

## Embattled SA universities should take the same advice given to business leaders

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South Africa's embattled institutes of higher learning could find long-term solutions to the current crisis in education by applying the principles of business model innovation.

On-going university protests over fees and outsourcing should be seen as an opportunity for long-term change and not a threat to the future of higher education in the country – according to a business school academic.

"The 2015 'Fees Must Fall' campaign has prepared the way for real transformation in the higher education system," says Associate Professor Kosheek Sewchurran from the UCT Graduate School of Business (GSB). "But it will not be easy and university leaders need to resist the temptation of seeking short-term solutions in favour of more sustainable action that will allow for positive long-term results. The universities' complicit role in creating the conditions we see in society needs authentic reflection."

Sewchurran says that this is the same plea business schools make to leaders in business and government and it should be extended to university leaders, given that leaders in all organisations are key to evolving regimes of common-sense that moderate organisational life. In addition to being academic centres, universities are also big organisations with multiple stakeholders and role-players, institutional logic and assumptions about how value is being created and what the mechanisms are that create value.

"Executive managers and leaders are responsible for directing resource allocation, organisational focus, and sustaining high-level discourses around these. They could preserve the status quo or usher in new common sense regimes through innovating their business models," he says.

"We have to contemplate in an intellectually honest way the validity of a number of subtle, but core assumptions of our organisations," says Sewchurran, who convenes an executive education programme on Business Model Innovation at the GSB. The programme aimed at business leaders, entrepreneurs and top-level managers at organisations or corporations, equipping them to successfully change policy and company strategy to allow for growth and improvement in operations.

"Institutes of higher learning need to adapt to the needs of students and society, not only in South Africa, but globally as well," says Professor Walter Baets, director of the GSB.

"What we are seeing in South Africa at the moment is by no means unique, although the circumstances are a reflection of the country's particular struggle with inequality, problems in education and the heavy burden of a post-apartheid legacy."

Baets says programmes at the GSB are designed to help organisations, institutions as well as companies deal with the complexities in emerging market economies.

"It is complex and challenging but very exciting as well," says Sewchurran. "Business model innovation helps to reposition institutions and set them on a new course or direction by reinventing two or more components of a business to deliver value in new and sometimes unexpected ways."

He gives the example of University of Stellenbosch (US), which was rocked by allegations of racism and elitism in 2015 after a campaign called Luister revealed the extent of racism and intolerance at the traditional Afrikaans university. An emotional debate around language policy, culture and racism resulted in university management taking the controversial decision to change the language of instruction at US to English.

"The Open Stellenbosch campaign succeeded in pressurising university management in changing language policy at the university, prompting a big shift in policy and its business model," says Sewchurran. He adds that top tier business schools are also starting to innovate their models by actively creating spaces and incentives for academics and students to have direct experience in both the solution space and problem space to imagine and try out new theories and concepts. Plausibility is being added to the criteria to judge relevance and rigour.

"When business schools do this they are engaging in business model innovation. The design thinking movement is about adopting a new style."

By employing the principles of design thinking, integrative thinking and systems thinking, CEOs and business leaders are driven to really question the fundamental assumptions ingrained in institutional processes that drive delivery to improve social and economic conditions, says Sewchurran.

Many big organisations, like universities in South Africa, are battling to address inequality, racism and class differences in their structures. Sewchurran says, "Innovative business models can offer a solution and ensure that organisations and institutions are not only able to survive the turmoil of the moment – but are still standing in the future as well."

For more information about the Business Model Innovation programme contact Executive Education department at the UCT Graduate School of Business on 0860 UCT GSB or email <u>execed@gsb.uct.ac.za</u>.

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