

Corporate Governance in Higher Education: A South African Perspective

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Abstract : The study considers corporate governance regulation and practice in South African higher education institutions and makes recommendations for the improvement of current governance practices in this sector. The development of corporate governance principles and practices in South Africa, culminating in the King IV Report on Corporate Governance which was launched in November 2016, is discussed. King IV enjoys international recognition as a progressive corporate governance instrument. It was necessitated by the fundamental changes in business and society nationally and globally, as well as by the significant changes to South African company law introduced by new legislation. Corporate governance and the corporate form are narrowly associated, but there is general recognition that the principles of ethical and effective leadership are not restricted to corporations. Thus King IV was drafted with the express aim that it should apply to all organisations, regardless of their form of incorporation, and the report includes specific sector supplements in support of this aspiration. The South African higher education sector has of late been under intense scrutiny, and a few universities have been placed under administration because of poor governance practices. Universities have also been severely impacted by the consequences of what is generally known as '#FeesmustFall', a student led protest movement initially aimed against the increase of fees at public universities, but which rapidly expanded to also include other concerns. It was clearly necessary to revisit corporate governance policy and practice in the sector. The review of the current higher education governance regime in light of the King IV recommendations, lessons from company law regarding the entrenchment and enforcement of corporate governance principles, and a comparison of higher education governance practices in selected other jurisdictions led to recommendations for the improvement of governance practices in South African higher education. It is further suggested that a sector supplement for higher education institutions may provide additional clarity. Some of the recommendations may be of comparative value for international higher education governance.

Keywords : committees, corporate governance, ethical leadership, higher education institutions, integrated reporting, King IV, sector supplements, sustainability

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