



## UNIVERSITIES SOUTH AFRICA

### SUMMARY OF DISCUSSIONS AT THE SECTOR MEETING ON INSOURCING ON 6 SEPTEMBER 2017

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#### 1. Introduction

It was agreed at the last USAf Board meeting (29 June 2017) that a meeting should be convened to discuss:

- The lessons from experiences with Insourcing.
- The ideas that underpin the commercialisation of insourced activities.
- Thinking about a shared services approach to certain services and facilities in higher education.

The meeting was held on 6 September 2017 at the Southern Sun Hotel, OR Tambo International Airport. The meeting was attended by 40 delegates from 23 public universities. The meeting was facilitated by Dr Gerald Ouma (UP and member of the Funding Strategy Group).

The universities are using different approaches to insourcing, very often opting for a hybrid model. In general, the salaries of insourced workers are being topped up to between R 5,300 and R 6,500 with the commitment to review on an annual basis. Apart from the pressure to insource from students and unions, social justice is also seen as an imperative. However, economics are an issue and there are grave concerns about the sustainability of the universities.

#### 2. Common challenges experienced across the sector

- i. While some universities started exploring insourcing prior to the 2015 protests, others were forced to rush into the process with the result that union negotiations and/or due diligence and proper vetting of incoming workers happened after the fact.
- ii. Strong alliances between staff and students are problematic at many institutions.
- iii. The harmonisation of conditions of services is a major challenge and HR personnel at the universities are having to learn very quickly about services they know little about. Practices and policies need to be adjusted to accommodate vagaries such as security shift work, the technicalities around catering, the use of relief workers and the logistics of purchasing, storing and distributing cleaning materials.

- iv. Most of the universities which have insourced the primary services are now facing calls for the insourcing of retail campus vendors.
- v. Security personnel are not trained to deal with protest action in addition to everyday security measures.
- vi. The personal fit of insourced employees is a challenge as they come from a completely different culture and the institutions are not properly prepared to receive them. Clashes in culture are being experienced in places (e.g. in terms of alcohol and drug abuse) and insourced workers have difficulty understanding the implications of being part of the university staff for aspects such as leave, working hours and pensions.
- vii. The union landscape has changed radically. New unions are emerging on most campuses and there are fears about potential conflict.

### **3. Specific issues identified by the HRD Forum:**

- i. Skills development needs are increasing, not only for the insourced workers but for existing support staff in terms of dealing with unfamiliar territory. There is a need for talent management strategies and new norms and standards to accommodate the changing human resources landscape.
- ii. The universities have to find ways of managing escalating costs in the context of uncertain future income. Remuneration is only one aspect of the increase in costs; there are also huge expenses relating to clothing, protective gear for security personnel, materials, capital expenditure on equipment, and supplies.
- iii. Along with crisis management strategies, change management is becoming increasingly important for all university staff.
- iv. The Employee Relations Forum (ERF) needs to be strengthened to help HR personnel deal with legalities, staff cohesion issues and the implications of union proliferation.

### **4. New Initiatives in the sector to deal with the challenges**

- i. The Skills Development Facilitators' (SDF) Forum is negotiating with the ETDP SETA for more funding to meet increased training and development requirements. The SDF Forum is also working on ways to engage with the other SETAs related to the insourced services.
- ii. USAf is finalising a software platform to facilitate communication between HR personnel at the universities.
- iii. The HRD Forum is working on a "Yellow Pages" system so that people know who to contact at other institutions for assistance and advice.

### **5. Alternative models**

- i. It is too early to consider how a commercialisation model can be implemented but it is probably more suited to the integration of vendors. University of Venda has a small scale version of such a model in the form of the *Univen Innovative Growth Company*

(UIGC), a university-owned company that is handling the insourcing of security personnel.

- ii. A shared services model can have benefits in terms of efficiencies and cutting costs and should be unpacked further. There are doubts about how suited it is to people-related services (versus IT), particularly in terms of institutional differentiation for purposes of staff attraction and retention. Two possibilities however are sharing the cost of the ongoing training of security personnel required for compliance purposes, and collectively negotiating with a single preferred voice provider for telephony which is a service that will never be insourced.

## **6. Areas needing further and deeper engagement**

- i. It might be in the sector's interests to formulate a common approach to conditions of service. The unions will always look at salaries and use them to put pressure on the universities. Without a common approach, unions and students will continue to play the institutions off against each other.
- ii. A deeper analysis of the impact of insourcing on the sustainability of the universities is critical.
- iii. There might be a need to conduct a review on the impact of insourcing on universities and/or the sector in two years' time (2019).

**END**