

The Wits University Support Services Review: A Critique

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Executive Summary

The University Council's 25 February decision to restructure Wits by retrenching more than 600 workers and outsourcing five major support services (Grounds, Maintenance, Catering, Building Care, and Transport) is unlikely to achieve its aims. It will, in fact, likely lead to the intensification, rather than the transformation of the apartheid legacy at Wits. The decision was based on consultants' recommendations - approved by the Senior Executive Team (SET) - that are based on a poor understanding of outsourcing and careless research. Taken together these factors undermine confidence in the projections of cost savings and improvements in service and jeopardise the University restructuring as a whole.

Though the stakeholders who took part in a consultative process put well-considered and concrete alternatives on the agenda, these were not taken seriously. Instead, SET and University Management Associates (UMA, the consultants hired by management) showed a systematic bias in favour of blanket outsourcing and against alternatives that were more sensitive to Wits' institutional realities and values. Hence, the recommendations put forward to Council in February 2000 did violence to the results of the consultative process and amount to a unilateral restructuring of support services.

Thus, both the process of consultation and the conclusions it yielded are incompatible with the university's values as expressed in the Mission Statement and the 1999 strategic plan.

This report contains an independent assessment of the restructuring, based on an evaluation of reports and presentations generated by the consultants, minutes of the consultative process, as well as other documents.

The report is organised under four main themes. First, we provide a critique of how the restructuring process and outsourcing are conceptualised by UMA. Second, we assess the quality of data and sources used during the review process, and compare the conclusions drawn by UMA to their own evidence. Third, we show how the review process systematically ignored evidence, alternative proposals, and valuable insights generated in the review committees. Fourth, we argue that SET's outsourcing proposals will tend to reproduce the legacy of apartheid for both the workforce and the student body.

FRAMING RESTRUCTURING

In the context of a projected budget deficit, SET and UMA argue that the university's scarce resources must be dedicated to its core activities. Since both UMA and SET accept that the University currently does not have the managerial capacity to restructure work internally, outsourcing is seen as the most efficient way to achieve this goal.

The assumption that the distinction between core and non-core can serve as a basis for deciding what to outsource and what to retain in-house is problematic. Decisions to outsource are generally not defined by what is core, but by what is *most suitable* to restructuring a particular aspect of an organisation.

While internationally the language of outsourcing supports notions of adding value and bringing in expertise, in South African experience research shows that it is generally blue collar and unionised work that is outsourced. In this sense notions of ‘core business’ may be understood less as an aspect of good management and more as an ideological justification for cutting labour costs and especially for avoiding unions. Wits closely follows the more general South African pattern.

Since the outsourcing craze in the US in the 1980s, many analysts have identified serious flaws in outsourcing strategies, and are urging caution in adopting them. In particular, outsourcing often does not lead to the anticipated cost savings. The way in which UMA frames the benefits of outsourcing shows an unfamiliarity with the most recent critical reassessments.

The most serious problem concerns the consultants’ models for estimating the cost savings to be gained by outsourcing, where they greatly overestimate the benefits of outsourcing. In particular they do not fully come to terms with four main issues: transaction costs, cost creep, coordination efficiencies, and loss of tacit skills and organisational memory. Though many of the participants in the consultative process raised these concerns, they had little impact on the process or on the consultants’ cost calculations.

Both SET and UMA argue that Wits must embark on outsourcing as it lacks internal management capacity either to achieve or sustain effective internal restructuring. Considerable international experience shows that it is unwise to embark on outsourcing as an antidote to poor managerial capacity, as one lacks the ability to oversee the outsourcing itself.

UMA have posed outsourcing as bringing ‘career opportunities’, ‘employment stability’ (even if only ‘a degree’), training and accreditation. However, part of the point of moving to outsourcing is to weaken contracts of employment and shift the balance of power between the employer and employee. These changes enable such companies to drive down labour costs. They also make it easier to dismiss workers or simply to avoid rehiring them when their contracts expire.

The University’s restructuring in fact endorses this erosion in labour standards and labour rights. A draft document handed out to prospective contractors at Wits contains the following clause:

The MC [Management Contractor] shall discourage its employees from participating in any industrial action. In the event that the MC’s employees are guilty of participating in industrial action, the MC shall control its personnel, restore order or, if requested by the Client, remove them from the Client’s premises.

The clause reflects an obtuse approach to the dynamics of labour relations in this country, where considerable experience and research has demonstrated that denying workers’ rights to industrial action intensifies conflict. Upon whom will the MC rely to ‘restore order’? The South African Police Service? A private security firm?

Moreover, it is difficult to understand how workers would acquire ‘career opportunities’, ‘employment stability’, ‘training’ and ‘accreditation’ under such a system. Nor does the clause live up

to Wits' expressed values. Nor does it make good industrial relations sense.

If the support services review appears to present a one-sided picture of outsourcing, this image is bolstered by the treatment given to alternatives. In various ways consideration of these options was forestalled through UMA interventions. Rather than ruling out internal restructuring by way of a careful consideration of the circumstances in each area, the consultants dismiss the option based on an *a priori* argument that internal restructuring cannot be sustained and organisations revert to their previous practice. They never provide detailed reasons why internal restructuring is impossible in one area, such as catering, but that other services, such as student affairs or human resources are amenable to internal restructuring. Based on their 'theory' all organisations should 'slip back to old habits'; no reason is given for why this 'rule' applies in some areas and not others.

On such an important point as weighing the relative merits of different restructuring options we believe the University ought to rely on more than the consultants' opinions and experience, particularly as these are not substantiated by any evidence or references to comparative cases.

DATA, SOURCES AND LOGIC OF CONCLUSIONS

There are a number of anomalies with respect to the consultants' use of comparisons, sources of data, and the logic of the conclusions drawn from the evidence presented in the support service review documents.

The reports shift repeatedly between different bases for comparison. At various points Wits is compared to an 'industry average', the source of which is never fully explained. At others it is compared to particular companies, who apparently provided estimates of costs for providing different services. At others Wits is compared to other universities and to something called 'semi-government'. These comparisons do not meet the standards required for a restructuring exercise of this magnitude.

Participants in the consultative process often pointed to deficiencies in the costing models used by the consultants. Yet, these comments were seldom incorporated into the final costing models. Hence, the models on which final decisions were based were fundamentally flawed and insensitive to the specificities of Wits.

All of the review reports contain information about clients' opinions on the different services. However, the conclusions drawn from this information are often problematic. The reporting emphasises the negative and understates the positive. In fact UMA's opinion scale used in their questionnaires was loaded in a fashion that encouraged negative responses. UMA's interpretations of results often misses the unevenness of the evidence and imposes conclusions not fully supported by the consultants' own reports. In many assessments, including the calculations of productivity, the interpretations simplify the results, and push them in a negative direction.

REVIEW PROCESS

The support services review prioritised consultation with key stakeholders, and indeed considerable energy was expended by all parties in this regard. However, persistent complaints by many stakeholders that the outcome was pre-determined seem to hold merit.

Lengthy discussions, involving a considerable expenditure of staff time and energy, yielded a range of well-reasoned proposals from the stakeholders which were, in turn, rejected by both SET and UMA. It is difficult to assess whether the proposals were in fact considered seriously by UMA and SET. However, the consultants used precisely the same language to reject each alternative, literally in a 'cut and paste' fashion, and SET endorsed their recommendations in the five areas under review. Moreover, one would have expected a written record providing reasons for rejecting the stakeholders' proposals and evidence of having engaged with them. No such record exists in the voluminous documents produced by the support services review.

Based on the balance of evidence, we believe the support services review may be best characterised as *pseudo participation*: a technique 'used to persuade employees to accept decisions that have already been made by the management ... where no participation in decision making in fact takes place...' Management's approach therefore amounts to a case of unilateral restructuring.

IMPLICATIONS FOR TRANSFORMING THE APARTHEID LEGACY

The UMA proposals are silent on transformation and redress. It is not clear how Wits will become a more egalitarian, de-racialised university and a place of real social learning, trust and critical mindedness. Indeed, as is happening at so many South African institutions, transformation is taking on the shape of cost-cutting exercises driven by market concerns and commodification, rather than a process of redress.

The approach to restructuring support services at Wits depends upon a market-driven model derived from neoliberal approaches that will tend to reproduce the apartheid legacy for both the workforce and the student body.

Evidence presented in the reviews conclusively demonstrates the existence of a racial division of labour best characterised as an 'apartheid workplace regime'. The reviews revealed that black workers 'do not feel valued and appreciated as members of university staff'; their communication with management is problematic; they feel they possess skills that are not utilised, recognised, or appreciated; that their work is unchallenging; that they experience low levels of support from their supervisors who demonstrate an autocratic management style. They have limited opportunities for training, and for development of clear career paths. For all these reasons they are alienated and angry. Yet, despite these problems workers remain loyal to the institution they have served for many years.

Transformation may mean many things, but at a fundamental level it entails overcoming the apartheid legacy while building upon workers' loyalty and service. It is extremely difficult to see how management's outsourcing plan will achieve this end. Indeed, outsourcing will reduce many workers

to a dismal state. A large percentage will be out of work as a result of retrenchments and voluntary severance packages. An unknown number will find precarious employment at lower wages in outsource companies.

With respect to students, the consultants' interventions contain language that can be seen as racist. They identify a key challenge in residences to be:

Building user satisfaction for competitive advantage. The res. life service environment needs to be developed to a level where it becomes a source of attraction for high caliber, fee paying students, not merely a convenience for students from [sic] rural areas.

Apart from the consultants' obliviousness to the meanings conveyed by such racial and class code words, they seem equally unaware of such policies' likely impact. Competitive marketing and differentiated services mean that elites will live in first class Wits University accommodation while disadvantaged students will live in places with a greatly reduced level of service. Given the enormous race and class inequalities present in South African society - and at Wits - an approach of 'further differentiation' will inevitably reproduce and generate inequality and social and political tensions, which Wits can surely do without. Whether or not this form of gross inequality is the *intention*, it is certainly the *effect* of the proposals. Hence, with respect to both workers and students neither UMA nor SET are sensitive to the logical implications of marketisation in a context of poverty and high unemployment. Their proposals will reinforce rather than transform the apartheid legacy.

There have been significant efforts at Wits to address this history. On 2 February 2000 the Faculty of Health Sciences passed a landmark resolution acknowledging the apartheid legacy and its impact. The faculty issued a public apology; committed itself to 'non-discrimination in its teaching, the constitution of its student body, the selection and promotion of its staff and in its administration'; and reaffirmed 'its rejection of racism and other violations of human rights in whatever form they make their challenge'. It is unfortunate that in the same month the Faculty of Health Sciences courageously came to terms with its own history, the University Council approved SET's proposals which break faith with the spirit of the Faculty's resolution.

CONCLUSIONS

Given the difficulties identified above in terms of framing, methodology and the use of evidence, and the shortcomings in the review process, we do not have confidence that outsourcing will allow the University to realise its goals. Given that outsourcing stands at the heart of the university's restructuring effort this conclusion is deeply disturbing. Indeed, pushing ahead with plans to outsource may lead to a perpetuation of the apartheid workplace regime and the re-racialisation of many services at Wits.

For reasons both practical and principled, it is imperative that the University reopen the review process. This does not mean starting from scratch. Rather, we should return to the *end* of the review: to the point where management broke the impasse between themselves and the stakeholders

through its unilateral imposition of outsourcing in the five review areas. This time, however, the parties should seek a compromise that could allow the emergence of restructuring solutions that fit the diversity of problems confronting the university and which enjoy broad legitimacy.

A compromise holds out the prospect of running our institution on the basis of job security and the maximum possible satisfaction of all who contribute to quality education and research. It holds out the prospect of a workplace where employees' skills, commitment, knowledge, maturity, and loyalty are appreciated as assets; where all who work at Wits enjoy opportunities for training and advancement consistent with our educational mission. It is consistent with a view of the public sector as a key resource for redressing past inequalities and creating greater equality amongst new generations of South Africans.

The support services review will cause a substantial number of Wits employees to lose their jobs. Those 'lucky' enough to gain a job in an outsource company will have to work harder in return for drastically reduced wages and more precarious terms of employment and conditions of service. Is this the way to obtain improved and sustained performance out of employees in the 21st century? And if so, what does this say about our mission and core values?

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Introduction

SUSTAINABLE RESTRUCTURING, NOT 'QUICK-FIX' SOLUTIONS

The decision to restructure support services at Wits and retrench more than 600 workers is unlikely to achieve its aims. Moreover Wits' management's preferred approach - a radical proposal to outsource services - will generate its own problems which could have dramatic and negative consequences for the institution. In sum, management's approach is incompatible with many core values expressed in the University's mission statement and 1999 strategic plan.

These problems have not been adequately addressed by SET, nor by the UMA who displayed a systematic bias in favour of outsourcing and against other possible options. Many alternatives were in fact placed on the agenda by stakeholders in the consultative process, both in the support services review committees and in the Consultative Committee (ConCom). These alternatives were tailored to the specific needs of different Wits services and were deemed by the participants as superior options for meeting the range of objectives sought through restructuring.

In mid-February, and in spite of its guarantees that all options were being considered, management rejected these possibilities and instead proposed outsourcing for all support services then up for consideration. It failed to provide detailed reasons either for its choice of outsourcing in these areas or for its rejection of alternatives.

SET's recommendations did violence to the results of the consultative process management itself initiated. Its approach reflects a dogmatic faith in the efficacy of outsourcing, uninformed by critical reappraisals of the strategy, unshakeable by evidence of empirical mistakes, and unyielding to the views of stakeholders. The recommendations amount to the unilateral restructuring of support services.

In place of such a risky restructuring initiative we propose that the university return to the range of options produced by the consultative process and arrive at solutions attuned to the array of problems facing support services. Where necessary the process may require additional research to revise costing models and address outstanding issues.

Moreover, the university should acknowledge that the problems it faces were generated over many years, and do not admit of 'quick-fix' solutions. This is not an invitation for inaction; rather our emphasis falls on the need for the humane transformation of work which depends upon the careful and sustainable building of managerial capacity. We believe that a consensual approach will generate better, more cost-effective policies that enjoy broad legitimacy.

PROCESS: THE ORIGINS OF THIS CRITIQUE

In late February, after Council approved SET's proposals to outsource, a group of academics came together informally to discuss Council's decision. We had assumed that management's recommendations to Council would faithfully incorporate the views repeatedly expressed in the consultative process. However, we were surprised when management overrode these views, and disappointed that Council endorsed management's unilateralism. Following Council's decision we decided to review the basis for the restructuring.

Most of us are associated with the Sociology of Work Unit, where our research and teaching focuses on the processes and effects of organisational change in South Africa. A number of us have done extensive research on outsourcing and on public service transformation in South Africa. Given this background, though we fully endorsed the need for change at Wits, we were sceptical that the university's plan would achieve its expressed goals.

In discussions with the campus leadership of ASAWU and NEHAWU we decided to conduct an assessment of the support services review to investigate the case for outsourcing and the justification for retrenchments. The assessment entailed a close reading of the various reports produced by the Support Services Review, the minutes of the Consultative Committee, and other documents submitted to Council.ⁱ As such the work amounts to a critical review based on an evaluation of the documents generated to date in the restructuring including those produced by the consultants hired by the university, as well as the minutes of consultative workshops with stakeholders. Given constraints of time and resources the critique does not include original research. Furthermore, despite our best efforts to obtain all relevant public documentation, some may have eluded our net.

Notwithstanding our doubts about the Council's decision, we approached our work with an open mind with the aim of making an independent assessment of the proposals. Our intention was to report our findings to our respective organisations and to the university community more generally. The work was undertaken during our own time: we were not operating under an organisational mandate, nor did the work constitute part of our official duties.

On 17 March we presented our initial findings to a meeting of Wits academics, called through the good offices of ASAWU to discuss staff concerns about the restructuring. The academics urged ASAWU to convene a general meeting to take the discussion forward. This meeting took place on 22 March and resolved to arrange an urgent discussion with the Chair of Council, Judge Edwin Cameron to seek permission to present a more comprehensive report to Council. When this discussion failed to materialise, Dr. Sheila Meintjes, an ASAWU member and a lecturer member of Council agreed to present the academics' concerns to that body.

At its next meeting on 31 March Council mandated Judge Cameron to chair a meeting including a group from the Senior Executive Team (SET), a representative of the University Management Associates (UMA) consultancy and our group to determine whether there were sufficient grounds in our report for convening a special meeting of Council to review the 25 February decision.

It is noteworthy that at the same meeting Council decided - at SET's request - to amend its earlier decision, implicitly acknowledging flaws in the restructuring plans with respect to the university vehicle fleet, SRC stores, and the retrenchment of certain categories of workers.

Our meeting with the Chairman of Council and representatives of SET and UMA took place on 11 April at which we presented a draft of this report. At the meeting we urged that the University reexamine the options arising from the review process; that the terms of mediation between parties be defined as a matter of urgency; that the restructuring of support services be halted while mediation is pending; and we made a formal request for information on procurement policy, model contracts, and the terms of references for tendering for service provision. We followed up this verbal request with a written request addressed to EXCO.

In the meeting on 11 April the following undertakings were made: that SET would provide the requested information; that management would respond in writing to our intervention; and that we would provide a final report. [As of the time of writing SET has not provided us with the information we requested both verbally and in writing.]

At the Council EXCO held on 12 April, SET produced an initial response to our document. This was followed on 19 April by a lengthier reply from UMA.

On 28 April Judge Cameron wrote to all members of Council to express his conclusion that the body's decision to restructure certain support services was the correct one, and to convey his decision not to convene a special meeting of Council. However, he pointed out that 'the University statute permits eight members of Council to let [him] know in writing that they desire such a meeting, in which case [he] will convene one'.

Discussion over the terms of reference for the mediation began on 13 April.

This report is the final product of our review of the university restructuring. It consists of four sections:

- an examination of the conceptualisation behind the restructuring;
- an interrogation of the quality of data, and the relationship between data and conclusions;
- a review of the decision-making process;
- an assessment of the implications of marketisation at Wits for its ability to overcome apartheid legacies in employment and the delivery of student services.

I. Framing Restructuring: How Issues Are Conceptualized

The first section of our report deals with the concepts deployed by SET and UMA in their efforts to restructure the university.

An important aspect of the reports, as well as the final recommendations made to the university, is the notion of introducing ‘service partnerships’, i.e. the outsourcing of several so-called ‘non-core’ functions. In the context of a projected budget deficit, the argument goes that the university’s scarce resources must be dedicated to its core activities. Outsourcing is seen as the most efficient way to achieve this goal: it allows the university to maintain - indeed to improve - services, reduce costs, while generating a surplus that may be redeployed to develop the ‘core business’. Since both UMA and SET accept that the university currently does not have the managerial capacity to restructure work internally, outsourcing is seen as the only viable option to address these deficiencies.

However, outsourcing is not the only option considered in the consultant’s reports. Internal restructuring, as well as management contracts and other options are also considered and costed. Consistently, the cost calculations generated by the consultants show that outsourcing will save more money than the other approaches. While the perceived cost savings are stressed as the most important criterion, the reasons for rejecting the alternatives include a lack of managerial capacity to restructure internally and the tendency for organisations to ‘revert’ to their old inefficient practices.

We think this formulation is flawed on each of its main points. We dispute the wisdom of making a strong analytical distinction between core and non-core activities. We question the cost effectiveness of outsourcing, and identify a range of additional costs of outsourcing generally ignored by SET and the UMA which may in fact reduce the estimated savings. Finally we question the basis for arguing against internal restructuring. As a consequence of these points we challenge the logic, wisdom, and feasibility of transferring resources from ‘non-core’ to ‘core’ activities on which the entire restructuring effort pivots.

CORE VS. NON-CORE

The first principle from which the restructuring flows is the apparently uncontroversial distinction between core and non-core business. This notion has its origins in the movement to unbundle large organisations such as multinational corporations, where it provides managers with the means to identify units that may be closed or sold. On first glance few would argue with the idea that an organisation should concentrate on and develop those functions closest to its main activity: universities should concentrate on teaching, and motor companies on building cars. It would of course be odd to suggest that universities ought to build their own vehicles, or that motor companies should open up their own university to provide their employees with higher degrees.

However beyond this truism the notion of ‘coreness’ encounters serious difficulties in practice. Similar kinds of organisations in the same country, let alone across countries, may come to different conclusions about their core activities, and indeed these may shift over time. The designation may have less to do with logic or even cost and more to do with arbitrary factors such as the political clout of a division within the organisation, the possible returns to be realised by selling off the division, or mere fashion. Moreover, the designation of a function as ‘non-core’ should not suggest that core management may be indifferent to its performance. It may be unwise for a car company to aspire to be a university, but many expend significant resources on high-level in-house training for their employees, on the assumption that they can do a better job of providing training for their own needs than can any external provider. The lesson is that to the extent that the excellent performance of a ‘non-core’ function is central to fulfilling the organisation’s core mission it may wish to exert direct control over the function by retaining it in-house. Core and non-core functions may be so interdependent as to blur any distinction and render the latter part of the core.

Even more problematic is the notion that the separation of core and non-core functions can serve as an unambiguous basis for deciding which functions to outsource and which to retain in-house. Decisions to outsource are generally not defined by what is core, but by what is *most suitable* to restructuring a particular aspect of the organisation. Suitability in turn depends on a range of factors: cost, a desire to bring in high-value expertise (even if the outsourcing is more expensive, particularly in management or IT), the availability of such services on the local market, and fashion.

Indeed, in the end, almost any function can be outsourced or retained in-house. The Lopez model of automobile production in Brazil has shown that a whole factory can be based on subcontracting relationships. At universities in OECD countries the highly sought after outsourcing arrangements focus less on labour-intensive areas such as cleaning and more on high-value added functions such as IT, libraries, legal, accounting, and HR offices, and even teaching itself. Some of these areas are core, some non-core, yet they are extremely attractive targets for outsourcing. There is no necessary relationship at all between core/non-core and outsourcing/insourcing. Simply designating something as ‘non-core’ does not provide a fitting basis for deciding to outsource.

While internationally the language of outsourcing supports notions of adding value and bringing in expertise, in South African experience research shows that it is generally relatively unskilled work that is outsourced. In a survey conducted by Andrew Levy and Associates blue collar workers comprised more than 90% of employees who were outsourced, while administrative staff accounted for nearly 8% and managers and executives for under 2%.ⁱⁱ In the South African context, ‘core’ and ‘non-core’ has more to do with class and the occupational division of labour - the distinction between administrative/managerial and manual labour - than it does with an honest appraisal of an organisation’s functional requirements. In this sense notions of ‘core business’ may be understood less as an aspect of good management and more as an ideological justification for cutting blue collar workers and especially for avoiding unions.ⁱⁱⁱ Given South Africa’s racial division of labour this approach to outsourcing has an unmistakable racial implication: black workers inordinately bear the brunt of the change.

Wits closely follows the more general South African pattern. The support services to be outsourced are labour intensive; they employ a preponderance of blue collar workers, most of whom are black. Plans for restructuring other support services have not been finalised. However, in the review

process outsourcing was not considered in the case of the libraries, and was an option only in certain areas of other services. These are overwhelmingly white collar in composition.

FRAMING OUTSOURCING

If outsourcing in South Africa is ultimately bound up with shedding labour (and especially unionised workers), attention needs to be focussed on the way in which the consultants frame the impact of outsourcing.

The reviews consistently argue that outsourcing promises ‘the most significant benefits in terms of cost, productivity and efficiency of operations, possibly resulting in substantial improvements in service levels and the cost of delivery’.^{iv} The reviews repeatedly stress that outsourced workers ‘could benefit from greater career opportunities, development/training and accreditation’. They assert that outsourcing has the potential ‘to achieve a degree of employment stability through contractor re-employing personnel’. The only disadvantages identified are: ‘human resources implications’, industrial relations concerns and limited existing contract management capacity.^v

There are several serious problems with the approach taken to outsourcing by the consultants. First, the costing models are incomplete and based on questionable assumptions on the nature of outsourcing arrangements. Second, it is problematic to assume that outsourcing can rectify a lack of managerial capacity. Finally, posing outsourcing as bringing career opportunities, employment stability (even if only ‘a degree’) and training is at variance with the facts.

UMA’s Understanding of Outsourcing

UMA has proffered an out-of-date view of outsourcing that neglects the latest critical assessments. Such criticisms have been expressed not only by labour, but come increasingly from academics and from the ranks of managers reflecting on their experiences with outsourcing.

While one can point to many cases of successful outsourcing, commentators are increasingly pointing to prominent failures. Foremost, and most recent, among these is the case of the University of Pennsylvania. In late 1997 Penn contracted with the Trammell Crow company which paid the University \$30 million (R210 million) to provide ‘the most extensive facilities-management contract then in existence between a major university and a commercial business’.^{vi} Earlier this year both parties agreed to tear up the contract when they determined that they could not provide the stipulated services at anything approaching a profit. Penn has now had to ‘re-insource’.

‘Dumb-sizing’ versus ‘smart-sourcing’

Significant time has passed since the outsourcing craze swept through corporate America in the 1980s. With hindsight, many analysts are identifying serious flaws in outsourcing strategies, and are urging caution in adopting them.

According to a study by Watson Wyatt Worldwide, a pension and profit sharing company, less than half the companies surveyed met their expense-reduction goals after downsizing. Less than one-third met profit objectives and only one-fifth enhanced shareholders' return-on-investment.^{vii} Similarly, a 1996 study sponsored by the American Management Association [AMA] found that fewer than half the firms that downsized since 1988 had increased their profits after layoffs while only one-third had reported an increase in productivity. According to the AMA, 'Downsizing thus begets more downsizing: two-thirds of firms that cut jobs do it again the next year'.^{viii}

The message is clear, outsourcing can tear the human and institutional fabric of organisations. According to Michael Useem, of the Wharton School, outsourcing 'tends to create confusion that destroys morale, damages customer relationships and undermines core competencies'.^{ix}

These results occur because management often aims just to reduce headcount rather than to figure out how they are going to move forward in the new environment, and tend to ignore 'survivors' (those who remain after retrenchment), assuming they will work harder when in fact many suffer a loss of morale and start looking for work elsewhere. The *Financial Times*, describes the typical management approach as 'dumbsizing'. Indeed, restructuring often brings on amnesic effects: *Management Today's* assessment is that such changes more often create

a forgetting, not a learning organisation as companies flattened their stock of experience along with the hierarchy and found they had outsourced the ability to make the wheel, let alone invent it.^x

Such short-sighted restructuring often undermines service delivery - one of the main reasons motivating outsourcing in the first place. Restructuring often leads to cuts in customer service. Kransdorff highlights a number of examples:

One unintended consequence of the BBC's reorganisation in the 1990s was that it no longer had a middle management capable of getting programs out if engineers went on strike. British Gas's reengineering torched its reputation for service. In the US Delta Airlines, which shrank its workforce by about a sixth in the mid-1990s 'forgot' that service was what gave it its edge and lost the loyalty of many customers. Nynex, a regional telephone group, found itself in similar straits after a restructuring similarly destroyed thousands of jobs; in April 1996 it was forced to pay customers a rebate.^{xi}

These problems damage relations with clients. According to Nitin Nohria, of the Harvard Business School, 'customer loyalty is based on their image as good corporate citizens, an image that has been tainted by the negative publicity downsizing generates'.^{xii} Sometimes the decline in service due to outsourcing can have deadly effects. In 1996 a ValueJet passenger plane crashed in the Florida Everglades, after the company had contracted out all maintenance and lost the ability to recognize its technical troubles.^{xiii}

In the face of these problems, 'outsourced' companies find that they must 're-insource' services, and tend to hire back former employees at enormous expense.^{xiv} Thus outsourcing and downsizing, in turn beget 'upsizing'.

There are attractive alternatives. According to Monitor, the international consultancy group, 90

percent of companies that outperformed their industry average over a ten-year period had 'stable' employment structures. They experienced 'no more than one reorganisation and no change (or an orderly change) in chief executive'.^{xv} This view of organisational change is echoed in a 1996 European Commission report on the competitiveness of European industry. The report underwent a significant revision in its attitude to 'flexibility'. According to the *Financial Times*, the report's initial drafts 'highlighted the benefits of making hiring and firing easier and warned that "a lack of labour flexibility could stifle companies' ability to respond to consumer demand"'. In subsequent versions, this approach changed to endorse 'the Pacific Basin approach to employment, and emphasised that a stable workforce can improve company competitiveness in the long run'.^{xvi}

In these re-assessments of outsourcing workers and their organisations are perceived as assets rather than costs, and companies benefit from retaining workers' skills and loyalty. In the words of Michael Earl, deputy principal of the London Business School, the most sensible approach is 'smart-sourcing', which attempts to balance efficiency with organisational effectiveness.^{xvii}

These views have been developed in South Africa by Frank Horwitz of the UCT Business School. He argues that 'there are ways of restructuring strategically and creatively, integrating organisational and individual goals...' Firms that pursue this approach,

involve employees and trade unions in finding co-operative solutions to reduce labour and other costs. Measures such as a reduced work week, flexible pay and working time, redesigning work, investment in multi-skilling, retraining and development are some. Cost-cutting, if strategically done, should be initiated from the bottom up as well as top down. Retrenchments should be a last resort.^{xviii}

Underestimating costs of outsourcing

These substantial criticisms seem to have eluded UMA. By ignoring these problematic dynamics, the consultants greatly overestimate the benefits of outsourcing. In particular they do not fully come to terms with four main issues: transaction costs, cost creep, coordination efficiencies, and loss of tacit skills and organisational memory.

Outsourcing entails not only running or production costs, but also *transaction costs*. These accrue from the moment a company begins considering outsourcing and continue through the actual management of a contract once it has been signed. Transaction costs include the time and money necessary to locate a viable vendor, to negotiate and write - and frequently amend - a contract; to monitor and enforce service levels once a contract is in place; and to provide parallel services should a contractor fail.^{xix} Transaction costs include high-level management and legal interventions as well as more mundane inspecting functions. They also include the costs of disputes - which might arise between the client and the contractor, and between the contractor and his employees - as well as costs arising from litigation.^{xx} Outsourcing could lead to disaster if an organisation is unable to assess the range of transaction costs to ascertain whether they are in fact saving money. Pathbreaking research in this area by Straub and Ang indicate that transaction costs should be given the *same emphasis* in outsourcing decisions as production costs. Failure to do so could reduce by half the projected savings.

A second factor that is not taken into account is the tendency for *cost creep* to take place in outsourcing arrangements. Often, after initially bidding for contracts, outsourcing agencies admit that the work is more complex than the minimum requirements. There may be a number of hidden costs that the client mistakenly assumed were included in the contract, but in fact were not. In an analysis of IT outsourcing, Lacity and Hirschheim

give the example of maintenance on personal computers, sales tax on equipment purchases, rewiring for office moves, etc., which can add up to several hundred of thousands, even millions, of dollars.^{xxi}

Cost creep usually leads either to more expensive outsourcing or to a cut in quality of service. Ironically costs may rise while service declines, the exact opposite of the goals of outsourcing. 'The literature,' according to Aubert et al., 'provides numerous examples of degrading service levels resulting from outsourcing'. They cite a major study indicating that outsourcing can result in almost three times the cost of internal services.^{xxii}

Cost creep may be a function of deception, though it is more likely to arise out of the impossibility of attaining sufficient information at the time of contracting. At Penn, both the University and the contractor discovered - after the contract was signed - that the relationship could not be profitable against the backlog of more than 25 years of deferred maintenance. Conservative estimates place the cost of necessary capital investment at between R1,4 to R2.1 *billion*, though the figure may in fact be much higher.^{xxiii} Though at Penn the contract was amicably dissolved, these same dynamics may cause costly contractual amendments and litigation. The possibilities of such disputes arising at Wits were repeatedly raised in the support services review workshops, acknowledged by the consultants, but were not incorporated into costing models.

The costing models ignore a third issue: *coordination efficiencies*. These occur when a firm is able to valorise the intelligence and energy of its employees to seek ways to diminish waste and increase both the efficiency and quality of production. The greatest gains in coordination efficiency come when managers and employees mobilise the firm's energies across a range of activities: 'positive spill-overs' enable learning in one area to be quickly transferred to improve other services. Such exchanges occur best in organisations characterised by high trust relationships among employees and between employees and managers.^{xxiv} A similar point is made by the American economist, Samuel Bowles in describing the productivity and profit advantages to be gained in the 'handshake economy'. Organisations are able to reduce significantly their monitoring costs - and gain competitive advantages - by relying on trust. Workers are more likely to cooperate with management in production where they are treated equitably and are able to share in the benefits generated by their hard work.^{xxv} By contrast, outsourcing diminishes trust, requires dramatic increases in monitoring costs, and therefore blocks learning across an organisation. Outsourced services are 'ring-fenced', rendering formerly integrated services into discrete entities. An organisation loses the benefits of coordination efficiencies, as communication is externalised, while transaction *inefficiencies* are multiplied. An inability to calculate the coordination inefficiencies arising from outsourcing leads to a serious underestimation of the cost of the exercise. Such calculations have not been made by the consultants.

Finally, the models ignore the costs to the university incurred by the loss of *tacit skills* and *organisational memory* [OM] caused by outsourcing. The concept tacit skills was developed furthest by

Jean Leger to identify the range of skills workers possess which are neither formally recognised nor remunerated, but which are nonetheless essential to production. This concept is of considerable importance in South Africa where black workers' real skills were formally disregarded, yet were essential to the smooth running of workplaces.^{xxvi} OM refers to workers' knowledge of the informal operations in any organisation, a capacity that is increasingly recognised as a crucial component in productivity. According to Kransdorff, organisational memory is 'intellectual property':

the accumulation of experiences and knowledge that is organisation-specific - and which cannot be rehired. It is also largely job-specific ... this includes the individual's understanding and accommodation of the employer's individual corporate culture, management, communications and decision-making style, contacts and relationships between employees or teams of employees, the detail of job-related events, and the knowledge of tried and tested usage as it applies to the organisation's own market circumstances and special environment - i.e., all the routines and processes (formal or otherwise) that make an organisation tick.^{xxvii}

OM is not a management possession, but is spread across different occupational levels. It is not something that can be preserved by retaining a number of senior managers after retrenching the bulk of the workforce in the hopes that the managers will hand 'it' over to the new outsource companies.

OM is a special instance of tacit skills, and both are at the heart of the coordination efficiencies described above, but it typically exists only in the minds of individuals. It cannot be objectified in conventional ways, for example, in a reified form such as an 'asset register' or 'plant related documentation' as suggested by UMA. The notion of 'transferring' OM is misplaced: this generally occurs through a slow process akin to socialisation or indoctrination, and is probably inconceivable in a low trust environment, such as that produced under outsourcing. Simply put, workers will generally be unwilling to share such embodied knowledge under conditions where they are insecure or poorly remunerated. Exploiting the 'knowledge in the "heads" of key people' has of course been a central concern in management theory at least back to Frederick Winslow Taylor. It is also a major source of struggle in capitalism as owners attempt to appropriate workers' knowledge. Leger's research locates disputes over tacit skills as a major cause of productivity problems in South African workplaces. Outsourced companies will be no better - and probably a great deal worse - than other enterprises in performing this conjuring feat.

The risks for Wits posed by the possible loss of tacit skills and organisational memory are clear, though these costs are scarcely acknowledged by the consultants nor by SET, let alone calculated. Relevant examples - which should be cause for concern - are provided in the review of maintenance operations. West Campus, when it was taken over from the Witwatersrand Agricultural Showgrounds, had no record of its underground services. The review states that 'Opinions expressed that this incurred major additional costs and that it was critical that all construction/alterations should be handled by Estates and Buildings'.^{xxviii} Of course this will be considerably more difficult in an outsourced arrangement. These points are reiterated elsewhere in the document: engineering drawings and supporting documentation are not up-to-date; process improvements are not documented; there is too much knowledge in the 'heads' of key people.^{xxix}

When taking the above issues into account, the costing models used to compare the different approaches to restructuring are fundamentally flawed, and of questionable value for making effective

comparisons between alternatives. If management chooses to assert that these issues will not alter the magnitude of savings to be gained by outsourcing, it is incumbent upon them to demonstrate this claim empirically.

Managing outsourcing

Both UMA and SET have argued that Wits must embark on outsourcing as it lacks internal management capacity either to achieve or sustain effective internal restructuring. At times the lack of management capacity is acknowledged as a constraint on outsourcing, though never to the extent that it leads to the rejection of the option. However, considerable evidence shows that it is unwise to embark on outsourcing as an antidote to poor managerial capacity. An Australian parliamentary report on outsourcing in their public service states the problem well:

Unless an agency has an efficient in-house system operating it will not have the necessary grasp of the services it requires and the costs involved. Without this information the agency will not be in a position to initiate a responsible market testing or tendering process.^{xxx}

To 'do' outsourcing well requires a considerable investment of time, money and expertise, the report argues. Outsourcing is not 'a panacea nor a convenient "quick fix" for a failing in-house system'. Existing services must be at a high level of efficiency so that they can develop a clear grasp of the services they require and of their costs *before* they can proceed to the market. An organisation that lacks these attributes will be unable to assess adequately its needs or the tenders it receives. A senior manager discussing an outsourcing exercise in the Australian Customs Service put it succinctly: '[If a] department does not have a good handle on its costs ... that is an indicator for not going to an outsourcing position until you [do]'.^{xxxi}

In virtually identical words, the Commonwealth Higher Education Management Service endorses this view in a survey on university outsourcing. "Contracting out,' the influential CHEMS report concludes, quoting one of its respondents,

is not necessarily a panacea. Getting the in-house service right might be a better option and is probably a requisite for market testing anyway." On this point ... the very act of inviting external contractors to tender should help in getting the in-house service right, as it has the effect of sharpening internal performance and removing barriers to efficiency'.^{xxxii}

The reports written by UMA and endorsed by SET show a profound lack of familiarity with this insight, notwithstanding that SET has repeatedly cited the very same CHEMS report on the virtues of outsourcing. Though both SET and UMA acknowledge that Wits lacks management capacity, such awareness does not alter their enthusiasm for the option. It is noted in the review of Catering that food service had been outsourced at the Business School. However, 'the Dean [of Management] was not very satisfied with the service' but felt obliged to renew the contract until 2001 due to the disruptions caused by building operations.^{xxxiii} UMA conceded the Dean's point, but pointing to other universities, argued the 'critical key to success was to manage the contract effectively to ensure good service and to control prices'. Weak management forms a substantial part of the criticism of

other options, including internal restructuring. Yet, neither UMA nor SET have explained how Wits would be able to manage an outsourced company given that the very rationale for outsourcing was the lack of management capacity in the first place, and given the apparent problems of dedicating scarce resources to 'non-core' activities.

Many writers have emphasised that if management gets its internal capacity right, the advantages of outsourcing quickly diminish. A restructured management can take advantage of many of the same tricks as outsource companies: using their size to bargain for better deals from suppliers; using university facilities to provide services to the community through tendering for outside contracts as part of an income generation scheme. Moreover, internal managers would then be in a far stronger position to valorise employees' loyalty, tacit skills, and OM, and take advantage of the coordination efficiencies of the enterprise while avoiding almost entirely the transaction costs accompanying outsourcing.

'Career opportunities' ? The impact on jobs

As described above UMA in the support services reviews and SET in both Council and ConCom documents have posed outsourcing as bringing 'career opportunities', 'employment stability' (even if only 'a degree'), training and accreditation.

However, outsourced companies are not the most reliable means for creating employment of any kind, let alone stable employment. In this respect they share all the defaults of small, micro and medium enterprises (SMMEs), which are notoriously unstable organisations. Their shortcomings stem not only from a lack of management capacity but from undercapitalization caused by financial institutions' hostility towards the sector. These difficulties are exacerbated by structural problems in the South African economy, such as the control over the economy exercised by conglomerates (which foster uncompetitive trading and pricing practices) as well as inadequate infrastructure.^{xxxiv} A former banker who now consults for SMMEs estimates their failure rate to be between 70% and 80%.^{xxxv} The World Bank's Brian Levy, who has conducted extensive research in the area, is extremely wary of optimistic claims for employment generation through SMMEs in the absence of structural changes to the South African economy.

But even if outsourced companies - whether SMMEs or larger entities such as the major cleaning and catering companies - do create jobs, their workers' conditions are far from stable. The UMA reports concede that wages and other conditions of employment will be considerably lower in outsourced companies. However, in the review process they were unable to respond to the trade unions' queries regarding job security. In the review of Grounds, Meshawu asked whether 'the trend in the industry was to work for shorter periods for less money (implying a less stable workforce)?' It was 'noted that UMA did not have this information'.^{xxxvi} One would think that this information would have been crucial in establishing whether outsourcing in fact brought a measure of employment stability, yet it appears that UMA did not provide such data in subsequent meetings.

Part of the point of moving to outsourcing is to weaken contracts of employment and shift the balance of power between the employer and employee. This relationship not only strengthens management's position in wage bargaining, but also makes it easier to dismiss workers, or simply to avoid rehiring them when their contracts expire. In the words of one labour broker,

They don't have to hire and fire. They don't have to establish if the guy is good or not They also don't have the headaches with the industrial council and all the other bits and pieces that are involved, which is all very costly.^{xxxvii}

Workers' weakened bargaining position contributes to their poverty. A recent government report on poverty analysed the manner in which South Africa's segmented labour market affects poor people. In the formal sector,

The primary labour market is regulated and characterised by higher wages and skills requirements, an organised workforce and opportunities for upward mobility. Secondary labour markets are less regulated, the workers have lower skill levels and are paid less, and opportunities for further training and upward mobility are limited.^{xxxviii}

If labour rights and trade union membership are a safeguard against poverty, the weakening of these conditions under outsourcing promotes the opposite. Indeed, this appears to be the rationale for outsourcing in the first place and the basis of such companies' competitive advantage: lower labour costs. It is difficult to understand how workers would acquire 'career opportunities', 'training' and 'accreditation' under such a system. Wits' outsourcing plan would have the effect of moving many of its employees from secure primary labour market positions into the secondary labour market, with all of its attendant consequences in terms of poverty.

To describe such relationships as creating a degree of employment stability frankly strains credulity, and is the product of either ignorance or sophistry. Such language reminds us of 'apartheid speak' where the Extension of Universities Act in fact described a process of restricting black people's access to the 'liberal' universities.

But our critique is not lodged merely at the level of rhetoric. There are worrying signs of a deeper hostility towards organised labour on the part of both SET and UMA. (See below)

FRAMING ALTERNATIVES

If the support services review appears to present a one-sided picture of outsourcing, this image is bolstered by the treatment given to alternatives. UMA presented a number of models to each of the review committees. These ranged from retaining the status quo, to internal restructuring, to a host of options between internal restructuring and outsourcing. They included, among others, 'framework autonomy', management contracts, joint ventures, and management buy-outs.

In various ways consideration of these options was forestalled through UMA interventions, though some of the stakeholders did not accept the consultants' views. One example will suffice. In the review of Grounds, the internal restructuring is described as having:

High longer term risk of failure due to inadequate change occurring to achieve goals; Risk of increased IR conflicts over time; Danger that improvements will not be sustained over the long term, ⇒ slip back to old habits; ⇒ lack of senior

management attention (non-core business).^{xxxix}

These statements are problematic, and we will deal with each in turn.

- The same argument appears virtually verbatim in each of the final reports considered by Council in February, and was treated by UMA and SET as an adequate explanation for the inappropriateness of internal restructuring. Indeed, the argument is literally lifted in a ‘cut and paste’ fashion from one document to the next, as if the consultants were too busy to come up with original wording. In the Building Care, Maintenance, and Grounds reports UMA’s ‘cut and paste’ job was so mechanical that they not only copied the same phrase, but repeat the same spelling mistake.^{xl}

Rather than ruling out internal restructuring by way of a careful consideration of the circumstances in each area, the consultants dismiss the option based on an *a priori* argument. They never provide detailed reasons why the option is impossible in support services such as catering, nor for their acceptance that support services such as the library, personnel, finance, or student affairs are indeed amenable to internal restructuring. Based on their ‘theory’ all organisations should ‘slip back to old habits’; no reason is given for why this rule applies in some areas and not others.

The ‘reversion thesis’ is problematic on many counts. It ignores the evidence provided by many participants in the review process who pointed to impressive developments in management sophistication in recent years, including in catering and in residential life. These developments, though acknowledged by the consultants, did not dent their enthusiasm for outsourcing. Moreover, the ‘risk of failure due to inadequate change’ and the possibility of reversion are perspectives unsupported by evidence. On more than one occasion the reports refer to the ‘the consultant’s view regarding constraints on the likely extent of change materialising from this option’.^{xli} This same formula was repeated in most of the other documents, where the consultants’ ‘experience’ is privileged.

On such an important point as weighing the relative merits of different restructuring options - on which hinge the future of the institution and the fate of hundreds of workers - the University ought to rely on more than the consultants’ opinions, particularly as these are not substantiated by any evidence or references. Without requiring too high an evidentiary standard it would have been worthwhile for the committees to have received independent reports on the effectiveness of restructuring options implemented elsewhere. In the absence of such information the decision is based on little more than an argument from opinion rather than from evidence. These are insufficient grounds to come to an adequate appraisal of the appropriateness of the different options.

The implications of the ‘reversion thesis’ are profound. The assertion that organisations are inherently tainted by their past - that people and organisations cannot change - reflects a certain cynicism about the University’s ‘core mission’.

- The ‘lack of senior management attention (non-core business)’ would seem to mitigate against both internal restructuring and outsourcing, given the need for multi-level

monitoring, administration and enforcement of any outsource contract.

Finally, the ‘risk of increased IR conflicts over time’ is similarly unexplained. There is no inherent reason why an internally restructured Wits would be any more or less conflictual than an outsourced Wits. Unless one views the continuation of recognition agreements, with their procedural and substantive rights, as themselves a source of IR conflict, this statement makes no sense. Moreover, universities that have outsourced have experienced a number of labour disputes, most recently in the strikes at UCT by cleaning and catering workers employed by prominent outsource companies.

MANAGEMENT AND LABOUR RIGHTS

The UMA’s invocation of the spectre of IR conflicts raises a major point. As we argue in section I, outsource companies derive a considerable degree of their competitive advantage from union avoidance. Yet some institutions have refused to acquiesce in the unacceptable labour practices promoted by many outsource companies. The University of Pennsylvania, for example, has resolved that

We will enter outsourcing arrangements only with organizations with world-class reputations and progressive human resources practices.^{xlii}

It is reasonable to expect Wits University to emulate such an example.

However, when we met with management and UMA, we raised this very point, and asked whether the University would be willing to make such a commitment. We did not receive a reply. When we then enquired about the University’s commitment to the provision of formal labour rights and standards in their outsourcing contracts, we were told by the Chairman of Council that such rights ‘were implicit’. As noted in the introduction to this document, our formal request for tendering documents has not been honoured.

Nonetheless, we have located what appears to be a draft management services contract that sheds some light on SET’s and UMA’s thinking with regard to labour rights. Section 43 reads as follows:

The MC [Management Contractor] shall discourage its employees from participating in any industrial action. In the event that the MC’s employees are guilty of participating in industrial action, the MC shall control its personnel, restore order or, if requested by the Client, remove them from the Client’s premises’.^{xliii}

If this document and the offending statement are not reflective of University policy, Council should distance itself from the sentiments. If the document is authentic, then there is cause for concern. The rather bizarre phrase, ‘guilty of participating in industrial action’ appears to criminalise a constitutionally protected right. Moreover, the section ignores the very real possibility that the MC may be the cause of the problem: hardly the person upon whom the University should rely to ‘restore order’ in the heat of a dispute. The proposition reflects an obtuse approach to the dynamics of labour relations in this country, where considerable experience and research has demonstrated

that denying workers' rights to industrial action intensifies conflict.^{xliv} Upon whom will the MC rely to 'restore order'? The South African Police Service? A private security firm? The implications are highly disturbing.

Though the document does not carry an author's name, it does include a cover letter inviting tenders for the supply of management services to Wits. The letter requests that those wishing to tender return their application to Room 9009, Senate House, the office of University Management Associates. Perhaps the offending clause is in fact accepted by SET, however we find it difficult to square such sentiments with the Chairman of Council's comment that labour rights were 'implicit' in the tendering documents. These are in fact anti-labour clauses and are part of a document that appears to have been transported to Wits from a different context. The last page of the document contains as an appendix an 'Occupational Health and Safety Contract,' under the header 'University of Pretoria, Division of Risk Management'. The document illustrates once again the consultants' penchant for transplanting inappropriate models to the Wits context, rather than developing solutions suited to our specific needs.

The descriptions of advantages and disadvantages of outsourcing and internal restructuring are thus arbitrary, unexplained, and tendentious. They contain ideas that many at Wits would not consider worthy of the institution's mission statement.

II. Data, Sources, and Logic of Conclusions

The reports display a number of anomalies with respect to the consultants' use of comparisons, sources of data, and the logic of the conclusions drawn from the evidence presented in the support service review documents. The errors are systematic and point in the same direction: encouraging the outsourcing option and discouraging consideration of other possibilities, especially internal restructuring.

BASES FOR COMPARISON

The starting point for any set of comparisons is establishing a baseline. In short, to whom is Wits compared and on what basis?

The reports shift repeatedly between different bases for comparison. At various points Wits is compared to an 'industry average', the source of which is never fully explained. At others it is compared to particular companies, who apparently provided estimates of costs for providing different services, though the basis for these estimates is not provided. At others Wits is compared to other universities and to something called 'semi-government'.

The basis for comparison is sometimes obscure, and constantly shifting. To an extent this could be caused by shortcomings with respect to data. On the other hand, the reasons for choosing one set of comparisons over another are not always clear. In instances where Wits' performance is dramatically worse than rival universities, for example in the case of outsourced catering, this comparison is stressed. At other points, where Wits' performance is essentially consistent with other universities, the comparison is not developed.

At another level, it is not always clear whether the comparisons are assessing the same thing. For example, are comparisons evaluating equal quality? One example will suffice, though others could be provided. The discussion of quality with respect to maintenance of Sports Administration's grounds received considerable attention. The Head of Sports Administration asked whether the

comparative figure for industry would be for maintenance of equal quality. Suggested that UMA should obtain benchmark indicators from other Universities on costs of intensive maintenance of sports fields to a high standard.^{xlv}

There was general agreement in the meeting that the maintenance of the sports fields was indeed of a high standard. Meshawu queried the wisdom of outsourcing the sports grounds, including the cricket pitches. UMA gave an example of an outsourced company that conducted such services for other universities, though it provided no evidence for whether the companies could provide a service

equivalent to that prevailing at Wits. When Meshawu asked for details of the salaries and benefits paid by this particular company, UMA 'expressed the opinion that it was probably in the region of R2000 to R2500 per month, including medical benefits'.^{xlvi} It is notable that this figure is approximately twice the industry norms of R1000 to R1300 per month used by UMA in calculating private sector personnel costs.^{xlvii} By UMA's figures, maintenance of sports grounds - even in an outsourced environment - costs twice the 'industry average'. Despite this acknowledgment, UMA did not revise its total cost estimates for Grounds. Nor did it question whether the 'industry average' reflected the true labour cost for maintaining other areas of support services at a given level of quality.

As will be shown below, similar problems bedevil estimates of productivity and cost effectiveness in other areas.

COST CALCULATIONS

There are a number of problems with the way UMA uses evidence generated in the review committees in their calculations of costs.

For example, in the Building Care review, it was noted that metre squared costs for the industry do not include the cost of uniforms and cleaning materials, while the Wits costs include these. By a rough estimate these additional items should either increase the cost of outsourcing or decrease the estimates of the labour cost of internal restructuring by approximately 12%. But it does not appear as if this observation led to a revision of the estimates. Moreover, there were repeated comments that the spatial calculations were grossly inadequate, yet no serious attempt appears to have been made to remedy the problem, notwithstanding that these calculations were central to the estimates of productivity in Building Care and Grounds.

Similarly, the UMA presentation identifies that cleaners at Wits perform diverse and non-standard tasks that are not normally performed by outsourced cleaners:

- perform additional tasks to normal cleaning
- preparation of venues for approximately 90-150 functions and events
- hiring of venues to external clients results in additional cleaning (205 venues for 1999)
- manage bulk cleaning stores.

Moreover, they identify that infrastructure is poor and has had an impact on work in the form of old plumbing prone to pipe bursts and floor surfaces that require labour intensive effort.^{xlviii} The university experiences high levels of littering and abuse of facilities; very high traffic and use of facilities by outside users (such as Star Schools); frequent and unscheduled calls for emergency work in high profile areas; having to clean outside designated areas that cannot be handled by departmental cleaners; inferior equipment and chemicals.

Finally, it was observed in the committees, as well as in the Council meeting of 25 February that cleaners do far more than clean. They perform a valuable security function, and play an extremely important role participating in the primary socialisation of new students to the university.

For all these reasons the review committees established that Wits' cleaning needs are more complicated - and more expensive - than the original estimates assumed. Yet it does not appear that these observations were taken into account when calculating costs. For example, reservations were expressed about the figures on which cost efficiencies were based, and it was noted that additional factors relating to the cost comparison would be taken into account. However, in the follow-up workshop, 'revised figures' are presented, but all remain the same except a minor change in department expenditure figures.

When the stakeholders asked how the outsourced company would respond to the *specific* needs at Wits, UMA responded that these details

would have to be specified in the contract or come to some arrangement, or possibly to retain a small internal team on site to have available on call. Noted the opinions expressed that this would be an additional cost and there would have to be someone to manage it.^{xlix}

We would assume that such conditions would indeed be 'specified in the contract', but this response from UMA misses the point, which is whether outsourcing will produce cost-effective cleaning. There are two logical possibilities once these additional quantitative and qualitative aspects of work are taken into account. Either outsourcing will cost more than the estimates assert, or the outsourced company will provide a lesser service at the stated cost.

This is where 'cost creep' comes to the fore: retaining a 'small internal team' (the question of how 'small' is never addressed) 'on call' will no doubt cost rather more than the 'industry average'. So, too, will the task of improving cleanliness at Wits, without increased capital expenditure, given the acknowledged difficulties of crumbling infrastructure, including poor surfaces and physically decayed ablution facilities. Finally, it is unlikely that an outsourced company will provide the range of *tacit* services now being performed by cleaners, particularly those related to security and assisting students. At this very basic level the consultants did not take into account in their calculations the range of costs we identified in section I above. The consultants' lack of attention to these matters increases the chances that rather than achieving better services at lower costs outsourcing will result in one or the other, but not both. It is also possible that outsourcing will lead to the phenomenon identified by Aubert et al.: rising costs *alongside* degrading services.

If these factors lead UMA to overstate the savings to be had from outsourcing, other factors cause them to underestimate the savings to be gained from internal restructuring.

- First, UMA's cost calculation for internal restructuring focuses almost exclusively on the rapid reduction in labour force; in most cases they assume an 8% decline in numbers. Alternative proposals - such as the one from the staff in the Office of Residence Life - never received sufficient consideration. This proposal sought a phased process of 'rightsizing' which identified considerably more room for labour force reductions. Given the age profile of the workforce the possibility existed for extensive early retirement; when combined with voluntary severance packages the proposal could have yielded substantial savings.
- Second, UMA never modelled possibilities for short-time, wage moderation or other 'give

backs’ that could - in a crisis - preserve jobs and achieve cost savings. This option - especially when combined with ‘right-sizing’ could have produced innovative solutions.

- Third, UMA paid little attention to the option of a ‘joint venture’ in which workers become co-shareholders with the University in a new entity staffed by outside managers ‘contracted in’ for the purpose. In such a setting short-term wage reductions would be offset by long-term gains in the form of profit-sharing. This holds out the possibility of a ‘high-trust’ environment which would decrease monitoring costs and generate the coordination efficiencies identified in section I.
- Fourth, and most surprisingly, UMA neglects entirely the savings to be realised through internal restructuring itself. Surely the restructured entity should enjoy dramatically reduced operating costs as compared to the ‘status quo’? Yet UMA’s cost calculations show negligible reductions in this area.
- Finally, UMA ignores the possibility that the restructured internal entities could provide services to the Wits community via tendering as part of an income generation program.

These options echo the argument by Frank Horwitz identified in section I above: the possibility of strategic and creative restructuring in which employees and unions are involved ‘in finding co-operative solutions to reduce labour and other costs’. UMA and SET preempt this possibility.

Thus the consultants’ cost comparisons consistently overstate savings from outsourcing and underestimate those arising from internal restructuring, as the following table summarises:

Factors increasing the savings from internal restructuring	Factors decreasing the savings from outsourcing
Possibility of further staff reductions through phased ‘right-sizing’	Transaction costs
Wage moderation and ‘give backs’ in exchange for share ownership	Cost creep
Reductions in operating costs as internal restructuring yields efficiencies	Coordination inefficiencies
Possibility of internally restructured units tendering for external contracts as part of income generation campaign	Loss of organisational memory
	Loss of tacit skills

If the consultants assume that accounting for these different issues will not affect the magnitude of savings yielded by outsourcing or the costs of internal restructuring, it is incumbent upon them to demonstrate this empirically.

DRAWING CONCLUSIONS FROM CLIENTS' OPINIONS

Surveys

All of the review reports contain information about clients' opinions on the different services. Major methodological criticisms have already been raised about these matters by participants in the review committees, especially by Mr. Noam Pines, the acting president of ASAWU.¹ In particular he has identified serious problems in sampling and in the manipulation of data derived from the surveys, which were indeed raised by many of the stakeholders in the review committees.

Here we point to additional problems. Though the final reports do not include copies of the actual survey instruments, we have been informed by UMA that they constructed a 5-point scale for assessing 'clients' views on the services, ranging from:

5	excellent
4	good
3	doubtful/dubious
2	unsatisfactory
1	bad

Our first point is that the scale deviates from normal survey practice in that the middle value is not a neutral or an average possibility. Indeed respondents are given three 'negative' and two 'positive' options.

Second, an option of 'doubtful/dubious' presents an additional problem. 'Doubtful' and 'dubious' may be interpreted by a respondent as having doubts about one's answer: that the respondent may in fact be uncertain about his or her feelings regarding the service. 'Dubious' can also convey a distinctly negative meaning. Given the double-barrelled nature of the option, it is impossible to interpret which option the respondent has chosen. But it is clear that neither word allows for the possibility of the respondent saying he or she is neutral about the quality of service.

Third, when converting the results of the surveys into bar charts in the review reports, UMA departed from their own 5-point scale to use instead a 6-point scale. It is not clear from the bar charts what is meant by a response of '0' since it was not offered in the surveys, where '1' was the lowest score.

These problems should invalidate *any* claims made on the basis of UMA's survey research. However, if one gives the research the benefit of the doubt and interprets it at face value, a number of additional problems arise.

UMA conveys clients' views on the quality of service in their 'Summary of Survey Results'.ⁱⁱ They report the results of their survey on dimensions of Building Care, and interpret the findings. We summarise their material in the following table:

Item	Academics' responses	UMA's interpretation of academics' responses
Quality of service	Slightly below 2.5	Sub-standard
Service orientation	Slightly below 2.5	Below average
Timeliness of service delivery	2.5	Average
Responsiveness of service delivery	Between 2.5 and 3.0	Slightly above average
Supply of furniture	Between 3.0 and 3.5	Average
Supply of consumables	3.0	Average
Cleaning of facilities	Slightly below 2.5	Sub-standard

UMA is here using 2.5 as an average response, even though on their own 5-point scale this would fall halfway between 'dubious' and 'unsatisfactory', and did not provide respondents with 'average' as an option. Moreover, under one item a response between 2.5 and 3.0 is 'slightly above average' while on another a response between 3.0 and 3.5 is merely 'average'. UMA never reports an aggregate figure that conveys academics' overall view on Building Care across these different items.

Nor does UMA provide a written summary of the students' responses, which consistently ranged from 3.0 to nearly 4.0 on the same items. They merely note that students' perceptions were 'generally acceptable', though on the standard UMA employs, these were in fact considerably more positive than UMA's conclusion admits.

Nonetheless, UMA draws the conclusion that Wits has 'marginal to low levels of client satisfaction'.^{lii} This runs against their own charts and summarised conclusions which show that the academics' responses range from 'below average' to 'average' to 'slightly above average', while the students' responses are consistently well above the average UMA employs.

In addition to these problematic conclusions, neither UMA nor SET ever ask what might account for the difference in perceptions between students and staff. If a major reason for restructuring Wits is to attract more students, their perceptions should have been accorded at least equal weight with those of academics. The report never explains why the academics' responses are privileged.^{liii}

This sloppiness makes it extremely difficult to make any sense whatsoever out of the surveys. Yet, representatives of SET had little hesitation using these problematic results in the ConCom process to justify outsourcing. They specifically referred to survey results from Building Care to build an argument that students are not coming to Wits because they are unhappy with the levels of cleanliness. Notwithstanding that their argument is based on shoddy work, their claim flies in the face of students' *positive* responses towards Building Care as reported by UMA.

Manipulating experts' reports

Two cleaning experts' assessments were commissioned for the Building Care review. One was extremely negative, and this is presented in full detail in the minutes. The second presented more mixed results, which are in fact misrepresented: the minutes emphasize only the negative findings. The research found 'unsatisfactory results' in two areas and 'severe conditions' in four areas. Yet the minutes conclude that 'it was noted that most of the abluion areas tested had been satisfactory in terms of bacteria counts but not in terms of general cleanliness'.

In fact the inspection results show: that in eight of eighteen locations tested the results were 'good' and in a further four they were 'satisfactory', while in two the results were unsatisfactory and in four 'severe'. Only these latter entered into the minutes. A better reflection of the results would be that 'two-thirds of the abluion areas tested had been good to satisfactory'.

The reporting emphasises the negative and understates the positive. It misses the unevenness of the results and imposes a conclusion not fully supported by the evidence. The interpretations simplify the results, and push them in a negative direction.

Assessing productivity and costs

The report for Building Care emphasises that the 'Costs of services too high,' that 'building care operational practices do not sufficiently follow the industry trends, standards and best practices' and that the section displays 'low cost efficiency relative to market norms'.

UMA bases these assessments on calculations in terms of metres squared per person, and against an industry average. It should be stressed that the figures do not reflect the admittedly more complicated tasks performed by Wits workers, noted above, nor that the costs for the industry do not include uniforms or materials. Nor does the assessment acknowledge the problematic figures for square metres to be cleaned, a point repeatedly stressed by the participants in the review committees.

Nonetheless UMA's figures show vastly uneven results for Wits cleaning, varying between Medical School and Building Care on the one side and Business School, Residences and P&DM on the other. Assuming an industry norm between 1200 and 1500 metres squared per person:

- Building Care is well within the industry norms for productivity (close to 1300 m²); Medical School is well above industry norm (more than 1600 m²).
- Business School is dramatically below the norm, approximately 1/6th, while P&DM (which is partially outsourced!) is approximately half the industry norm.

Two points arise. First, the unevenness - which is not noted - indicates that significant areas of Building Care are able to provide services at better than the 'industry average'. Second, no attempt is made to reconcile the productivity figures with a second chart on for cost efficiency: here the industry norm is identified at R16 per metre square, and on this scale, both Medical School and

Building Care are above the norm. Clearly the two measures of cost and productivity need to be combined. Finally, the basis for calculating productivity should take into account the quality or intensity of service: how many times are areas cleaned and to what standard? Without these elements, productivity and cost figures obscure the real nature and value of the work performed.

The general trend across these three areas is that the reports make errors in aggregating and labelling data. Not only do they eliminate important variations in performance across Wits, but the averaging also leads UMA to draw improper conclusions when summarising data.

These mistakes all run in the same direction: towards denigrating Wits service, and increasing the assessment of Wits' cost structure, both of which are used to favour the outsourcing option.

These problems were identified throughout the review process, and were clearly expressed by Noam Pines in December 1999 in a letter to the Chairman of Council. According to Pines,

the reviews themselves were, in instances, varyingly methodologically deficient, flawed, and inadequate. The organization of material and the formulation of reports themselves reflect a concern for economy of effort rather than for the production of sustained integrated analyses in which inputs, findings, and data are directly and systematically related to recommendations. This occasions considerable anxiety. The review of *Library services* in particular evoked strong critical comment [emphasis in original].^{liv}

We find ourselves in complete agreement with Mr. Pines' assessment that '*the institution has been short-changed by this shortcut economy-driven to the critical demand for greater professionalism and rigour*' [emphasis in original].^{lv}

The problems are clearly not confined to one or two areas. As the same methods were employed across the support services reviews, they systematically produce the same errors in each document. An expression from the field of computer science concisely captures the problem: 'garbage in, garbage out'.

III. Review Process: 'Pseudo Participation' and Unilateral Restructuring

The support services review prioritised consultation with key stakeholders, and indeed considerable energy was expended by all parties in this regard. However, persistent complaints by many stakeholders that the outcome was pre-determined hold merit in the light of the conclusions UMA drew in November and SET's recommendations to Council in February. These lend support to the view that the consultation process amounted to what the political theorist, Carole Pateman calls 'pseudo participation': a persuasive technique that uses the appearance of participation to persuade employees to accept management's pre-determined result.^{lvi}

'OPEN-ENDED OUTCOME'?

At the initial review meeting for Building Care in May 1999, the participants were told that the committee would assess and debate the findings of UMA and identify key options to recommend for further investigation'. The workshop participants 'would have the opportunity of debating the merits of the key options and progress towards the formulation of recommendations'. At this meeting:

An opinion was expressed implying that the outcome of the review was a foregone conclusion and that the statement that the University's buildings and environment were in poor condition was an indication that the University had decided that 'Maintenance must go'. The Chairperson [Andre de Wet] gave an assurance that the review was a very transparent process with an open-ended outcome. The main objective was to identify areas where things could be done better, resources used more effectively and to ensure that the infrastructure was in good shape within cost-effective means.^{lvii}

The review committees in fact embarked on a time-consuming and complicated evaluation of options. This was based on the assessment of each option against six weighted criteria: service level, cost, managerial capacity, compatibility with Wits restructuring, risk, and human resources impact. After careful deliberation, the participants produced a numerical rating of the different possibilities.

Many of the review processes in fact emphasised the value of options other than outsourcing. This was true in Building Care where internal restructuring was given the highest rating in the evaluation of options. This was also the case in Catering, where at least three possibilities were identified for different areas of the service. In Grounds, the review committee decided that sports fields should be maintained in-house.

Evading Consultation: Overriding the Stakeholders

Though many alternatives were advanced by the review process, the options were dropped from UMA's final report and the subsequent recommendations by SET. Indeed, unless members of Council or the public read through the lengthy and difficult-to-decipher support services reviews they would have little inkling that any alternatives were presented by stakeholders and endorsed by the review committees. These were systematically leached from the reports as ever more general documents identifying recommendations were developed, first by UMA and then by SET.

There were indeed many barriers to understanding the support services review. Single copies of the full reports were available in Wartenweiler Library. When we visited, however, the librarians had not heard of the reports and were unable to locate them. The documents themselves are difficult to understand. Each contains a summary from the review committee chairperson, followed by a series of annexures comprising the consultants' overhead transparencies, minutes of meetings, and some correspondence to the committee, bound together in rough date order. However, the reports lack proper pagination, a detailed table of contents, index, cross-referencing, or any other apparatus that would assist the reader in making sense of the material. Each report is lengthy, and together they number many hundreds of pages: wading through the poorly organised material is a daunting task for even the most intrepid reader.

Moreover, the full reports are not available on the University's website: the internet versions of the documents contain only the committee's final report, which prevents a reader from making an adequate assessment as evidence of debates is largely missing. From the vantage point of these final reports - and the further refinements in UMA's recommendations to SET and then SET's formal recommendations to Council - the review process appears relatively seamless and transparent, and the adoption of outsourcing essentially consensual.

Many of these points about the documents' unreadability were made by Noam Pines in the correspondence referred to above. But his concerns were dismissed by management who criticised him for adopting an 'academic' standard of presentation inappropriate when assessing management documents. They claimed that the reports

were not expected to comply with conventions applicable to academic reports in the form of, for example, cross referencing and pagination. We find that the documents generally meet the standards associated with management reports.^{lviii}

This same formulation has been repeated by the most senior members of the University's management team. The claim speaks volumes about SET's appreciation of the University's 'core business': if academic standards are inappropriate for discussing the University's own future - where hundreds of jobs and millions of rands are at stake - in which instances would SET believe such standards have any relevance at all? We are skeptical that even private sector managers would accept such jumbled documents as the basis for making any decision.

We would argue that the barriers laid in a reader's path amount to a rhetorical strategy that impedes a full understanding of the process and its outcomes. Whether this was a deliberate strategy on the part of UMA is irrelevant: the effect - rather than the authors' intentions - is what counts.

Eliminating Alternatives: The Power of Editing

One of the clearest examples of the way UMA and SET overrode the results of their own review process was in the case of Grounds and the Wits sports fields. 'During the Review Committee proceedings,' the consultants wrote,

positive perceptions regarding the internal maintenance of sports fields at Wits came to light. It was also pointed out that specialist tasks such as the maintenance of cricket pitches would best be undertaken internally. UMA's view is that the service partnership route should be followed for all of the grounds maintenance, including the maintenance of sports fields.^{lix}

Given that the review process had rejected this position, the consultants' deviation is difficult to understand. Moreover, it is peculiar that the consultants failed to provide reasons for their recommendation, particularly as it ran against the results of the review process they themselves facilitated. One would have expected at a minimum some justification for this departure from the review committee's decision.

The consultants adopted the same attitude towards the review process in Building Care. On a scale of 1 to 5, with 5 being the most favourable, the review committee's evaluation of options yielded a score of 4.4 for internal restructuring and 4.0 for outsourcing.^{lx} The group favoured combining internal restructuring with 'certain aspects of outsourcing', and that 'cognisance should be taken of [this] when preparing the recommendations'. In a curious addendum, UMA 'explained' that the calculation of a total score for each option

does not mean that the Committee would be bound to the mere numerical result of the exercise. It merely creates a basis for discussion and debate which could lead to a different preference in the Committee from the specific numerical evaluation results.^{lxi}

Such 'wobble room' suggests that 'numerical results' can under certain circumstances be disregarded, especially when these favour options other than outsourcing.

The summary of the Building Care review committee's proceedings read as follows:

Considerable support arose for an option of partial and phased outsourcing, implying that some parts of Building Care should remain in-house while other parts should be taken over by an external service provider.^{lxii}

This appears to reflect faithfully the committee's thinking. However on the next page the option is redefined as:

the Review Committee's deliberations suggest that *either* a focussed initiative of internal restructuring *or* the introduction of a service relationship between Wits and specialised provider of either management services or operational cleaning services should be considered. [emphasis added]^{lxiii}

In the space of two paragraphs the summary report (apparently drafted by UMA) subtly but completely redefined the review committee's decision. What was two paragraphs earlier described as an integrated recommendation now becomes an either/or choice.

This redefinition sets up UMA's eventual recommendation to 'establish a service partnership between Wits and private cleaning service providers'. They note that 'the review of Building Care pointed out the need for substantive transformation [internal restructuring] of the building care function'. However UMA immediately returns to the 'reversion thesis':

While theoretically possible, it is in UMA's view unlikely that the improvements in service and cost levels associated with such transformation will be attained and sustained through internal restructuring alone. The managerial expertise and possibly the service delivery, of specialist cleaning operators will be required.^{lxiv}

Thus any possibility of internal restructuring is dismissed, either by itself or in combination with 'partial outsourcing' (the review committee's explicit recommendation). Once again, UMA failed to provide any reason for its choice. It is interesting that the rejection of internal restructuring in Building Care quoted above employs exactly the same phrase that was deployed to rule out internal restructuring options in Catering, Maintenance, and Grounds. At no point do the recommendations attempt to justify the decisions in terms of the specific conditions in any of these areas. Nor do they give any specific reasons for overriding the review committees' carefully considered recommendations.

Taking the 'Options' Forward: SET's Recommendations to Council

In each of these areas SET endorsed UMA's recommendations in its report to Council, including outsourcing management and delivery of each of the support services under consideration at that stage.^{lxv} It identifies that 'certain employee representatives at Consultative Committee (ConCom) favoured an internal restructuring solution thereby attempting to secure minimal job losses'. This statement fails to reflect accurately the deliberations of the review committees, whose nuanced choices were based on a balanced assessment of the six evaluation criteria, not simply job loss. Moreover the recommendations arose from the review committee as a whole and not just from 'certain employee representatives'.

SET rejection of all options save outsourcing merits detailed attention. It puts forward four reasons for service partnerships (each of SET's claims is written in bold and is followed by our criticism):

To turn service and cost levels around to satisfactory levels would require considerable investments in facilities, the retraining of staff, process changes and technology. SET is of the view that the University cannot justify such investments as these services fall outside the core functions of the University.

Improvements in service and cost levels depend on capital investment, expenditure SET claims it cannot justify. Yet it is difficult to see how the low value of the contract fees under the outsourcing option could possibly include capital investment and new technology, for example. Either the capital, technology and other costs will be carried by the University, or the costs of outsourcing are grossly underestimated, or such investment will not be made and service levels will continue to deteriorate.

The University does not have the depth of management in such a diverse range of service functions to ensure the sustained success of such a turnaround.

If so, then the University lacks the management capacity to make outsourcing work properly. Even UMA asserts, when endorsing the outsourcing option that ‘The University will have to develop skills and capacity for managing the partnership arrangement successfully’.^{lxvi} Unfortunately, in acknowledging this fact, UMA seriously underestimates its cost. In Grounds and Building Care the estimated payroll costs to Wits for managing outsourcing amounts to R130,000, a package that would not buy much managerial capacity! While a higher figure is presented for Central and Residential Catering, management costs are not presented at all in Maintenance. Given the impact of transaction costs, cost creep, and loss of organisational memory, it is clear that managing outsourcing will be expensive and will require considerable investment in both personnel and training, in addition to capital costs as noted above.

Management contracts are not recommended as these will not address the primary problems of cost which a service partnership will be able to address by reconfiguring of the cost basis of the operations.

The review committees evaluated options on the basis of six criteria in which cost and service quality were balanced by other considerations. For the review committees the projections of cost savings were weighed up against risk, human resource impact, alignment with Wits’ restructuring goals, and other factors. Management does not explain why they have chosen this particular prioritisation of the evaluation criteria.

The proposed arrangements ... will ... enable University management to further focus its management attention and time on strategic issues such as growing the teaching and research operations, the fields in which the University will have to compete more successfully in the future.

While the review committees did in fact evaluate the options in terms of their ‘Compatibility with University Restructuring’ the latter was understood in only one dimension: ‘the fit with Faculty restructuring eg. Fewer entities with possible extended decentralisation’. The criteria ignore growth as an aspect of university restructuring! Presumably growth in student numbers (and the addition of part-time, evening, and weekend classes and activities) will

have considerable bearing on the demand for support services, and therefore on labour. Yet none of the five-year estimates include projections of these new needs and the labour requirements necessary for servicing them.

Most importantly, in choosing ‘service partnerships’ their rejection of alternatives is never grounded in a detailed assessment of what is most appropriate given the particular circumstances pertaining to any of the support services at Wits. No reasons are provided for why any particular ‘non-core’ area is ‘unreformable’ while other non-core areas can be internally restructured. One of the clearer examples of the failure to provide coherent reasons came in the ConCom meeting on 17 February following the release of SET’s restructuring proposals. The following rather curious exchange was captured in the minutes:

Grounds (Point 3.1.2 Page 4). Queried whether there would be any distinction between Grounds and Sports-grounds?

Management’s response. No.^{lxvii}

REQUESTS FOR INFORMATION: WHAT HAPPENED?

The strange fate of the review committees’ recommendations gives some indication of the character of consultation in the support services review. Lengthy discussions, involving a considerable expenditure of staff time and energy, yielded a range of well-reasoned proposals from the stakeholders which were, in turn, rejected by both UMA and SET. It is difficult to assess whether the proposals were in fact considered seriously by UMA and SET. However, if this had been done, one would have expected a written record providing reasons for rejecting the stakeholders’ proposals and evidence of engaging with them. No such record exists in the voluminous documents produced by the support services review.

One possible indicator of the seriousness with which the stakeholders’ concerns were embraced is the extent to which their requests for further particulars were taken up. The following table, taken from the Grounds report is illustrative of UMA’s practice. A similar listing could have been produced from the other review reports.

Query	Result
Implications of a possible merger of JCE should be taken into account in the Review of Estates and Buildings	Doesn't seem to have been included as an area. There is only a status quo area description. No different area description for projected analysis.
Corrections made to UMA presentation in 1 st workshop, included adding the Medical School to locations; Marks Park sports grounds to geographic spread; and an observation that there is no female staff members to HR perspective.	Those slides not re-presented in the 2 nd workshop (with or without amendments). No comment added by UMA as to lack of female staff.
Comment made to UMA presentation that grounds staff were also responsible for maintenance of swimming pools, cleaning of tennis courts, removal and replacement of covers on cricket pitches. They also hired out trucks and drivers to other departments	Not clear whether taken into account in work load, but square-meterage slide on efficiency indicators remains the same.
Comment made to UMA presentation that Grounds were responsible for cleaning of parking areas and sweeping of internal roads in the precinct of the business school (despite the fact that the gardens were outsourced). The same was true of all Parktown residences and smaller properties such as North Lodge, Aletta Sutton Educare Centre. Savernake was outsourced and the contract handled by Grounds and paid for from their budget.	Not clear whether additional work accounted for. In Efficiency indicators slide (Annexure III), the areas are the same as in the 1 st workshop, as are the square-meterage.
Noted on efficiency indicators that the outside areas included R48 000 for Savernake and the figure for Sturrock Park represented certain developmental costs, as this was a relatively new property.	Figures for the efficiency indicators remain the same as in the 1 st workshop.
Queried by head of Sports Administration whether the comparative figure for industry would be for maintenance of equal quality. Suggested that UMA should obtain benchmark indicators from other Universities on costs of intensive maintenance of sports fields to a high standard. Noted further that areas such as Wanderers and other private clubs where extensive funding by sponsors might have been a factor in reducing costs to maintain sports fields.	No response by UMA by 2 nd meeting to basis of comparative figures. The figures remain the same in presentation of comparative perspectives.
Queried that support service staff had not been targeted in the surveys	Agreed at same meeting by UMA that this was a valid observation. But, nothing done to correct it.
Reservations were expressed regarding the accuracy of the figures of cost analysis by comparative perspective.	UMA agreed to revisit. Figures presented on cost comparisons the same as those presented in 1 st workshop. No indication of whether UMA reviewed these figures.

Based on our assessment, both UMA and SET repeatedly ignored the stakeholders' requests for information and ultimately overrode their most favoured options for restructuring.

This perspective accords with the conclusion drawn by ASAWU's Noam Pines, a stakeholder participant in all aspects of the support services review. 'The minutes of the review meetings / workshops', he wrote to the Chairman of Council,

also identify concerns. An acknowledgment of these by formulators of the final reports most typically has taken the form of their inclusion as appendages rather than leading to further input and corrective and comprehensive reformulation of the reports themselves Some members have expressed frustration that the concerns they articulated appear not to have been acknowledged or responded to in the final reports even though they appeared to be noted at the time of the surveys themselves.^{lxviii}

On the balance of evidence, we believe the support services review in its entirety may be best characterised - using Pateman's famous description - as *pseudo participation*: a technique 'used to persuade employees to accept decisions that have already been made by the management ... where no participation in decision making in fact takes place ...'^{lxix} As a consequence, management's approach amounts to a case of unilateral restructuring.

IV. Implications: Re-racialisation or Transformation?

The University is both an emblem and microcosm of society. The UMA proposals are silent on the race-transformation issue. It is not clear how Wits will become a more egalitarian, less racialised university and a place of real social learning, trust and critical mindedness. Indeed, as is happening at so many South African institutions, transformation is taking on the shape of cost-cutting exercises driven by market concerns and commodification, rather than a process of redress.

The approach to the restructuring of support services at Wits depends upon a market-driven model that will tend to reproduce the apartheid legacy for both the workforce and the student body.

TRANSFORMING THE 'APARTHEID WORKPLACE REGIME'

Wits has to cope with the difficult, contradictory inheritance of its historical identity. Evidence presented in the reviews conclusively demonstrates the existence of a racial division of labour best described - in the words of industrial sociologist Karl von Holdt, as an 'apartheid workplace regime'.^{lxx}

This workplace order was characterised by a segmented internal labour market, where black workers mostly did menial work, and white workers supervised their work. The skills acquired by workers were not recognised, or were undervalued, and in many instances, white workers who did not actually know how to perform crucial tasks, were promoted above black workers. This regime obviously led to resentment, and was challenged since the 1970s by a militant labour movement. Many workplaces became 'ungovernable' as a result.

In the post-apartheid South Africa a new workplace order has not been built due to a lack of managerial competence coupled with a sustained resistance to union participation in workplace decision-making. Instead, companies resort to strategies which essentially weaken the power of trade unions through outsourcing and other forms of casualisation.

It seems as though Wits is no exception to this worrying trend. According to the research conducted during the review process, black workers 'do not feel valued and appreciated as members of university staff; their communication with management is problematic; they feel they possess skills that are not utilised, recognised, or appreciated; that their work is unchallenging; that they experience low levels of support from their supervisors who demonstrate an autocratic management

style. They have limited opportunities for training, and for development of clear career paths. For all these reasons they are alienated and angry. Yet, despite these problems the reviews reveal that workers remain loyal to the institution they have served for many years.

Transformation may mean many things, but at a fundamental level it entails overcoming the apartheid legacy while building upon workers' loyalty and service. It is extremely difficult to see how management's outsourcing plan aids transformation. Indeed, outsourcing will reduce many workers to a dismal state. A large percentage will be out of work as a result of retrenchments and voluntary severance packages. An unknown number will find precarious employment at lower wages in outsource companies.

Given Wits' history, a plan that endorses the retrenchment of more than six hundred employees is at variance with the goals the restructuring is supposed to achieve. One of the University's important transformation values was expressed in the 1999 strategic plan, 'Shaping the Future'. 'A sense of pride and involvement' it argues,

hinges on those Wits assets which are least tangible, but extremely important: its ethos, collective identity and morale. These are expressed as a sense of belonging by its members; their commitment to the institution, its values and goals, and their shared hopes, aspirations and belief in the future of Wits.^{lxxi}

These values are admirable ends in themselves. But they are more than that. If they are worth anything at all, they must animate the means chosen to achieve our goals. In this sense outsourcing is profoundly antithetical to Wits' mission.

TRANSFORMING THE STUDENT BODY

Although the support services review does acknowledge the need to develop the student body, the review does not *openly* confront the need for its transformation and de-racialisation. The language employed in the Student Affairs Review is instructive in this regard.

We read that one of the key challenge in the residences is:

Building user satisfaction for competitive advantage. The res. life service environment needs to be developed to a level where it becomes a source of attraction for high calibre, fee paying students, not merely a convenience for students from [sic] rural areas.^{lxxii}

Elsewhere we read:

[Wits] has to become more of an attraction to prospective students of calibre, rather than just a convenience factor for students from afar.^{lxxiii}

It is important to unpack the assumptions underlying these statements, many of which can be construed as highly offensive:

- 85% of students in residences are black. Implicit in UMA's statement is the notion that the current population in the residences is not composed of 'high calibre, fee paying students'.
- The statement suggests that 'rural' students or students from 'afar' [Durban? Umtata? Harare?] are not entitled to stay in residences. They are not staying for serious purposes, but are there simply for 'convenience'; in essence, they are abusing the facilities. It must be assumed then that they are not bona fide students, but are in the residences for other purposes.
- The residence system is presented as in a state of crisis; it is presented as inherently unable to attract 'desirable' students. This is reinforced by unquantified claims that identify 'residential security' and 'squatting' as key problems in the residences.
- 'Fee paying' and 'high caliber' are widely understood (though seldom admitted) to refer to whites, and 'rural' is unambiguously a reference to black students. The code words suggest a racialisation of recruitment priorities which runs counter to any agenda for transformation and redress. UMA's language, coupling 'fee paying' with 'high calibre' suggests that Wits should target excellent students from affluent backgrounds. This seems to preclude an active policy of recruiting 'high calibre' poor students - particularly those from 'rural areas'.

Further, although the review does call for a general upgrading of the residences, it also champions the principle of differentiated services for students of differing income level levels. It is proposed for example that 'the total physical environment' should be 'upgraded' before considering 'further differentiation in the product/price mix'. Proposed forms of 'further differentiation' include:

- size of rooms and quality of furnishing
- computer and TV facilities
- quality and choice of catering.

We can describe such differentiation in concrete terms: the consultants recommend shifting from cleaning residence rooms three times a week to something called 'spring cleaning', which will occur once per term.^{lxxiv} Aside from a number of additional problems this could cause, such a reduction in service levels is not contemplated in residences reserved for 'fee paying' 'high calibre' students.

In practice, competitive marketing and differentiated services means the elites will live in first class Wits University accommodation while disadvantaged students will live in places with a greatly reduced level of service: from three-times-per-week to once-per-term room cleaning. Given the enormous race and class inequalities present in South African society such a policy of 'further differentiation' will inevitably reproduce and generate inequality and social and political tensions, which Wits can surely do without. Whether or not this form of gross inequality is the *intention*, it is certainly the *effect* of the proposals. And it is the precise opposite of transformation.

We verbally presented these arguments on the reracialisation of services to the SET and UMA representatives when we met with them on 11 April. In UMA's written response to our arguments, they argued that we have resorted to a 'well worn [sic] South African tactic of a racism smear'.^{lxxv}

Yet our point stands. Our intent is not to create a so-called ‘smear’, but to point to the very real *material* implications of the proposed policies in a country with extremely high levels of race and class inequality.

UMA goes on to misrepresent the proceedings of the consultative process, both in the final report on student affairs and in their response to our draft critique of the support services review. In their response to our critique, they argue that there was a general consensus on the proposed restructuring of the residences, including the goal of product/price differentiation. However, a close examination of the proceedings shows that the notion of product/price differentiation aroused strong opposition. Instead of the notion of differentiating services, the committee agreed only on proposals that *increased equality* in the residences, i.e. that efforts had to be made to cater for disabled students and that minimum basic standards should be set for the residences. It is difficult to see how a reduction in cleaning as described above meets this requirement.

With respect to both workers and students neither UMA nor SET are sensitive to the logical implications of marketisation in a context of poverty and high unemployment. Their proposals will tend to reinforce rather than transform the apartheid legacy.

There have been significant efforts at Wits to address this history. On 2 February 2000 the Faculty of Health Sciences passed a landmark resolution acknowledging the apartheid legacy and its impact. The faculty issued a public apology

for the hurt and suffering caused to students, staff and patients, by past racial and other discriminatory practices.^{lxxvi}

The Faculty committed itself to

the ideals of non-discrimination in its teaching, the constitution of its student body, the selection and promotion of its staff and in its administration. It reaffirms its rejection of racism and other violations of human rights in whatever form they make their challenge.^{lxxvii}

In making this commitment the Faculty acknowledged that such values have not always been honoured by Wits. In addition to apologising, the Faculty recognised staff and students’ responsibility ‘in preserving these ideals’ and paid tribute to those ‘who strove to bring about change for the benefit of future generations’. The terms ‘staff’ and ‘administration’ refer to Wits employees as a whole - whether academic or support staff, white collar or blue collar.

It is unfortunate that in the same month the Faculty of Health Sciences courageously came to terms with its own history, the University Council approved SET’s proposals which break faith with the spirit of the Faculty’s resolution.

V. Conclusions

Given the difficulties identified above in terms of framing, methodology and the use of evidence, and the shortcomings in the review process, we do not have confidence that outsourcing will allow the University to realise its goals, as expressed by the six criteria used by the review committees to evaluate restructuring options. Given that outsourcing stands at the heart of the university's restructuring effort - after all, it will supposedly yield the surplus to be used to expand the university's core functions - this conclusion is deeply disturbing. Indeed, pushing ahead with plans to outsource may lead to a perpetuation of the apartheid workplace regime and the re-racialisation of many services at Wits.

For reasons both practical and principled, it is imperative that the University reopen the review process and consider more carefully the options developed in the lengthy consultations. This does not mean starting from scratch. Rather, it means that we return to the *end* of the review: to the point where management overrode the stakeholders and decided in favour of outsourcing in the five review areas. This time, however, the parties should seek a compromise that could allow the emergence of restructuring solutions that enjoy broad legitimacy and fit the diversity of problems confronting the university.

The envisaged restructuring at Wits will almost certainly intensify, not transform the legacy of apartheid. It depends upon a market-driven model derived from neoliberal approaches in which the broad public sector relinquishes social responsibility to commercial and private sector imperatives.

By contrast, a compromise holds out the prospect of running our institution on the basis of job security and the maximum possible satisfaction of all who contribute to quality education and research. It holds out the prospect of a workplace where employees' skills, commitment, knowledge, maturity, and loyalty are appreciated as assets; where all who work at Wits enjoy opportunities for training and advancement consistent with our educational mission. It is consistent with a view of the public sector as a key resource for redressing past inequalities and creating greater equality amongst new generations of South Africans.

The support services review will cause a substantial number of Wits employees to lose their jobs. Those 'lucky' enough to gain a job in an outsource company will have to work harder in return for drastically reduced wages and more precarious terms of employment and conditions of service. Is this the way to obtain improved and sustained performance out of employees in the 21st century? And if so, what does this say about our mission and core values?

Endnotes

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- i. This critique concentrates on those sections of the university most under threat of retrenchment: Catering, Building Care, Maintenance, and Grounds.
 - ii. Kelly, J. 1999. 'Outsourcing statistics.' *South African Labour Bulletin*, v. 23, no. 3.
 - iii. In this regard it is telling that - before outsourcing - more than 80% of the companies surveyed by Andrew Levy and Associates were unionised.
 - iv. University of the Witwatersrand, Support Services Review, Estates and Buildings: Grounds, Review Committee Report Final, November 1999, Report by the Review Committee Chairperson, p. 7.
 - v. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, Review Committee Report Final, November 1999, Annexure III, p. 15.
 - vi. Van der Werf, M. 2000. 'How the U. of Pennsylvania Learned That Outsourcing Is No Panacea - A lucrative and controversial deal fails to meet expectations. *Chronicle of Higher Education*, 7 April.
 - vii. Nelson, B. 'The Care of the un-Downsized.' *Training and Development*, April 1997, pp. 41-43.
 - viii. *The Economist*, 20 April 1996.
 - ix. 'And now, upsizing'. *The Economist*, 8 June 1996.
 - x. Kransdorff, A. 1998. *Corporate Amnesia: Keeping Know-how in the Company*. Oxford: Butterworth Heinemann, p. 26.
 - xi. *Ibid*, p. 22.
 - xii. 'And now, upsizing'. *The Economist*, 8 June 1996.
 - xiii. Colvard, J. 1998. 'Savings Can Have a High Price'. *Government Executive Magazine*, November.
 - xiv. 'Top American firms now hiring back their retrenched former staff.' *Cape Argus*, 17 June 1996.
 - xv. *Ibid*.
 - xvi. 'EC Report on Competitiveness of European Industry', reported in *Financial Times*, 9 October 1996.
 - xvii. Earl, M.J. 1996. 'The Risks of Outsourcing IT'. *Sloan Management Review*, v. 37, no. 3.
 - xviii. Horwitz, F. 1994. 'Lean and mean and inefficient'. *Weekly Mail*, 22-28 April.
 - xix. Straub, D and Ang, S. 1998. 'Production and Transaction Economies and IS Outsourcing: A

Study of the US Banking Industry.’ *MIS Quarterly*, v. 22, no. 4, pp. 535-552.

xx. See Aubert, B.; M. Patry; and S. Rivard. 1998. ‘Assessing the Risk of IT Outsourcing’. Scientific series 98s-16, Centre Interuniversitaire de Recherche en Analyse des Organisations, Montreal, p. 4.

xxi. Cited in Aubert, et al., 1998, p. 4.

xxii. Ibid, p. 4.

xxiii. Van der Werf , M. 2000. ‘How the U. of Pennsylvania Learned That Outsourcing Is No Panacea - A lucrative and controversial deal fails to meet expectations. *Chronicle of Higher Education*, 7 April.

xxiv. Block, F. 1996. *The Vampire State and Other Myths and Fallacies about the American Economy*. New York: The New Press, pp. 52 - 55.

xxv. Bowles, S. 1992. ‘The Left in Search of a Viable Economic Strategy’. Unpublished mimeo, Department of Economics, University of Massachusetts at Amherst.

xxvi. Leger, J-P. 1992. “‘Talking Rocks” - An Investigation of the Pit Sense of Rockfall Accidents Amongst Underground Gold Miners’, PhD, Department of Sociology, University of the Witwatersrand. Leger’s work has been identified as a substantial contribution to the understanding of workers’ skills. For Leger, even routine tasks may involve conscious and unconscious processes which are learned experientially; they cannot be articulated in formal statements, nor learned through detailed instructions, nor codified in objective ways. Such skills are associated with the specialised tasks known as the ‘tricks of the trade’ which are essential to the performance of any complex task. Moreover, tacit skills include social skills which are essential components of any labour process: cooperation, trustworthiness, congeniality, loyalty. See Adler, G. 1993. ‘Skills, Control, and “Careers at Work”’: Possibilities for Worker Control in the South African Motor Industry’, *South African Sociological Review*, v. 5, no. 2, p. 39.

xxvii. Kransdorff, A. 1998. *Corporate Amnesia: Keeping Know-how in the Company*. Oxford: Butterworth Heinemann, p. 20.

xxviii. University of the Witwatersrand, Support Services Review, Estates and Buildings: Maintenance, Review Committee Report Final, November 1999, Annexure II, Minutes Workshop 1, 2.4.1.

xxix. University of the Witwatersrand, Support Services Review, Estates and Buildings: Maintenance, Review Committee Report Final, November 1999, Annexure I, Situation Analysis Discussion Document, p. 14.

xxx. ‘Contracting Out Government Services: First Report, Information Services’. Parliament of the Commonwealth of Australia, Senate Finance and Public Administration References Committee, November 1997.

xxxi. Ibid.

xxxii. Lund, H. 1997. “Outsourcing” in Commonwealth Universities’. London: Commonwealth Higher Education Management Service.

xxxiii. University of the Witwatersrand, Support Services Review, Catering Services, Review Committee Report Final, November 1999, Appendix IV: Workshop 2: Minutes, 4.2.

xxxiv. Levy, B. 1996. ‘The Business Environment for Industrial Small and Medium Enterprise’. The World Bank, Southern African Department, Discussion Paper no. 11, February.

xxxv. ‘Brilliant ideas but spectacular flops.’ *Business Times*, 9 April 2000.

xxxvi. University of the Witwatersrand, Support Services Review, Estates and Buildings: Grounds, Review Committee Report Final, November 1999, Annexure IV, Minutes Workshop II, 2.1.3.

xxxvii. Klerck, G. 1992. ‘Casualisation and sub-contracting employer weapons against unions’. *South African Labour Bulletin*, v. 15, no. 7, pp. 44-47. See also Klerck, G. 1994. ‘Industrial Restructuring and the Casualisation of Labour: A Case Study of Subcontracted Labour in the Process Industries’, *South African Sociological Review*, v. 7, no. 1, pp. 32-62.

xxxviii. Office of the Executive Deputy President. 1998. ‘Poverty and Inequality in South Africa - Summary Report.’ Report prepared for the Office of the Executive Deputy President and the Inter-Ministerial Committee for Poverty and Inequality, 13 May. Pretoria: Government Printer.

xxxix. University of the Witwatersrand, Support Services Review, Estates and Buildings: Grounds, Review Committee Report Final, November 1999, Annexure III, Option Evaluation Discussion Document, p. 13.

xl. In the slide ‘Definitions of the decision criteria’ the following sentence appears in all three reviews: ‘This criterion relates tp [sic] the fit with Faculty restructuring eg. Fewer entities with possible extended decentralisation’.

xli. University of the Witwatersrand, Support Services Review, Estates and Buildings: Grounds, Review Committee Report Final, November 1999, Report by the Review Committee Chairperson, p. 8.

xlii. ‘Clarification On Outsourcing’. 1996. *Almanac* [University of Pennsylvania], v. 42, no. 34, 18 June.

xliii. No author. No date. ‘Facilities Maintenance Management Services’. University of the Witwatersrand.

xliv. Webster, E. and G. Simpson. 1991. ‘Crossing the Picket Line: Violence in Industrial Conflict’. *Industrial Relations Journal of South Africa*, v. 11, no. 4, pp. 15-32.

xlv. University of the Witwatersrand, Support Services Review, Estates and Buildings: Grounds, Review Committee Report Final, November 1999, Annexure II, Minutes Workshop II, 2.5.

xlvi. University of the Witwatersrand, Support Services Review, Estates and Buildings: Grounds, Review Committee Report Final, November 1999, Annexure IV, Minutes Workshop II, 6.6.5.

xlvii. University of the Witwatersrand, Support Services Review, Estates and Buildings: Grounds, 'Findings Update, Comparative Perspectives: Efficiency Indicators (cont)', Annexure III, Option Evaluation Discussion Document.

xlviii. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, Review Committee Report Final, November 1999, Annexure I, Situation Analysis Discussion Document, p. 9.

xlix. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, Review Committee Report Final, November 1999, Annexure IV, Minutes Workshop 2, 6.3.

l. See, for example, letter from N. Pines to Mr. Justice E. Cameron, 'Support Services Reviews: Submission to Council'. 2 December 1999.

li. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, Annexure I, Situation Analysis Discussion Document, pp. 7-8.

lii. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, Annexure I, Situation Analysis Discussion Document, p. 15.

liii. It is a pity the consultants did not pursue this matter. Excellent research has been done by Wits academics on struggles over cleanliness, food, and accommodation in South African student politics. The research has problematised perceptions and linked these to issues of race, class, and gender. The findings presented by UMA on Building Care, Catering, Maintenance and other support areas present the largely white academic staff's perceptions of the performance of black workers; the interpretation of these results should ultimately be read in the context of these insights. See Kros, C. 1992. 'They Wanted Dancing and not Merely the Lambeth Walk: A Reassessment of the 1940s School Disturbances with Particular Reference to Lovedale', African Studies Seminar Paper, African Studies Institute, University of the Witwatersrand, 27 July. For Kros food carries latent and manifest meanings with regard to politics, race, and power and becomes both a focus of protest and a resource for mobilisation. Jon Hyslop has done perhaps the most important work in this area. 'Food,' he writes, 'served as a focus for what was essentially political resentment against the inequities of segregation and it ignited powerful responses in a general political climate that was highly volatile. The issue of food . . . often emerged as one which embodied the unjust relations of a racist society. A host of issues relating to questions of authority, power, and politics condensed around and were symbolised by the issue of food'. See Hyslop, J. 1988. 'Food, Authority and Politics: Student Riots in South African Schools, 1945-1976'. In Clingman, S. (ed) *Regions and Repertoires: Topics in South African Politics and Culture*. Johannesburg: Ravan, p. 93.

liv. Letter from N. Pines to Mr. Justice E. Cameron, 'Support Services Reviews: Submission to Council'. 2 December 1999. See also letter from Pines to Ian Crowther, University Industrial Relations Advisor, 'Consultation on the outcome of the support services review and notice in terms of section 189 of the Labour Relations Act', 8 November 1999.

lv. Ibid.

lvi. Pateman, Carole. 1970. *Participation and Democratic Theory*. Cambridge: Cambridge University Press, pp. 68-69.

lvii. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, Annexure VI, Minutes of the Review Committee Constituting Meeting, 7.4.

lviii. Letter from Ian D. Crowther, University Industrial Relations Advisor to Mr. Noam Pines, 'Consultation on the Outcome of the Support Services Review', 10 November 1999.

lix. UMA. 1999. 'Recommendations to University Management'. November, version 1, p. 42.

lx. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, Annexure IV, Minutes Workshop 2,7.4.1.

lxi. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, Annexure IV, Minutes Workshop 2,7.4.2.

lxii. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, p. 11, 6.3.

lxiii. University of the Witwatersrand, Support Services Review, Estates and Buildings: Building Care, p. 11, 7.1.

lxiv. UMA. 1999. 'Recommendations to University Management'. November, version 1, pp. 40-41.

lxv. University of the Witwatersrand. 'Support Services Review: Final Report and Recommendations to the University Council on the First Group of Reviews'. C2000/34.

lxvi. UMA. 1999. 'Recommendations to University Management'. November, version 1, pp. 40-41.

lxvii. University of the Witwatersrand. 2000. 'Support Service Review - Consultative Committee'. Management record of a meeting held on Thursday 17 February.

lxviii. Letter from N. Pines to Mr. Justice E. Cameron, 'Support Services Reviews: Submission to Council'. 2 December 1999.

lxix. Pateman, Carole. 1970. *Participation and Democratic Theory*. Cambridge: Cambridge University Press, pp. 68-69.

lxx. von Holdt, K. 2000. 'From Resistance to Reconstruction: A Case Study of Trade Unionism in the Workplace and the Community, 1980-1996'. PhD. Department of Sociology, University of the Witwatersrand.

lxxi. University of the Witwatersrand. 1999. 'Shaping the Future: Institutional Values and Strategic

Audit', 2.2. Strategic Planning Division, June.

lxxii. University of the Witwatersrand, Support Services Review, Student Affairs, Annexure 3, Options Workshop of Review Committee - Presentation Material, p. 5, 'Res. Life Issue #1: Building user satisfaction for competitive advantage'.

lxxiii. University of the Witwatersrand, Support Services Review, Student Affairs, Report by the Review Committee Chairperson, p. 3.

lxxiv. University of the Witwatersrand, Support Services Review, Student Affairs, 'Report of a continuation of a recommendations workshop meeting', 4 October 1999, p. 6.

lxxv. Memorandum from Herman Marais, to Professor L. Patel, Deputy Vice Chancellor & Chair, Support Services Review, 'Response to the Critique of the Support Services Review by Members of the Sociology of Work Unit', 19 April 2000, p. 12.

lxxvi. Faculty of Health Sciences, University of the Witwatersrand. 2 February 2000.

lxxvii. Ibid.