. The empirical results reported in Table 5.10 therefore support hypotheses H3/4, H5 and H6.

### TABLE 5.10

**EMPIRICAL RESULTS: DETERMINANTS OF ORGANISATIONAL COMMITMENT**

<table>
<thead>
<tr>
<th>Dependent variable: ORGANISATIONAL COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R²</strong></td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>0.62</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>Standardised Beta coefficient</th>
<th>t-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.066</td>
<td>1.716</td>
<td>0.087</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>0.375</td>
<td>0.186</td>
<td>4.704</td>
<td>0.000*</td>
</tr>
<tr>
<td>Remune</td>
<td>0.178</td>
<td>0.204</td>
<td>5.300</td>
<td>0.000*</td>
</tr>
<tr>
<td>Relate</td>
<td>0.143</td>
<td>0.078</td>
<td>2.035</td>
<td>0.043**</td>
</tr>
<tr>
<td>Culture</td>
<td>0.826</td>
<td>0.554</td>
<td>13.730</td>
<td>0.00*</td>
</tr>
</tbody>
</table>

**Note:**
* = p < 0.01
** = p < 0.05

The empirical results in Table 5.10 also indicate that identification with the organisational culture of the new institution exerts a significantly positive influence (r = 0.55, p < 0.01) on organisational commitment (hypothesis H2 supported). This means that the more employees identify with the organisational culture of the new merged institution, the higher their organisational commitment levels will be. The high correlation coefficient of 0.55 indicates that identification with the organisational culture of the new institution is an even stronger determinant of organisational commitment than the motivation variables.
Table 5.10 reveals that the motivation variables and organisational culture identification explain 62.0% \( (R^2 = 0.62) \) of the variance in organisational commitment. There is therefore no doubt that employee motivation and organisational culture identification are very important determinants of organisational commitment.

**FIGURE 5.3**

**EMPIRICAL RESULTS: THE RELATIONSHIP BETWEEN DETERMINANTS, ORGANISATIONAL COMMITMENT AND JOB PERFORMANCE**

\[ \text{Note: } * = p < 0.01 \]
\[ ** = p < 0.05 \]

**5.7.3 The determinants of job performance**

The empirical results in Table 5.11 and graphically illustrated in Figure 5.4 show significantly positive relationships between satisfaction with growth factors \( (r = 0.37, p < \)
0.01) and organisational culture identification (r = 0.14, p < 0.05), on the one hand, and job performance on the other hand. Hypotheses H11 and H7 are therefore supported. As was the case with organisational commitment, satisfaction with growth factors and organisational culture identification increase employee job performance. This also means that if these variables are not properly managed in an institution, it would lead to decreased levels of organisational commitment and employee job performance.

**TABLE 5.11**

**EMPIRICAL RESULTS: DETERMINANTS OF JOB PERFORMANCE**

<table>
<thead>
<tr>
<th>Dependent variable: JOB PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R²</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>0.26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>Standardised Beta coefficient</th>
<th>t-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>7.530</td>
<td></td>
<td>9.096</td>
<td>0.000*</td>
</tr>
<tr>
<td>Growth</td>
<td>0.373</td>
<td>0.375</td>
<td>6.801</td>
<td>0.000*</td>
</tr>
<tr>
<td>Remune</td>
<td>0.033</td>
<td>0.077</td>
<td>1.437</td>
<td>0.152</td>
</tr>
<tr>
<td>Relate</td>
<td>0.060</td>
<td>0.066</td>
<td>1.236</td>
<td>0.217</td>
</tr>
<tr>
<td>Culture</td>
<td>0.101</td>
<td>0.138</td>
<td>2.441</td>
<td>0.015**</td>
</tr>
</tbody>
</table>

Note:  
* = p < 0.01  
** = p < 0.05

Table 5.11 shows that the four motivation variables (satisfaction with remuneration package, peer relations and growth factors) and organisational culture identification explain 25.0% (R² = 0.25) of the variance of employee job performance. This means there are other variables, such as organisational commitment which explains 62.0% (see section 5.7.2), that together explain 75.0% of the movement in employee job performance.
The empirical results however reveal that satisfaction with peer relations and remuneration package does not have an influence on employee job performance. This result partially supports the assertion that employees at universities have a strong professional commitment to their work (Erwee, 1980; Arnolds and Boshoff, 2006). Professionals are more strongly motivated by professional growth than by monetary rewards. The empirical results do not support hypotheses H8/9 and H10.

FIGURE 5.4

EMPIRICAL RESULTS: THE DETERMINANTS OF JOB PERFORMANCE

Note:  
* = p < 0.01  
** = p < 0.05  
ns = not significant
To summarise: All the original determinants in the revised hypothesised model, namely organisational identification, remuneration package satisfaction, peer relation satisfaction and growth need satisfaction, were significantly and positively related to organisational commitment. Only organisational commitment, growth need satisfaction and organisation culture identification were significantly and positively related to employee job performance. The next section reports on the empirical results with regard to the additional determinants of organisational commitment and job performance which emanated from the analysis of merger objectives and outcomes.

5.7.4 Additional determinants of organisational commitment and job performance

Table 5.12 and Figure 5.5 reveal that perceived increased student access does not significantly influence organisational commitment and job performance (hypotheses H12 and H15 not supported). This means that the extent to which university staff members feel that their mergers were successful in achieving the envisaged objective of increased student access to higher education does not influence their organisational commitment and job performance.

The empirical results reveal that perceived merger goal success exerts a significant positive influence on both organisational commitment (r = 0.65, p < 0.01) and job performance (r = 0.42, p < 0.01). Both hypotheses H13 and H16 are supported. These correlation coefficients are high and indicate that perceived merger goal success is a strong determinant of organisational commitment and job performance. The correlation coefficients indicate that the extent to which university staff perceive that the mergers have been successful in achieving their envisaged goals has a strong influence of the staff members’ organisational commitment and job performance. If staff members felt that the mergers were not successful in achieving the objectives they set out to achieve, their organisational commitment and job performance would be negatively affected.
The empirical results show that perceived workload fairness is significantly positively correlated ($r = 0.20, p < 0.01$) with organisational commitment, but not with employee job performance. Hypothesis H14 is therefore supported, while hypothesis H17 is not.

**TABLE 5.12**

**EMPIRICAL RESULTS: ADDITIONAL DETERMINANTS OF ORGANISATIONAL COMMITMENT AND JOB PERFORMANCE**

**Dependent variable: ORGANISATIONAL COMMITMENT**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>Standardised Beta coefficient</th>
<th>t-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>4.585</td>
<td></td>
<td>5.226</td>
<td>0.000*</td>
</tr>
<tr>
<td>Access</td>
<td>-0.088</td>
<td>-0.038</td>
<td>-0.897</td>
<td>0.370</td>
</tr>
<tr>
<td>Goalsucc</td>
<td>0.927</td>
<td>0.654</td>
<td>14.385</td>
<td>0.000*</td>
</tr>
<tr>
<td>Workload</td>
<td>0.362</td>
<td>0.202</td>
<td>4.509</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

**Dependent variable: JOB PERFORMANCE**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>Standardised Beta coefficient</th>
<th>t-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>11.226</td>
<td></td>
<td>17.054</td>
<td>0.000*</td>
</tr>
<tr>
<td>Access</td>
<td>-0.085</td>
<td>-0.068</td>
<td>-1.153</td>
<td>0.250</td>
</tr>
<tr>
<td>Goalsucc</td>
<td>0.319</td>
<td>0.420</td>
<td>6.600</td>
<td>0.000*</td>
</tr>
<tr>
<td>Workload</td>
<td>0.089</td>
<td>0.093</td>
<td>1.480</td>
<td>0.140</td>
</tr>
</tbody>
</table>

*Note:  *   = $p < 0.01$
        **  = $p < 0.05$
This result indicates that employees’ perceptions with regard to whether the merger has resulted in a fair workload dispensation influence their organisational commitment but not their job performance. This result is understandable as employees would harbour negative feelings towards their institutions if the latter were seen to be unfair as far as their workload dispensation is concerned. The result also provides further support for the assertion that university employees possess strong professional commitment, as negative feelings about bigger workloads would not cause employees to deliberately reduce their job performance.

**FIGURE 5.5**

**EMPIRICAL RESULTS: ADDITIONAL DETERMINANTS OF ORGANISATIONAL COMMITMENT AND JOB PERFORMANCE**

*Note:*  
* = \( p < 0.01 \)  
** = \( p < 0.05 \)  
ns = not significant

Table 5.12 reveals that the additional determinants explain 59.0% \( (R^2 = 0.59) \) of the variance in organisational commitment and 19.0% \( (R^2 = 0.19) \). This result means that perceptions about whether merger objectives have been achieved in general, and in
particular the extent to which student access to higher education has increased and workload dispensations (merger outcome) have improved, have a significant impact on the organisational commitment of staff members at merged institutions.

5.7.5 The relationship between perceived achieved merger objectives and outcomes, employee motivation and organisational culture

Although this falls outside the scope of this study, it is considered important to report on the relationship between perceived merger outcomes (reactions) and objectives achieved, on the one hand, and employee motivation on the other hand. Employee motivation is defined in the present study as the employees’ satisfaction with their remuneration package, peer relations and growth factors. The influence of these perceived merger outcomes (reaction) and objectives achieved on organisational culture is also reported. The tables reflecting the multiple regression analysis results are provided in Appendix C, while the summarised results are graphically depicted in Figure 5.6.

Figure 5.6 shows that perceived increased student access to higher education is positively related to employees’ growth need satisfaction ($r = 0.17, p < 0.01$) and organisational culture identification ($r = 0.12, p < 0.01$). This means that if staff members of merged institutions perceived the mergers as having achieved increased student access, their growth need satisfaction and identification with the organisational culture of the new institution would increase.

Figure 5.6 also reveals that perceived success in achieving merger goals is significantly and positively related to growth need satisfaction ($r = 0.27, p < 0.01$), remuneration package satisfaction ($r = 0.24, p < 0.01$), peer relation satisfaction ($r = 0.13, p < 0.05$), and organisational culture identification ($r = 0.66, p < 0.01$). This result further supports the finding in section 7.5.4 by indicating that the perceived extent to which the mergers have achieved their intended objectives has a major influence on employees’ identification with the new organisational culture, as well as with their satisfaction with growth factors, remuneration package and peer relations.
FIGURE 5.6
THE RELATIONSHIP BETWEEN PERCEIVED ACHIEVED MERGER OBJECTIVES AND OUTCOMES, EMPLOYEE MOTIVATION AND ORGANISATIONAL CULTURE

Note: * = p < 0.01
** = p < 0.05
Non-significant relationships are not shown
Finally, Figure 5.6 shows that a fair workload dispensation as an outcome of mergers has significantly positive correlations with growth need satisfaction (r = 0.215, p < 0.01), remuneration package satisfaction (r = 0.35, p < 0.01), peer relation satisfaction (r = 0.27, p < 0.01), and organisational culture identification (r = 0.11, p < 0.05). This means if workload distribution has improved due to the mergers, employees’ identification with the new organisational culture and their satisfaction with growth factors, remuneration package and peer relations would increase.

Annexure C shows that perceptions about increased student access, merger goal success and workload fairness explain on average about 23.0% of the variance in employee satisfaction with growth factors, remuneration package and peer relations. This means that these perceptions about merger objectives and outcomes are important determinants of employee motivation, as measured by satisfaction with growth factors, remuneration package and peer relations.

Annexure C also indicates that perceptions about merger objectives and outcomes explain 63.0% (R² = 0.63) of the variance of organisational culture identification. This high R² indicates the strong influence perceptions about the successes and outcomes of the mergers exert on employees’ identification with the organisational culture of their new institutions.

Against the background of the above-mentioned empirical results, it is prudent to summarise as follows:

- to improve the strategic management of the post-merger process at universities, management needs to focus on the managing of organisational commitment, as it is the strongest determinant of the employees’ performance intent;
- to manage organisational commitment, management must manage especially the employees’ identification with the organisational culture of the new institutions;
- after organisational commitment, management must focus on employee motivation which includes increasing the employees’ satisfaction with their remuneration packages, their peer relations and their growth factors; and
- to manage the employees’ identification with the organisational culture of the new institutions, management must manage employees’ perceptions about increased student access, successes in merger goal achievement and fairness of workload dispensations.

5.8 EMPIRICAL RESULTS: MEAN SCORES OF LATENT VARIABLES

In Chapter 1, it was proposed that, due to the anxiety, confusion and uncertainty that accompany restructuring in general, employees involved in the higher-education restructuring would exhibit low levels of (P1) employee motivation (as measured by the satisfaction with the Alderfer needs); (P2) identification with the organisational culture of the new merged institution; (P3) organisational commitment; and (P4) job performance (as measured by performance intentions). Mean scores of questionnaire item responses were calculated to measure the levels of the above-mentioned latent variables. The results are summarised in Table 5.13.

**TABLE 5.13**

**MEAN SCORES OF LATENT VARIABLES**

<table>
<thead>
<tr>
<th>LATENT VARIABLE</th>
<th>MEAN SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational commitment</td>
<td>2.94</td>
</tr>
<tr>
<td>Job performance</td>
<td>3.97</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>2.73</td>
</tr>
<tr>
<td>Growth factors</td>
<td>3.67</td>
</tr>
<tr>
<td>Remuneration package</td>
<td>2.55</td>
</tr>
<tr>
<td>Peer relations</td>
<td>3.42</td>
</tr>
</tbody>
</table>

Bennett (2002) reported that the global levels of organisational commitment range from 60 to 65 percent, while the South African average is 68%. Against this background and
for the purposes of the present study, a score of below 60% (mean score of 3 on 5-point scale) is regarded as an indication of low organisational commitment. For the purposes of consistency, the cut-off point of 60% was extended to all subsequent analyses.

Table 5.13 shows that the respondents exhibit low levels of organisational commitment, identification with organisational culture of the new institution and satisfaction with their remuneration package. The respondents however exhibit high levels of performance intent, growth need satisfaction and peer relation satisfaction. This further confirms the results of Erwee (1980) and Arnolds and Boshoff (2004) that university employees exhibit a professional commitment to their jobs. Professionally committed employees identify strongly with people doing the same job, appreciate growth opportunities in their work and usually have high performance intentions.

Low levels of organisational commitment confirm the results of Arnolds (2005) that the employees in higher education institutions undergoing restructuring exhibit a low level of organisational commitment. It has been noted in Figure 5.9 that organisational commitment is a strong determinant for job performance. This means that low committed employees are likely to render low levels of job performance over the long term. In Figure 5.10 it was noted that organisational culture is a significant determinant of organisational commitment. Low levels of organisational culture identification will erode organisational commitment and therefore employee job performance over the long run. The low levels of satisfaction with remuneration packages will also gradually decrease organisational commitment which would be detrimental to job performance.
5.9 EMPIRICAL RESULTS: PERCEPTIONS ABOUT MERGER ACHIEVED MERGER OBJECTIVES AND OUTCOMES

Although this analysis fell outside the scope of the present study, mean scores were also calculated for the latent variables which emerged from the additional determinants of organisational commitment and job performance. It was considered important to assess to what extent respondents felt that merger objectives had been achieved. This analysis would also indicate what respondents’ perceptions were of reported reactions (outcomes) of the higher-education mergers. The results are summarised in Table 5.14.

**TABLE 5.14**

<table>
<thead>
<tr>
<th>LATENT VARIABLE</th>
<th>MEAN SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved student access</td>
<td>2.84</td>
</tr>
<tr>
<td>Merger goal success</td>
<td>2.74</td>
</tr>
<tr>
<td>Increased HE demand</td>
<td>3.42</td>
</tr>
<tr>
<td>Cost-induced workload</td>
<td>3.52</td>
</tr>
<tr>
<td>Increased university finances</td>
<td>2.91</td>
</tr>
<tr>
<td>Workload fairness</td>
<td>2.75</td>
</tr>
</tbody>
</table>

Using the same cut-off point of 60% as above, the empirical results reveal that respondents generally feel that the envisaged merger objective of improved student access to higher education has not been sufficiently achieved. There is also a general perception among the respondents that the mergers were not successful in achieving the goals the mergers set out achieve. As far as the reactions (outcomes) to the mergers are concerned, the respondents felt that their workloads have unfairly increased due to a focus on a cost-cutting approach in the merged institutions. They therefore also perceive that university finances have not increased due to the mergers. In the light of the results reported in Figures 5.3 and 5.6, as well as Annexure B, the preceding review on merger objectives and outcomes provides the basis for the expectation that low perceptions about increased student access, merger goal success and workload fairness would decrease
organisational culture identification. This in turn will decrease organisational commitment and employee job performance.

5.10 CONCLUSION

In this chapter, the methodology of the study was reviewed. This included a discussion of the research paradigm, sample and measuring instruments. This chapter also reported on the reliability and validity analyses conducted in the study. The empirical results which emanated from these and multiple regression analyses were also extensively reported. In the next and final chapter the managerial implications of the empirical results are discussed. The limitations of the study and prospects for future research are also highlighted in the next chapter.
CHAPTER 6

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

In this, the final, chapter, the empirical results are summarized, conclusions are drawn and recommendations are made to managers of merged higher-education institutions. Firstly, the results are summarized in terms of the research objectives and questions they were intended to investigate and, secondly, in terms of the main findings of the study.

6.2 ANSWERING THE RESEARCH OBJECTIVES AND QUESTIONS

The primary objective of this study is to increase the strategic management of the post-merger process at higher-education institutions by investigating which factors influence the organisational commitment and job performance of the employees of these institutions. The empirical results related to this objective are discussed in section 6.3.

Table 6.1 lists the secondary objectives of the study and indicates the extent to which these objectives were achieved or not. Table 6.1 shows that all the secondary objectives have been achieved.

As far as the research propositions are concerned, the study succeeded in answering them. Table 6.2 reveals the findings as they relate to the propositions.
Table 6.1 reveals that most of the propositions were supported by the empirical results, except for propositions P1 and P4. The empirical results showed that the expected low satisfaction levels of growth factors and peer relations did not materialize. The proposition P4, that job performance levels would be low, also did not materialize. These results provided support for previous findings that academic and administrative staff at higher-education institutions have a professional commitment to the work they do and not necessarily so to their organizations (see sections 5.7.3, 5.7.4 and 5.8).
TABLE 6.2
SUMMARY OF RESULTS ON RESEARCH PROPOSITIONS

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>PROPOSITION</th>
<th>SUPPORTED/ NOT SUPPORTED</th>
<th>EVIDENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Employees will exhibit low motivation levels</td>
<td>Supported as far as satisfaction with remuneration packages is concerned. Not supported as far as growth factors and peer relations are concerned.</td>
<td>Chapter 5 (Table 5.14)</td>
</tr>
<tr>
<td>P2</td>
<td>Employees will exhibit low levels of identification with new organisational culture</td>
<td>Supported</td>
<td>Chapter 5 (Table 5.14)</td>
</tr>
<tr>
<td>P3</td>
<td>Employees will exhibit low levels of organisational commitment</td>
<td>Supported</td>
<td>Chapter 5 (Table 5.14)</td>
</tr>
<tr>
<td>P4</td>
<td>Employees will exhibit low levels of job performance</td>
<td>Not supported</td>
<td>Chapter 5 (Table 5.14)</td>
</tr>
</tbody>
</table>

The next sections (6.3 onwards), discuss the empirical results that are applicable to the primary research objective. These results concern the relationship between organisational commitment and job performance; the determinants of organisational commitment and job performance; and the influence of perceived merger outcomes and successes on organisational commitment and job performance.

6.3 DETERMINANTS OF JOB PERFORMANCE

The primary objective of this study is to increase the strategic management of the post-merger process at higher-education institutions. This study asserts that the execution of post-merger strategies is dependent on the performance levels, or at least the positive performance intentions of the staff of merged institutions. It is therefore important to report on the factors which impact the job performance of these staff members.
6.3.1 Organisational commitment

The empirical results show that organisational commitment is the main determinant of job performance in this study ($r = 0.61$, $p < 0.01$). This result, added to the finding that the staff exhibit low levels of organisational commitment, indicates that job performance would be affected. Organisational commitment is therefore a key variable to focus on in the strategic management of the post-merger process.

The literature reviews revealed that job insecurity, low employee morale, and lack of trust in management are some of the factors that decrease employees’ organisational commitment. Management should therefore keep employees well informed about their future employment position at their institutions. Management could also project a positive message on job security by showing a strong commitment towards training which could lead to better career and promotion opportunities in their institutions. In doing so, management would gain the trust and respect of employees, which in turn would contribute towards improving organisational commitment. Involving staff members in the decision-making processes on the above-mentioned issues could further increase organisational commitment and therefore job performance.

The empirical results show that organisational commitment could be significantly enhanced by improving employee satisfaction with motivational factors, in particular remuneration package ($r = 0.20$, $p < 0.01$), peer relations ($r = 0.14$, $p < 0.01$) and growth factors ($r = 0.19$, $p < 0.01$). The effective management of these motivational issues should therefore be an important focus in the strategic management of the post-merger process.

As far as the remuneration package is concerned, perceived and actual managerial efforts to improve salaries and fringe benefits would go a long way in improving the employees’ organisational commitment. In a similar fashion organisational commitment and job performance would be increased by perceived and actual managerial efforts to foster an organisational climate that encourages better social and peer relations. This could be
achieved by opening and shortening communication channels, regular social events and a projection of a sincere people-orientation as opposed to an authoritarian, aloof orientation. Satisfaction with growth factors significantly influences both job performance and organisational commitment and will be discussed later.

Thompson et al. (2005) concur with the above-mentioned empirical findings by suggesting some practical recommendations on motivational approaches that could be used to improve organisational commitment. These approaches include: providing attractive perks and fringe benefits; relying on promotion from within whenever possible (this would strengthen the loyalty among staff and ensure that people in positions of responsibility know something about the business, technology and operations they are managing); making sure that ideas and views of employees are elicited and valued by involving them in decisions and empowering them; creating an atmosphere in which there is a genuine sincerity, caring and mutual respect among workers and between managers and employees; encouraging a family working relationship in the workplace; and improving professionalism and teamwork. It is quite clear that the empirical results are in line with the recommendations of Thompson et al. (2005), which underscores the importance of the findings of the present study.

Thompson et al. (2005) also highlight the importance of the following factors in building organisational commitment:

- Getting employees’ buy-in into an inspirational vision.
- Being flexible in how the firm approaches people management issues such as compensation, recognition, recruitment etcetera. People management should convey the message that the firm values employees of all cultural backgrounds and that discrimination of any sort is not tolerated.
- Sharing information about financial performance, strategy, operational measures, market conditions and competitors’ actions. Communication problems often undermine the commitment required for effective implementation of merger-related integration strategies.
The present study provides empirical support for the above-mentioned recommendations of Thompson et al. (2005). The top management of merged universities should therefore take serious note of these findings in the strategic management of the post-merger process.

Finally, the empirical results also reveal that organisational commitment is significantly affected by perceived success of the merger goals ($r = 0.65, p < 0.01$), workload fairness ($r = 0.20, p < 0.01$) and identification with the new organisational culture ($r = 0.55, p < 0.01$). These relatively high correlation coefficients indicate that these factors need to receive particular attention in the strategic management of the post-merger phase at universities. It appears that university staff members at merged institutions are of the view that workloads have increased due to cost cutting which is associated with the mergers. The empirical results showed a high level of agreement (mean score = 3.52) that the mergers have resulted in huge cost cutting. Increases in workload which are unfairly distributed can affect employees’ perceptions negatively and therefore reduce organisational commitment against the background that negative perceptions about merger goal successes would decrease organisational commitment.

### 6.3.2 Merger goal success

The empirical results indicate that perceived merger goal success is the second strongest determinant of job performance. The study revealed that perceived merger goal success exerts a positive influence on both employee organisational commitment ($r = 0.65, p < 0.01$) and job performance ($r = 0.42, p < 0.01$). These relatively high correlation coefficients indicate that the extent to which employees perceive that successes have been recorded in achieving the envisaged merger goals has a strong influence on their organisational commitment and job performance. In other words, if employees felt that the mergers were not successful in achieving the intended objectives, their organisational commitment and job performance would be negatively affected. This means that university management should at the very least highlight the successes of the merged
institution; manage the perceptions about the merger among the employees; attempt to change negative perceptions and attitudes towards the mergers; and facilitate coping skills where employees experience difficulties in adapting to institutional changes. It is also important for managers to celebrate the successes of the merged institution as this would reinforce positive perceptions about the higher-education mergers.

6.3.3 Growth factors

The empirical results show that growth factors are the third strongest determinant of job performance ($r = 0.37, p < 0.01$). The results also indicated that, despite low levels of organisational commitment, the employees exhibited high levels of satisfaction with growth factors (mean score = 3.67). This means that the top management of higher-education institutions must make a concerted effort to satisfy the growth needs of university staff by creating opportunities for growth and advancement; providing training and development; and identifying and facilitating opportunities and resources that reinforces professionalism among staff members.

6.3.4 Identification with the new organisational culture

The empirical results show that identification with the new organisational culture is a strong determinant of both job performance ($r = 0.14, p < 0.01$) and organisational commitment ($r = 0.55, p < 0.01$). The empirical results also revealed that employees exhibit low levels of identification with the new organisational culture (mean score = 2.73). This means that these low levels of organisational culture identification have the potential to decrease both organisational commitment and job performance.

The empirical results show that employees’ identification with the new organisational culture can be increased by improving employees’ perceptions about student access ($r = 0.12, p < 0.01$), about merger successes ($r = 0.66, p < 0.01$) and workload fairness ($r = 0.11, p < 0.05$). It therefore appears that the employees’ identification with the new organisational culture is strongly influenced by their perceptions about how students are
serviced in terms of access (which would be a merger success) and how fairly they (the employees) are treated in terms of workload. The strongest factor influencing organisational culture identification in the context of the higher-education mergers is perceptions about merger success. Employees will strongly identify with the new organisational culture if they perceive the mergers as achieving what they set out to achieve. It is therefore imperative for strategic managers to manage employees’ perceptions about mergers, more specifically highlighting and celebrating merger successes. Merger successes that need to be highlighted include whether the new merged institution is in a better position to contribute to the solution of the societal problems than was the case before merger; whether a better standard of education has been achieved in the merged institution than in the previous separate constituents; whether more services are demanded from merged institutions than before; and whether the mergers have achieved an increase in training and development of staff.

Thompson et al. (2005) recommend that organisational culture identification could be improved by, firstly, aligning the culture to the strategy of the new institution. This can be achieved by promoting the values and practices (new and old) that support the institution’s strategy. Secondly, management should foster collegial relationships with employees. Thirdly, management should re-interpret, de-emphasize or even abandon values and traits which cause a misfit between strategy and organisational culture. Finally, Thompson et al. (2005) recommend the implementation of the principles of total quality management (TQM) to increase the identification with a new organisational culture. TQM is a philosophy of managing processes which is driven by the aim of continuous improvements of all operations. The latter recommendation seems to tie in with the positive perceptions of merger successes, as continuous improvements in the context of the mergers would improve strategy execution considerably according to Thompson et al. (2005).

Building of a new organisational culture is not an easy task. Walker (1998) therefore recommended eight steps to meet this managerial challenge. These steps include celebrating small wins; acknowledging value in past practices; measuring progress at
regular intervals; involving employees in managing the integration process; identifying ingrained behaviours that might become a problem; communicating how integration will be implemented; and providing a clear rationale for goals which the new institution pursues. These steps will go a long way in increasing both organisational commitment and job performance.

6.4 THE IMPORTANCE OF GROWTH FACTORS

The empirical findings revealed that growth factors are significant determinants of both organisational commitment (r = 0.19, p < 0.01) and job performance (r = 0.37, p < 0.01). This is an indication to the top management of merged institutions that they should create an environment in which employees could satisfy their needs of creativity, self-fulfilment and advancement. This could be achieved by providing employees with opportunities to do challenging things at work; involving them in important decisions; designing jobs/assignments that require the use of a wide range of capabilities and a feeling of continuously learning new things.

The empirical results show that the factors that impact growth need satisfaction in merged institutions are a perceived increase in student access (r = 0.17, p < 0.01), perceived merger goal success (r = 0.65, p < 0.05) and perceived workload fairness (r = 0.20, p < 0.05). This indicates that employees feel that the mergers have brought about opportunities for personal growth if merger goals have been successfully achieved, especially as far as increased student access and fair workload distribution are concerned. By strategically managing these issues, the top management of merged institutions would increase both the organisational commitment and job performance of their staff members.

Staff development is a key element in satisfying employees’ growth needs. At a seminar of a higher-education working group in Cape Town in 1995, the following issues were highlighted as important for staff development (Fourie, 1999: 287):
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- Intercultural training. This included knowledge of multicultural education, teaching and learning styles and curriculum development.

- Management development programmes in transformation processes.

- Implementing institutional systems, services and practices that support open student access and are responsive to the needs of students from different cultures and learning needs.

The responses to the open-ended questions in the present study reinforced the above-mentioned staff development issues. The strategic management of these issues should therefore still receive the continued attention of the top management of merged higher-education institutions.

The empirical results support the assertion that employees at universities have a strong professional commitment to their work (Erwee, 1980; Arnolds and Boshoff, 2006). Professionals are more strongly motivated by professional growth than by monetary rewards. The professional employee’s job performance should be enhanced by the provision of rewards such as creating the conditions in which the employee could apply and extend his knowledge and skill, co-operate with competent colleagues and improve his professional reputation (Erwee, 1980: 125). An organisation whose reward system is perceived to reward professional behaviour will succeed in enhancing organisational commitment and reduce role stress and turnover (Bartol, 1979: 816-817; Cohen, 1992: 543).

6.5 THE IMPORTANCE OF MERGER GOAL SUCCESS

In the empirical results, perceived merger goal success has emerged as the single important factor that influences all the other latent variables investigated in this study. Perceived merger goal success significantly influenced organisational commitment ($r = 0.19, p < 0.05$), job performance ($r = 0.42, p < 0.05$), growth need satisfaction ($r = 0.27, p < 0.01$), satisfaction with remuneration package ($r = 0.24, p < 0.01$), satisfaction with peer relations ($r = 0.13, p < 0.05$) and identification with the new organisational culture ($r$
= 0.66, p < 0.01). This underscores the importance of this variable in the context of the higher-education mergers.

It appears that university staff members at merged institutions need confirmation that the university mergers were necessary for solving societal problems; improving the standard of education; providing more educational services to the population; and increasing the training and development of staff. This confirmation seems to be necessary against the background that the mergers have not been positively received among employees at merged institutions. This finding reinforces the importance of top management managing this issue at the strategic level at merged institutions. The main benefits of the strategic management of merger goal successes will be a stronger organisational culture identification and job performance in the new merged institution.

6.6 THE IMPORTANCE OF WORKLOAD FAIRNESS

The empirical results show that workload fairness influences all the other variables, except employee job performance. Workload fairness influences organisational commitment (r = 0.20, p < 0.05), growth need satisfaction (r = 0.15, p < 0.01), satisfaction with remuneration package (r = 0.35, p < 0.01), satisfaction with peer relations (r = 0.27, p < 0.01) and identification with the new organisational culture (r = 0.11, p < 0.05).

This result indicates that university employees at merged institutions feel that the extent to which they have a say in the fair distribution of workload and the latter’s relation to operational costs, social integration of staff and comprehensive programme mix exerts a significant influence of all the variables investigated in this study, except job performance. The latter is however affected via the employees’ organisational commitment. Workload fairness is therefore an important issue to focus on in the post-merger strategic management process. Anecdotal evidence across many universities and qualitative information gathered in the open-ended question section of this study suggest that workloads have increased considerably at all higher-education institutions, but more
so at merged institutions. The general view is that the increased focus on cost-cutting measures has led to these increased workloads. This issue has the potential to negatively affect the job and overall performances of staff and institutions respectively as the remuneration of staff members is not matching these workloads. In terms of Adams’ (1963) Equity Theory of motivation, it can be expected that employees will eventually quit their jobs after they have exhausted the options of rationalizing that this imbalance is justified (distorting reality), decreasing their performance levels, and demanding higher remuneration. Increasing workloads could also lead to work-related stress and unprofessional conduct among employees. The latter could manifest in staff members neglecting some duties in favour of others in an attempt to find a balance between expectations. The effective management of workload issues is therefore of strategic importance in the post-merger phase in merged universities.

In summary: The empirical results have clearly supported Thompson et al.’s (2005) human elements involved in successful strategy execution. In other words, the study has provided empirical evidence that the hypothesized model to improve the strategic management of the post-merger processes at merged universities suggested in this study, if implemented would achieve the intended objective.

The empirical study showed that strategy execution via employee job performance would be successfully achieved if top management of merged universities were to focus on building organisational commitment, satisfying the growth needs of staff and fostering a new organisational culture identification. To increase organisational commitment, top management must again strengthen a new organisational culture identification and provide for individual and professional growth, as well as paying attention to remuneration packages and peer relations. In addition, top management should manage perceptions about and highlight merger goal successes and pay particular attention to a fair workload dispensation at their institutions. All these factors appear to operate in the realm of leadership. The leadership of merged institutions is called upon to provide strategic leadership in implementing the above-mentioned recommendations. The Arnolds and Boshoff (2004: 5) study revealed the importance of strategic leadership in
managing the pre-merger phase. It appears that the empirical results of the present study concur with this sentiment.

6.7 MAIN CONTRIBUTIONS OF THE STUDY

The main contribution made by this study is the empirical support produced for Thompson et al.’s (2005) suggested elements for successful strategy execution, namely the interplay among employee job performance, organisational commitment, organisational culture identification and motivational rewards. This study therefore provided the empirical foundation for a model that could be used to strategically manage the post-merger process at universities.

The present study also addressed the research gap identified by Viljoen and Rothman that no quantitative investigation has been made into the relationship between variables interacting within the human dimension of the restructuring process. Moreover, the study expanded Arnolds and Boshoff’s (2004) research of the interplay among employee job performance, organisational commitment, organisational culture identification and motivational rewards in the pre-merger phase. Because the results of the present study and those of the Arnolds and Boshoff (2004) study were very similar, if could be concluded that the strategic management of employee job performance, organisational commitment, organisational culture identification and motivational rewards is equally important in both the pre- and post-merger phases. The qualitative results of the present study and the findings of Arnolds and Boshoff (2004) however seem to suggest that the key differentiating factor between a “good” and a “bad” merger is strategic leadership. Viljoen and Rothman (2002: 9) concur with these sentiments and suggest that transformational leadership in particular is needed in order to implement transformation successfully in tertiary-education institutions. In addition participative management and management of diversity is also a necessity in dealing with organisational restructuring.
6.8 LIMITATIONS OF THE STUDY

Although the present study has produced important results, there are areas that need to be improved in further investigations on this topic. A comparative study between a merged and an unmerged university is necessary to investigate whether the hypothesised model of the present study is applicable to both types of universities. Also the study included three comprehensive universities. Different findings could however emerge if the study were extended to universities of technology which encompassed a different type of merger.

Due to the fact that very similar results were achieved in the Arnolds and Boshoff (2004) study and the present one, new variables should be explored in investigating what factors affect organisational commitment over the long term. Both the present study and the Arnolds and Boshoff (2004) one indicated that the interplay between organisational commitment and its antecedents was not different before and after the merger. In other words, these determinants of organisational commitment are important in all situations. Therefore in addressing Rylander’s (2003) concern that a longitudinal investigation of organisational commitment is needed, new variables must be identified to achieve such an investigation.

Finally, the present study did not put sufficient emphasis on the qualitative information surrounding employees’ experiences before, during and after the mergers. More qualitative investigations are needed to highlight these experiences, but also to identify new variables that might be critical to strategy execution in a merger situation.

6.9 CONCLUSION

The present study adopted the Thompson et al. (2005) model to improve the strategic management, more specifically the strategy execution, of the post-merger process at universities. The study confirmed that Thompson et al.’s (2005) elements of strategy execution, namely organisational commitment, employee performance, organisational
culture and motivational rewards, are applicable in both pre-merger and post-merger processes. By effectively managing these elements, the top management of merged universities would successfully manage the post-merger processes. The study particularly highlighted the management of merger goal success, fair workload dispensations and increased student access as important focus areas in the strategic management of the post-merger processes at universities. Finally, the study also identified areas for future research on this topic.
LIST OF SOURCES


ANNEXURE A

MEASURING INSTRUMENTS

ORGANIZATIONAL COMMITMENT

I tell my friends that our merged institution is a great place to work for.
I really care about the fate of our merged institution.
I find that my personal values and our merged institution’s values are very similar.
I am willing to put a great deal of effort beyond that normally expected in order to help our merged institution to be successful.
I am extremely glad that I work at our merged institution.
I am proud to tell others that I am employed by our merged institution.
For me our merged institution is the best of all organisations for which to work.
I will accept almost any type of job assignment in order to keep working for our merged institution.
Our merged institution inspires the very best in me in a way of job performance.

JOB PERFORMANCE (INTENT)

I will do my best to perform well on the job in the future.
I often think of improving my performance.
I will actively try to improve my job performance in the future.
I intend to do a lot more at work in the future.

ORGANISATIONAL CULTURE IDENTIFICATION

I identify with the organisational culture of our merged institution.
The organisational culture of our merged institution fills me with pride.
The organizational culture in our merged institution is better than in my old institution.
I prefer the teaching approach of my previous institution over the teaching approach of our merged institution.
I like the atmosphere in the merged institution more than I like the atmosphere at my previous institution.
I feel more comfortable with the values pursued in our merged institutions than with the values pursued in my previous institution.

SATISFACTION WITH FRINGE BENEFITS

The benefit package at our merged institution is adequate.
Our fringe benefits cover many areas they should.
Compared to other places, our fringe benefits are excellent.
The fringe benefit at our merged institution gives all the security I want.
SATISFACTION WITH MONETARY REMUNERATION (PAY)

Compared to the remuneration for similar work elsewhere, my remuneration at our merged institution is good
Considering the work I am required to do, the remuneration is what it should be
I earn enough money to live comfortable
My remuneration is adequate to provide for basic things in life

SATISFACTION WITH PEER RELATION

I can count on the colleagues in my current department to give me a hand when I need it
The colleagues in my new department welcome opinion different from their own
The colleagues in my new department will speak out in my favour if justified
I can tell my colleagues in my new department honestly how I feel

SATISFACTION WITH GROWTH FACTORS

I have opportunity to do challenging things at work
My job requires that a person use a wide range of capabilities
I always get the feeling of learning new things from my work
My job requires making one or more important decision(s) everyday

PERCEIVED MERGER OUTCOMES

Government funding of our merged institution has increased after the merger
Our management has successfully managed the merger process
There has been an improvement in co-operation among staff after our merger
The workload allocation to staff in our merged institution is fair
Our merged institution is in a better position to access financial support from big business than prior to the merger
Much more educational services are demanded from merged institutions
There is a stronger emphasis on cutting costs in our merged institution than was the case in our previous unmerged institutions
In my merged institution, we all had a say in the determination of our workload formula
Our merger has led to a bigger student debt
The comprehensive programme mix improves the academic status of my merged institution
My workload has increased after the merger
Social interaction of staff has taken place in my merged institution
The merger has succeeded in reducing the operational costs of the new institution
PERCEIVED MERGER OBJECTIVES ACHIEVED

Our merger achieved what the Department of Education (DOE) intended to achieve with the higher education mergers.
Our merged institution is in a better position to contribute to the solution of societal problems than was the case before the merger.
Our merger has led to an increase in training and development of staff.
We provide a better standard of education in the merged institution than in our previous institutions.
More students are accessing our merged institution than was the case before the merger.
The administration of my merged institution is better than it was in my previous institution.
Extensive curriculum restructuring has taken place after merger.
Resources (Financial and/or human) have improved after the merger.

CLASSIFICATION OF DATA

Please make a cross (X) or enter the relevant information in the blocks provided.

Please indicate your TITLE
(Mr., Miss, Prof, etc.):

GENDER: Male [ ] Female [ ]

AGE GROUP: 20 – 29 [ ] 30 – 39 [ ] 40 – 49 [ ] 50 – 59 [ ] 60+ [ ]

Please indicate your HIGHEST EDUCATIONAL QUALIFICATION:

Please indicate your JOB TITLE:
(Director, lecturer, secretary, etc.)

Please indicate your FIRST LANGUAGE:

For HOW LONG have you been working for your institution before the merger (in years?)

LESS THAN 5 YEARS [ ] 5 – 9 [ ] 10 – 14 [ ] 15 – 19 [ ] 20 + [ ]

How many years of EXPERIENCE have you got in your job or profession?

LESS THAN 5 YEARS [ ] 5 – 9 [ ] 10 – 14 [ ] 15 – 19 [ ] 20 + [ ]
ANNEXURE B

THE RELATIONSHIP BETWEEN PERCEIVED MERGER OUTCOMES AND OBJECTIVES ACHIEVED, EMPLOYEE MOTIVATION AND ORGANISATIONAL CULTURE

Dependent variable: Growth

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<th>Standardised Beta coefficient</th>
<th>t-value</th>
<th>Significance</th>
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Dependent variable: Remuneration package/pay

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ANNEXURE B (Continued)

THE RELATIONSHIP BETWEEN PERCEIVED MERGER OUTCOMES AND OBJECTIVES ACHIEVED, EMPLOYEE MOTIVATION AND ORGANISATIONAL CULTURE

**Dependent variable: PEER RELATIONS**

<table>
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<th>R²</th>
<th>Std. error of the estimate</th>
<th>F change</th>
<th>Df1</th>
<th>Df2</th>
<th>Sig. F Change</th>
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<table>
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<tr>
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<td>Workload</td>
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<td>0.272</td>
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**Dependent variable: ORGANISATIONAL CULTURE**

<table>
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<th>F change</th>
<th>Df1</th>
<th>Df2</th>
<th>Sig. F Change</th>
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<table>
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<th>Parameter</th>
<th>Estimate</th>
<th>Standardised Beta coefficient</th>
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<th>Significance</th>
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Note:  
*  = p < 0.01  
** = p < 0.05