



ASTOUNDING OPPORTUNITIES FOR PRIVATE HIGHER EDUCATION INSTITUTIONS IN SOUTH AFRICA IF COMPLIANT WITH SET CONDITIONS

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Public funded higher education institutions have recently experienced a dramatic decline in government subsidies and an increase in student fees. The decline in funding from subsidies is a direct consequence of the trend of falling student pass rates. It appears that public higher education institutions are facing increasing market and financial pressures. This creates a more competitive educational environment and one in which public higher education institutions seek only the most promising students who have the potential to successfully complete their studies. This new competitive market creates astounding opportunities to private institutions on condition that they provide comprehensive quality service and offerings. Additionally they should be able to respond to the following:

- i A knowledge-based economy founded on knowledge-intensive networks of learning in which knowledge-intensive collaboration will become a major empowerment instrument available to institutions. This to enhance their own reputation, contribute to the value-chain and signal to the market the quality of their innovations, entrepreneurial, research and educational offerings.
- ii Adoption of broader and flexible education approaches like interactive learning, experienced-based learning, use of role models, and links with businesses to increase output deliverables.
- iii Drives to link government and business appropriations for institutions to the quality of their performance in education and research to comply with the National Plan for Higher Education.
- iv Education reforms, under the context of globalisation, characterised by finance-driven reform with a heavy weight attach to efficiency, quality and external scrutiny.
- v Knowledge transfer that is more performative and less enlightened in nature and that will be valued and prized primarily by the consumer (student) of the knowledge.
- vi More experientially based pedagogies to influence students' retention, throughput, career choice, trajectory and market value in changing and risky environments.
- vii Social transformation priorities and demonstrating a willingness to contribute.
- viii The national requirements for skills development in the context of growth needs.
- ix The need to establish close working and funding relationships with private and governmental institutions not only to enhance the relevancy of curriculum content and to focus on research and innovation, but also to contribute to the required social and economic transformations that need to take place.
- x The need to increase output funding by increasing graduate output or the rate of output.

The future challenge of higher education institutions will be to develop models and usable technologies that will increase the quality supply of students to the South African job market in the most efficient manner. This will maximise the investments made in higher education. In addition it will increase the competitive standing of students to apply for jobs in a volatile labour market where

the national unemployment rate stands at 27.1% and youth unemployment above 54%. These models should have at its core the lowering of graduate unemployment rates and the improvement of student market competitiveness. These models should also allow greater student access, retention, diversion and throughput efficiencies, as well as maximising student investment funding (see figure 1).

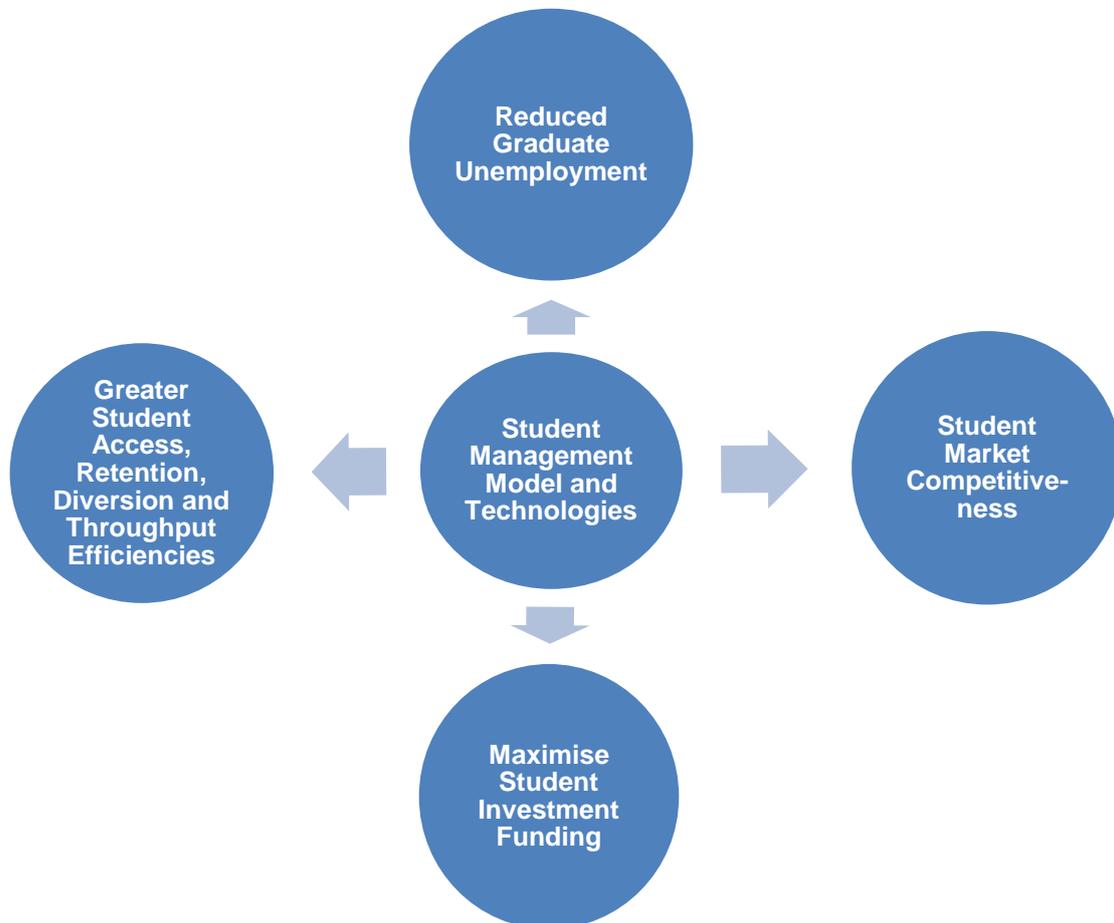


Figure 1: Essence of higher education models

Source: Coetzee, *et al.*, 2017)

Focusing on the above principles could ensure that private institutions introduce a better-qualified candidate to the South African job market. In addition, three competitive advantages will be promoted namely:

i. **Institutional competitiveness**

- Created through the perceived standing of the institution as preferred institution;
- the ability of students to blend in with the culture of the institution;
- ability to attract quality students;
- competitiveness of tuition fees; and
- ease of access.

ii. **Product competitiveness**

- To compile a diploma and degree offering that meets or exceeds job market quality standards including the cost to study at the institution and the standard of subject content offered;
- possession of national and international acclaimed lecturing staff;
- access to information on institution and product offerings;
- accepted through-put figures of students; and
- grants and loan schemes available to students.

iii. **Tactical competitiveness**

- Creation of a supportive learning environment for students and staff, which complies with international standards including available infrastructure at the institution;
- provision of a safe and secure educational environment;
- active orientation programmes to familiarise students with the institution;
- availability of leading information technology to facilitate academic growth and excellence;
- willingness to adapt to the needs and wants of students; and
- the provision of a convenient service package.

Private institutions are ideally positioned to exploit these new opportunities since they are able to meet the general and specialised market demands, as they are often highly responsive and able to provide credentials in areas that public universities cannot provide. Gone are the days when private institutions competed only for school leavers. Today they can compete on post-graduate level and also for a share in the industry market.

Private institutions can choose to become the catalysts for knowledge and research driven economic growth and presenting in-house offerings. With a rapid response to the ever changing environment that require revolutionary innovation and creativity with a supply of professionals with relevant skills and competencies to address the needs of South Africa in the future.