

OUR PERFORMANCE AGAINST OUR STRATEGY:

CREATING VALUE THROUGH OUR CAPITALS



This part of the integrated report is about the value-creation processes at the NWU.

Here we would like to show you how we respond to our stakeholders' needs through our business activities, and how these activities lead to outputs and outcomes, thereby transforming the value of our six capitals.

These capitals represent the value we create for ourselves and our stakeholders; our performance against them shows how we are faring in achieving our strategic goals.



Our intellectual capital

Our intellectual capital is all about our knowledge-based intangibles that result from our core business activities.

This refers to the way we use our knowledge resources to create more knowledge, as well as the activities, policies, strategies and procedures in place to support our business activities, to the benefit of stakeholders.

Stakeholders who will benefit from our intellectual capital	<p>If we increase our intellectual capital, all our stakeholders who are interested in the knowledge that we create through our research or our teaching and community engagement activities will benefit.</p> <p>They include our staff, current and prospective students and their parents, the Department of Higher Education and Training (DHET), communities, donors, alumni, employers, business and industry, and professional bodies.</p>
Material matters (goals or enablers) involved	<div style="display: flex; align-items: center;"> (The icons are explained on pages 2 and 3.) </div>
Risks involved	<p>The risks include the demand for organisational change and ongoing transformation (for instance concerning the decolonising of the curriculum), risks related to academic matters (teaching-learning, research and innovation and academic administration), the risk of non-compliance (for instance with the standards and regulations of professional bodies), and risks related to IT, university systems and commercialisation of our innovation and research results.</p> <p>For the mitigation of these risks, turn to page 34.</p>

How we created value

This section is about how we created value for ourselves and our stakeholders through our teaching and learning, research and community engagement activities.

We will also show you how we created value through our support activities. This is for instance how we govern and manage the university through our structures, policies, processes and systems, and how we support our core business by maintaining and further developing our information and communication technology.

Material matter

Teaching and learning



When it comes to teaching and learning, we are committed to academic excellence and student support to foster academic success.

Through our teaching and learning activities, we add value by delivering well-rounded graduates (our output) and ultimately contributing to the knowledge economy of our country (our outcome).

We do this by taking various steps to increase student access and success and by aligning our academic programmes across the university and having them evaluated regularly. We also use multimedia material to expand the reach of our distance learning offerings.

Increase student access and success

We offer a wide range of programmes to support students academically. In the text below, we discuss the value that was created with these programmes.

► **Extended programmes**

We offer a wide range of academic programmes that enable students to complete their studies over an extended period of time.

The overall success rate for students in extended programmes is approximately 80%, which demonstrates how much value these programmes add.

► **University Preparatory Programme (UnivPrep)**

Our University Preparatory Programme (UnivPrep) allows participants who do not meet the formal admission requirements for specific programmes to complete a one-year preparatory programme.

Of the 3 036 candidates who participated in UnivPrep in 2018, 1 456 candidates passed their respective programmes. Between 2016 and 2018, the overall success rate improved from 32% to 48%.

► **Academic literacy tests and modules**

All first-year students do academic literacy tests. Depending on the results, they take additional academic literacy modules to enhance their academic writing, reading, computer literacy and study skills.

In 2018, a total of 10 675 students were registered for academic literacy modules tailored to their academic disciplines, and 81,2% passed.

► **Supplemental Instruction**

Supplemental Instruction (SI), supports undergraduate students towards academic success through regularly scheduled voluntary small-group sessions, and is facilitated by trained SI facilitators.

During 2018, SI was offered in 449 modules, of which 123 were at-risk modules. We trained 1 199 SI leaders and a total of 47 116 students attended the 20 292 sessions.

► **Peer mentoring**

All faculties participate in our peer mentoring programme through which high-performing senior students assist first-year students in making a successful transition to university life. In 2018, there were 56 peer mentors who supported students with matters affecting their academic and social life.

► **Tutor programme**

Sixty tutors were appointed on the Mafikeng Campus, 42 on the Potchefstroom Campus and 20 on the Vaal Triangle Campus. Tutors were employed in 67 modules to give individual additional academic support to our students.

Student success rate

We maintain a good success rate of 85%. (According to the 2017 HEMIS data, the sectoral average was 77,6%.)

Our contact undergraduate graduation duration factor has improved from 1,15 in 2017 to 1,13 in 2018. This can be attributed to enhanced strategies for student support, early identification of at-risk students and NSFAS funding with provision for books and accommodation.

► *How much value we created, compared to previous years*

Academic performance	2015	2016	2017	2018
Contact student success rate	85%	86%	86%	85%
Contact undergraduate, graduation duration factor	1,88	1,21	1,15	1,13
Graduation rate	24,34%	27,62%	25,6%	25,1%

NOTE In 2018, we had 853 first-time entering students on extended programmes and a total enrolment of 4 050 students. Of these, 20% had graduated by the end of 2018.

How much value we created, compared to our target

Academic performance	Target	Definition	Actual
Contact student success rate	85%	Based on HEMIS data. Completed FTE's divided by enrolled FTE's on a module level.	85%
Contact undergraduate, graduation duration factor	1,2	Based on HEMIS data. The time (in years) it takes a student to graduate divided by the minimum time of the qualification.	1,13

Align academic programmes

We want to provide comparable high-quality academic programmes across all our campuses. In other words, all students must experience a similar quality of academic life, have access to comparable resources and in the end demonstrate the same graduate attributes.

One of the ways in which we accomplish this, is to encourage academics across campuses to strengthen module offerings through team-teaching. Faculties have also developed faculty integrated teaching and learning plans that promote integrated planning for teaching and learning over the next five years.

Ensure high-quality academic programmes

We are committed to offering academic programmes of the highest quality, which is why we have regular external and internal evaluations. In the past 15 years, we have had 80 programmes evaluated externally by professional-, accreditation- or statutory bodies.

Use multimedia material

We develop multimedia material to enhance student learning, especially in high-risk modules where learning gaps tend to affect student throughput.

Multimedia material focuses on digital and paper-based learning and includes graphics, animations, simulations, video, audio and voice-overs, among others.

During 2018, we created or updated 40 multimedia productions for use in 18 modules, across seven faculties and one support service department.

NOTE

A total of 3 439 individual users accessed the cloud-hosted repository where the digital materials are stored.

Expand distance learning

Expanding our academic offering via distance learning is of strategic importance, as it gives working individuals the opportunity for lifelong learning.

The technologies and social media tools used for distance learning can also be useful in times when contact students' access to campus is restricted, such as in the event of unrest. This has been included in the contingency plans the faculties have developed to ensure that teaching and learning is not disrupted.

Our output: graduates

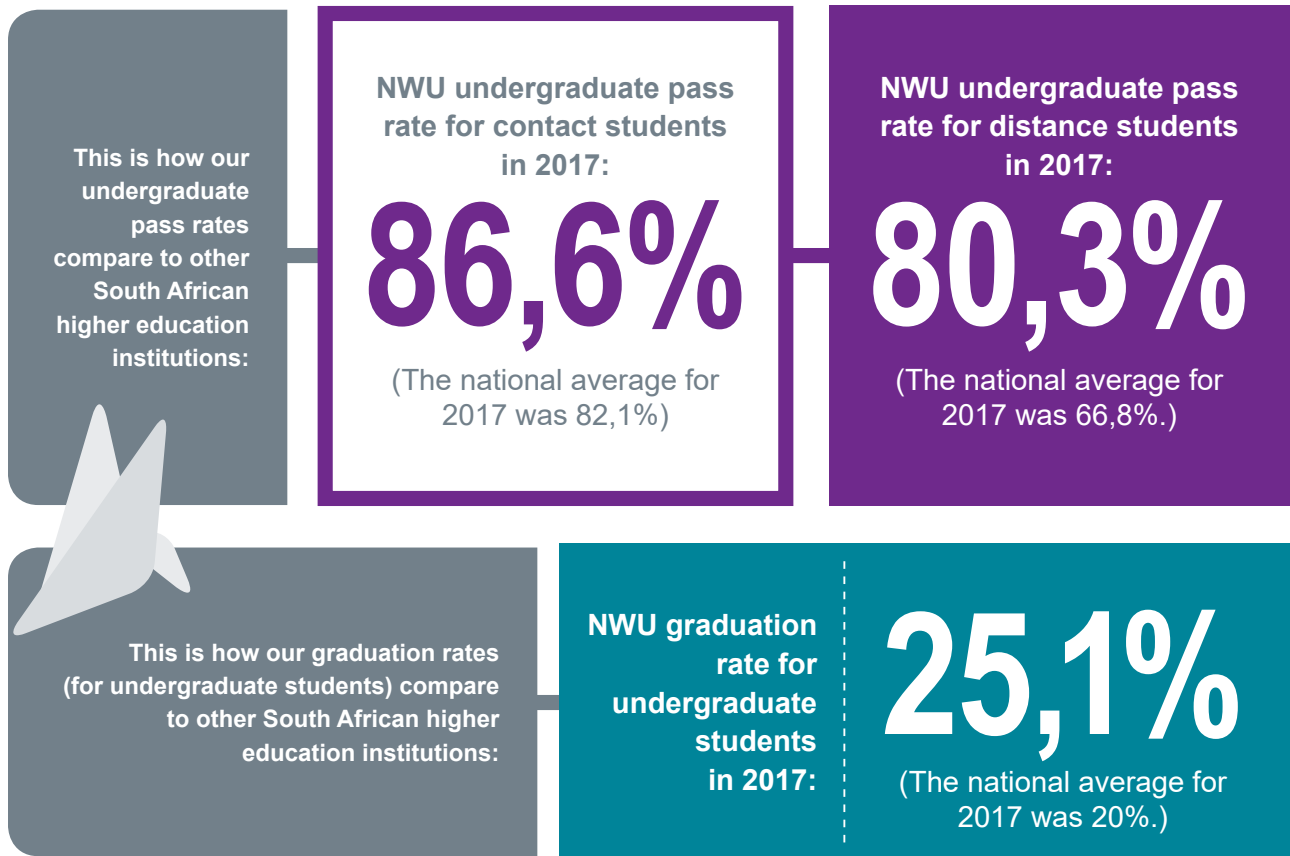
The number of graduates is much lower than planned due to the drop in distance enrolments and thus graduates. Our graduation rate is 24,53% for contact students and 26,41% for distance students.

How much value we created, compared to previous years

Graduates	2015	2016	2017	2018
Overall	15 597	17 510	16 004	15 350
Contact	9 410	9 813	9 931	10 650
Distance	6 187	7 697	6 073	4 700
Graduation rate	24,3%	27,6%	25,6%	25,1%

How much value we created, compared to our target

Output	Target	Definition	Actual
Graduates	16 235	Based on HEMIS data. (It is the number of graduates in reporting year.)	15 350
Graduation rate	22,8%	Based on HEMIS data and refers to the number of graduates in the reporting year divided by the number of active students in the reporting year.	25,1%



Challenges in teaching and learning

We are still not done with issues such as the decolonisation of our curricula (while ensuring national comparability and international relevance), and creating the appropriate spaces for the student voice to be heard.

Another challenge is finding the optimal blend between face-to-face and technology-mediated learning, and listening to industry, alumni and other external stakeholders to enhance the work-readiness of our graduates.

Future outlook

The decolonisation of the curriculum is an ongoing process and in 2019 our faculties will continue to move forward with this initiative, taking their unique contexts into account.

Council approved our Language Policy in 2018, opening the way for our faculties to develop language plans that express their commitment to implementing multilingualism to the benefit of NWU students and other stakeholders.

We will also continue the investigation into the development of higher certificates as entry level qualifications to further extend student access. We will conclude the investigation in 2019 after conducting situation analyses and sustainability studies.

We are currently preparing for a national PhD review in 2020, ensuring the highest academic quality. In addition, our faculties are committing themselves to offering 25% of their academic programmes via distance learning within the next five years in order to expand our distance learning capacity.

“There is an increased demand for distance and technology-enabled tuition; we are continually investigating the design of electronic learning materials and the creation of a blended learning environment with seamless technology.”



Aiming for the stars

The excellent international rankings and other accolades that we received in 2018 give credibility to our claim that we empower people – especially our staff and students – to soar.

In 2018 we received an impressive five out of five stars in the Quacquarelli Symonds (QS) ranking system for teaching-learning, and for the employability of our students.

In addition, we participated in the Shanghai Ranking Consultancy’s global Academic Ranking of World Universities (ARWU) of 1 600 universities in 83 countries. The findings place our mining and mineral engineering subject area in the top 100 in the world, hospitality and tourism in the top 200, atmospheric sciences in the top 300, politics and education among the top 400 and our geography, psychology and environmental sciences and mathematics among the top 500 in the world.

Closer to home, our graphic design subject group was ranked as South Africa’s number one graphic design school.

Our School of Accounting Sciences is still among the top three schools in South Africa in terms of SAICA Board examinations. The school graduated a record number of black chartered accountants in 2018 and received an excellence award for the best master’s degree study nationally.



Material matter

Research



Our purpose is to excel in cutting-edge research that leads to the solution of real-life problems, thereby creating value for ourselves and our stakeholders and benefiting society.

We achieve this purpose through the research and innovation activities carried out in our research entities and faculties, through which we also increase our intellectual capital.

Research output

Our NRF-rated researchers increased from 195 in 2016 to 229 in 2017. The numbers of researchers in the different rating categories are set out in the following table.

NRF	2016	2017	2018
A	2	2	2
B	20	24	25
C	137	155	150
P	2	2	1
Y	34	46	54
TOTAL	195	229	232

Publications and weighted research output

How much value we created, compared to previous years

Research	2014	2015	2016	2017	2018
Publications per academic staff member	0,91	0,84	0,86	0,92	0,86
Weighted research output	2 179,3	2 146,4	2 437,1	2 609,64	2 605,507

The percentage of publications in internationally accredited journals decreased from 56% in 2016 to 50% in 2017.

Increase our global standing and visibility

Our research and innovation performance is creating an international presence, with the NWU signing 90 formal international collaborations in 2018. Of these, 38 were with top 500 institutions as rated by Quacquarelli Symonds.

Our research collaboration endeavours span the globe: from the Universidade Federal do Rio Grande do Sul in Brazil, to the University of Ghana on the African continent, and the University of Hong Kong on the Asian continent.

These collaborations include agreements for joint degrees, co-chairs, collaborative research and innovation programmes, skills development and international student recruitment and exchange.

Further confirming our international footprint, we have secured second place at the Innovation and Entrepreneurship Competition for Overseas High-Level Talents 2018 in Hangzhou, China, where we represented a South African consortium.

The project relates to the 3D printing of pure platinum powder, which opens many new industrial applications for the precious metal.

The NWU is also an active partner in collaborations within the Brazil, Russia, India, China and South Africa (BRICS) countries and has knowledge and skills-sharing agreements with several BRICS universities.

In fact, in 2018 Prof Anil Sooklal, the deputy director-general of the Department of International Relations and Cooperation, declared the NWU the most active South African university with regard to research-related activities that involve the BRICS initiative.

Our research-related contributions include NWU delegations visiting Chinese universities, and hosting public lectures by Prof Sooklal and the Russian ambassador to South Africa.

Create value through innovation and technology

At the NWU, our commercialisation entities drive the commercialisation of our intellectual property and expertise. In 2018, we reviewed our entire portfolio of spin-off companies to enhance their effectiveness and make sure their goals are aligned to the university's overall strategy.

When our technologies are available for further development and commercialisation, we market these on the In-Part Platform. We also showcase selected technologies at various national and international events.

Our total income from royalties was R869 220 and invention-based product sales amounted to R16 591 861. The royalties are distributed to the inventors, research groups, faculties and the university's Incubation Fund for reinvestment into further research and commercialisation.

“We foresee that there will be an increasing focus on innovation. To accommodate this trend, we will progressively steer our research outcomes towards innovation and commercialisation.”

NOTE

We achieved 21 new disclosures, 12 patents, three commercial agreements and two commercialisation successes. Consequently, three new provisional patent applications were filed.

see them soar

Creating future entrepreneurs

We stimulate entrepreneurial and innovation activities at the NWU, including student entrepreneurship.

In 2018 we received 94 entries for our student innovation competition called Leopards Lair, which was more than double the previous year's number.

After the semi-finalists were further trained at our bhive Enterprise Development Centre incubator, 15 finalists pitched their ideas to the leopards (our judges) in the final round.

In the end, Boitshepo Gopane, a master's student in microbiology, walked away with the spoils. The main aim of her winning project – WeClean Recycling – is to recycle dry waste such as paper, plastic, glass and metals. This is then sorted, repackaged and sold to recycling companies.

Boitshepo will invest her prize money of R50 000 in the development of her project. With Boitshepo in the picture are the two runners-up, Olwethu Mvelo and Sydwell Sihlangu.



Challenges with research output

Despite our research successes, we also face a few challenges.

One is that only 20% of our academics deliver 80% of our research output. As a result of this limited input, our per capita output decreased from 0,92 in 2017 to 0,86 in 2018.

We realise that one of the reasons behind this challenge is that many of our academics do not have sufficient time for research as they are often kept too busy with teaching activities. Another reason is that some of our active researchers retire or leave to take up positions elsewhere.

The lack of sufficient incentives for our productive researchers is another challenge, as they get very little of the DHET subsidy that the institution receives for research output.

Future outlook

All academics are expected to contribute to our research output. With this in mind, our faculties have developed research output targets in consultation with the relevant academics.

However, we still need additional strategies to manage academics who do not deliver research output, and to retain those who are active researchers. A task team will look into adequate incentivisation of productive researchers.

To address the time constraint challenge, faculties are developing workload management models. These will include allocation of research leave, relief from teaching at selected times, dedicated research time for each academic, and integrating research into teaching and learning activities.

Material matter

Govern, lead and manage



Our governance structures and approach to ethics, as well as our strategy, values, success model and Annual Performance Plan, guide us to create optimal value through good governance and management.

These, together with the systems, processes, procedures and policies that support governance and management, are part of our intellectual capital.

For more information about how our management activities increase our intellectual capital, refer to the overview of the vice-chancellor on page 22 and for information about governance, turn to page 84 in the section on governance supporting and protecting value.

Material matter

Information and communication technology



When it comes to information and communication technology (IT), the intangibles are part of our intellectual capital, while the tangibles are part of our manufactured capital.

The systems (for instance the e-learning platform eFundi), software programmes and support services are the intangibles and therefore intellectual capital. On the other hand, the physical structures and equipment are tangibles and constitute manufactured capital. (You can read more about the latter on page 80.)

IT has a very comprehensive product portfolio, enabling most of the university's capabilities. In some cases, there are several products supporting a single capability.

The size of the product portfolio is one dimension, but the actual adoption (usage) of products gives more of an indication of value created. In most cases, usage of IT products grows exponentially.

- ▶ In 2018 there were 12 300 maximum simultaneous users in eFundi, compared to 2 100 in 2010.
- ▶ 7 000 sites (usually modules) were created in eFundi in 2018 – showing a substantial increase from the 1 300 in 2010.

This upward trend applies to most of the IT products in our comprehensive portfolio.

COUNCIL STATEMENT ON IT

“Council affirms, as the final decision-making body of the university, that it is endowed with the responsibility and accountability for the effectiveness and efficiency of information technology processes, including governance framework, alignment with NWU objectives, significant IT investment, risk management, assets, policies and strategies, and compliance with statutory requirements. Council is continually apprised of developments, by means of management and audit reports to the IT Governance Committee, and received sufficient assurance over the past year from all relevant assurance providers.”

Statement approval obtained from the NWU Council on 20 June 2019

• see them soar •

For Dr Elma Marais, lecturer in the subject group Afrikaans for Education (Faculty of Education), eFundi is a tool central to her teaching.

“Technology gives me the opportunity to bring about a more interactive classroom. I use eFundi for communication, attendance, forums and engagement with my students.

WiFi is just as important in my class, as I use a number of apps that need internet and WiFi.”



NOTE There are, for instance, 67 unique products (software solutions) delivering value to the core business capability of curriculum delivery and assessment.



Our human capital

Our human capital consists of two of our major stakeholder groups: our staff and our students.

Both groups feature very prominently in our value chain. Our first-year students are for instance part of our input, while they become part of our output after graduation.

We create value for both groups through our activities, outputs and outcomes, but in turn they also create value for the university and strengthen our other capitals through their activities and outputs.

Here are some examples: Through their teaching and research activities, our staff increase the value of our intellectual capital. By paying tuition fees, our students increase our financial capital and by eventually becoming skilled, responsible graduates who in turn contribute towards society, they increase our social and relationship capital.

In this section we will show you how we use our resources to empower our staff and students to strengthen their wings and soar to greater heights.

<p>Stakeholders who will benefit from human capital activities</p>	<p>Our staff and students are our main stakeholders comprising our human capital, but their families are also indirectly affected by our activities.</p>
<p>Material matters (goals or enablers) involved</p>	<p>Our staff and students are affected by almost all our material matters.</p>
<p>Risks involved</p>	<p>Almost all our main risks apply to our staff and students. These are uncertainties in the higher education sector, the demand for organisational change, risks related to academic matters, compliance matters, risks relating to student life, IT risks and operational risks.</p>

How we created value

We created value for our staff and students by developing their skills, and also by promoting their overall wellness through the implementation of social justice and an ethic of care.

Once again, we will demonstrate how we created value for them through core business and support activities.

Material matters

Teaching and learning; research; community engagement

Caring for our students

Through our teaching-learning, research and community engagement activities, we add to our students' knowledge and skills. This empowers them to enter the labour market as highly qualified graduates (part of our outputs) who are able to contribute to the economy of South Africa (part of our outcomes).

But we do not only focus on their skills. We also help them develop into well-rounded people by offering a host of cultural and sport activities and looking after their financial,

physical and psychological health and well-being. More information is available in the vice-chancellor's review on page 24.

► Academic support

Extensive information on how we help our students to gain access to the university and complete their studies successfully can be found in the section on our value chain on page 15, and in the section on our intellectual capital on page 47.

► Career-related support

Our Career Centre presents work readiness seminars to equip our students for the transition from university to work life. The number of students whom the centre assisted (for instance by training them to write CVs and prepare for interviews) grew from 5 171 students in 2016 to 6 596 in 2018.

In 2018, our centre also facilitated 170 job postings through Facebook, eFundi and the online career service application called Career Zone, thereby connecting students and employers. There were 1 437 student profiles and 134 listed companies on the Career Zone app.

Through regular engagement with professional bodies, business and industry, we make sure that our academic programmes stay relevant to promote our students' employability.

Work-integrated learning and service learning are also very important enabling tools in enhancing our students' work-readiness. Through their involvement in our research projects and community engagement projects, our students gain valuable practical experience.

Caring for our staff

► Building staff capacity

By building our staff capacity, we increase our human capital and create value for this highly appreciated stakeholder group.

We do this through training interventions that are part of our Work Skills Plan. In 2018 we spent R6, 5 million on the training of 1 277 employees. Of these, 259 employees were externally trained through outside service providers.

More information about the capacity-building programmes for our academics is available on page 15 in the section on

our value chain. Information about our various incentivising initiatives, such as the annual awards for teaching excellence, is available on page 19 in the section on our value chain.

► Empowering our researchers

We hone our researchers' skills and motivate them through various initiatives and events, such as public lectures. Twelve high-level public lectures were held during 2018, with speakers from organisations such as the Department of International Relations and Cooperation, the National Research Foundation (NRF) and the Human Sciences Research Council.

Almost 500 researchers and more than 50 speakers from various research institutions, NWU faculties and government organisations attended our first biennial Research and Innovation Conference.

Focusing on the development of our young researchers, we secured 23 internships for 2019 from the Department of Science and Technology and the NRF.

We made R4,4 million available through our University Capacity Development Programme (UCDP) to help emerging researchers further their studies. Counting this initiative together with funds for various other development opportunities, a total of R9,6 million was provided for staff development.

In 2018, almost 500 researchers attended 20 research capacity-building workshops. Our sixth Annual Postdoctoral Conference was also well attended, enabling 90 postdoctoral researchers to explore opportunities for multi- or transdisciplinary research.

Another way of inspiring our researchers is through our annual Research and Innovation Excellence Awards. You can read more about these on page 20 in the section on our value chain.

Material matter Student value proposition 

Our students are our main clients and we realise that our campuses are their "home away from home". We go out of our way to make sure every student feels safe and experiences a sense of belonging.

In addition to the academic and career support we give them, they have access to various wellness support services.

Our campus clinics, together with counselling and social welfare services, support our students' overall physical, mental and social wellbeing. The campus disability offices

make sure that the needs of students living with disabilities are met, while projects such as Meal-a-Day support needy students.

More information about how we promote our students' overall wellness through other support services and extracurricular activities is available in the review of the vice-chancellor on page 22.

We also support our students financially and see this as an input into our value chain – more information about this topic can be found on page 15.

NOTE Regular career fairs on our campuses also bring students into contact with potential employers. The number of companies attending these fairs increased from 153 in 2017 to 161 in 2018.

“We are totally committed to ensuring a diverse and integrated student life across our university. We want all students to experience a sense of belonging while developing into responsible, caring citizens.”

Dropout rates

Our student to staff ratio increased from 31,51 to 32,22 in 2018. Our first-time entrant dropout rate has decreased from 11,11% in 2017 to 9% in 2018. This positive decrease correlates with the increase in the undergraduate graduation duration factor.

How much value we created, compared to previous years

Dropout rate	2015	2016	2017	2018
First-time entrant dropout rate for contact degrees	15,3%	12,2%	11,11%	9%

How much value we created, compared to our target

	Target	Definition	Actual
Academic staff full-time equivalent ratio: students	26,4	Based on HEMIS data and refers to the enrolled student full-time equivalent divided by the permanent instruction/ research professionals full-time equivalent.	32,22
First-time entrant dropout rate for contact degrees	Below 15%	First-time entering students in contact degree qualifications who register in the reporting year but do not return in the next year.	9%

Material matters

Develop and retain excellent staff and create an equitable staff and student profile



We want to attract and retain high-calibre staff – which is not easy as we compete with other South African higher education institutions for a limited pool of highly qualified academics. (Read more about this on page 8 in the section on our external environment.)

In the section on our intellectual capital (see page 55), we discuss the academic development of our staff and, in the section on incentivising for achievement (page 103), you can read about how we use remuneration as an incentive.

In addition to professional development and remuneration, we create a caring and safe environment conducive to attracting and retaining excellent staff.

Our staff members matter

Our Wellness Office offers various services to support the all-round wellness of our staff, including their physical, psychological and social wellbeing.

A comprehensive employee wellness assistance programme known as Wellness4U, provides a free, 24-hour confidential service connecting NWU employees and their immediate families with experienced counselling professionals for help with personal, family and work-related problems.

Other services that contribute towards making the NWU an employer of choice include health services through our campus clinics, support for staff living with disabilities through our campus disabilities offices (we also have a disability policy for employees), an HIV and Aids workplace programme, and a toll-free emergency number that operates 24 hours a day, seven days a week.

We provide financial aid through study discount benefits so that our staff and their dependants can study at the NWU. In 2018, we spent over R23,8 million on these benefits, which reached 964 people. Of these, 427 were staff members and 537 dependants. 415 were historically disadvantaged South Africans and 562 were female.

NOTE

In addition, we create a safe environment for our staff through our campus protection services and our Occupational Health and Safety office and policy.

► Pursue equity to create value

Creating an equitable staff and student profile is not merely a compliance issue. It is also part of our commitment to excellence in that a diverse community can stimulate greater creativity and innovation than a homogeneous one can.

Living and studying in a multicultural environment also prepares our students for the diverse South African world of work.

Staff

► How much value we created, compared to previous years

	2015	2016	2017	2018
African (%)	32,5%	33,5%	34,5%	35,9%
Coloured (%)	5,6%	5,7%	5,7%	6,3%
Indian (%)	1,2%	1,2%	1,3%	1,3%
White (%)	60,7%	59,6%	58,5%	56,5%
Female (%)	57,1%	56,9%	56,9%	56,8%
Male (%)	42,9%	43,1%	43,1%	43,2%

► How much value we created, compared to our target

	2018 target	Actual
African (%)	33,6%	35,9%
Coloured (%)	6,3%	6,3%
Indian (%)	1,3%	1,3%
White (%)	57,0%	56,5%
Female (%)	56,5%	56,8%
Male (%)	43,5%	43,2%

Students

► How much value we created, compared to previous years

	2015	2016	2017	2018
African	68%	67%	66%	65%
Coloured	5%	4%	4%	5%
Indian/Asian	1%	1%	1%	1%
White	27%	28%	28%	29%
Female	67%	67%	66%	65%
Male	33%	33%	34%	35%

► How much value we created, compared to our target

	2018 target	Actual
African	62%	65%
Coloured	6%	5%
Indian/Asian	1%	1%
White	30%	29%
Female	69%	65%
Male	31%	35%

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**COUNCIL
 STATEMENT
 ON CONFLICT
 MANAGEMENT**

“During 2018, the NWU successfully dealt with conflict, thereby mitigating potential risks that could have harmed the institution’s reputation. Our approach included dealing with potential conflict situations at the lowest possible organisational level and striving for win-win situations. The university collectively bargains and consults employees through the University Bargaining Forum.”

Statement approval obtained from the NWU Council on 20 June 2019



COUNCIL STATEMENT ON WORKER AND STUDENT PARTICIPATION

“The NWU and a recognised union address employee issues of mutual interest through a forum established for this purpose. We also have ongoing consultative forums for all employees and a non-recognised union. These structures build labour peace and a healthy employee/employer environment, and play a critical role in the ongoing improvement of employer/employee relations. Key decisions about matters that affect employees are communicated to the university community via the vice-chancellor’s office.”

Statement approval obtained from the NWU Council on 20 June 2019

Material matters

Govern, lead and manage; information and communication technology; and financial sustainability



Good governance is an important way of supporting and protecting our human capital. This is part of the responsibilities of the Institutional Forum and various Council committees, such as the Remuneration Committee, the People and Culture and Employment Equity Committee and the Student Oversight Committee.

We also have several policies that provide guidelines for the fair and just management of the university, thereby protecting and increasing our human capital.

These include policies on governance oversight and management control, human rights, remuneration, performance management, staff learning and development, employment equity and disabilities, to name just a few.

Another matter closely linked to our commitment to increase our human capital is equity of resources. One of the important resources is communication and information technology.

As a key enabler at the university, our IT department supports our staff and students in numerous ways, ranging from supplying the necessary hardware and software, to maintaining systems and help desk services for daily support.

By adopting a centralised approach for system delivery and a decentralised approach for service delivery, we have ensured equal access to IT resources and services across all campuses.

Lastly, it is our responsibility to make sure that our university stays financially sustainable. This ensures that our current staff and students, as well as future generations, will have a financially stable institution to work and study at. More information about how we do this is in the section on our financial capital on page 65.

Our students and staff are invaluable internal stakeholders and an important part of our human capital. Both groups feature very prominently in our value chain.



NOTE All staff and students should have access to the same quality of resources to enable them to perform optimally.



Our social and relationship capital

Social and relationship capital can be described as the relationships we have with our external stakeholders. This is about their loyalty, skills, knowledge, experience and motivation that add value to the NWU and our other capitals. It is also about reciprocal trust and benefit.

As a university we realise that a big part of our value creation success depends on the relationships we have with individuals, groups and communities outside the NWU – nationally and internationally.

We also acknowledge that we have to engage effectively with these external stakeholders to increase the value of our social and relationship capital.

Stakeholders who will benefit from effective engagement with the NWU	All our external stakeholders benefit from our engagement with them. They include the parents of our current and prospective students, communities surrounding our campuses, donors, alumni, employers, business and industry, professional bodies and the Department of Higher Education and Training (DHET).
Material matters (goals or enablers) involved	All our goals are directly or indirectly linked to our relationships with external stakeholders. These are particularly closely and directly connected to this capital: 
Risks involved	Parents of students may be affected by the uncertainties in the higher education sector, the demand for organisational change and risks relating to student life. (Matters that may concern them include state funding, tuition fees and the safety of our campuses in the event of unrest.) Other risks that affect our external stakeholders include risks related to academic matters, compliance and commercialisation of intellectual property.

How we created value

This section is about how we created value for our external stakeholders by integrating our community engagement with our core activities of teaching and learning and research.

It also touches on activities related to some of our other goals and enablers, illustrating how we strengthened our relationships with individuals and groups with whom we interact.

With the aim of increasing the impact of our community engagement, we made a concerted effort to move towards discipline-based outreach rather than conventional outreach.

Material matters

Teaching and learning; research; community engagement



Many of our teaching and learning activities are intertwined with community engagement, especially where there are opportunities for work-integrated learning and service learning.

In 2018, we integrated these two types of learning into our teaching and learning strategy. We also planned to develop a service-learning module that will be ready for offering in 2020.

We continue to provide community service through our law clinics and psychosocial service centres. These platforms enable students to integrate theory and practice while communities benefit as well.

In addition, we continued to forge strategic relationships with business, industry and professional bodies to ensure that the content of our academic programmes remains relevant and that our students are fully employable.

NOTE Although some of the activities generate third-stream income, most of our community engagement activities are not for profit and can be linked to our commitment to social justice, which forms part of our strategy.

Research

Engaged research is very important if we are to increase our social and relationship capital. These activities are interactive: they involve research about, with and in communities.

We also conduct research to solve real-life problems in communities, thereby empowering people and improving their quality of life. An example is the green water treatment that benefits communities, as mentioned on page 21.

In addition, our researchers share their expertise when they participate in expert panels, serve on research

structures and collaborate in research programmes, both nationally and internationally.

Challenges and future outlook

Through technology development and broader access to online education, the NWU and its activities will become more and more accessible to communities.

This creates opportunities for greater legitimacy as an institution for the public good, but will also require increasing community responsiveness and infrastructure capacity.

Material matters

Student value proposition; develop and retain excellent staff



Our strategy propagates social justice and our dream, social responsiveness and an ethic of care. To bring these aspects to life, we encourage our staff and students to contribute to society through volunteerism.

In 2018, the Rag Committee on the Potchefstroom Campus donated about R1,448 million to deserving projects from money raised in the previous year by the Student RAG Community Service and RAG.

Among the students' community engagement activities were voluntary community service at local primary and secondary schools, children's homes, shelters for the homeless, old age homes and the Society for the Prevention of Cruelty to Animals, and offering extra maths classes in schools to assist teachers.

The purpose of students volunteering in the communities is to encourage them to become responsible citizens whose actions are guided by an ethic of care.

Challenges and future outlook

It is clear that in interacting with the NWU, regional and local communities will increasingly expect mutually beneficial

relationships that include addressing socio-economic issues through relevant research and the implementation of expertise.

Addressing these expectations means that we will have to focus even more on programmes that build capacity, alleviate poverty and increase employability.

We also want to extend our community development nationally, focusing on pressing and relevant socio-economic issues and mutually beneficial applied research with sustainable impact and income generation potential. This initiative is in response to the National Development Plan.

When it comes to the global arena, we would like to continue increasing the number of agreements and collaborations with international universities and relevant industries.

It is of particular importance to increase the number of postgraduate joint-degree programmes with the top 500 universities as rated by Quacquarelli Symonds (QS).

Other priorities are to continue focusing on international funding sources, smart partnerships, and the achievement of the international Sustainable Development Goals, aimed at ending poverty and protecting our planet and people.

Material matter

Communication, marketing and stakeholder engagement



For more information on our stakeholder activities, refer to the section on stakeholder engagement on page 27.

NOTE

Our ultimate goal is to have forged partnerships with at least 50 of these top 500 universities by 2025.

“As community engagement and partnerships will remain critically important in the South African context, we will focus on programmes that build capacity, alleviate socio-economic conditions and increase employability.”

see them soar

NWU’s Ikateleng project celebrates 30 years of impact

In 2018 we celebrated the 30th anniversary of our Ikateleng project.

For the past three decades, this project has impacted the lives of thousands of learners across central South Africa by means of supplementary teaching.

The ongoing project provides supplementary tuition to Grades 10, 11 and 12 learners, not only improving their overall examination results, but also imparting vital life skills to them.

There are seven centres from which we coordinate the project. There are three main centres (one at each of the campuses) and four additional sites of delivery in Kimberley, Mankwe, Mamelodi and Lichtenburg.

At the end of 2018, the project boasted an overall pass rate of 95,25%, with 195 distinctions recorded during the 2018 National Senior Certificate Examination.



We encourage staff and students to do voluntary work in communities, thereby enhancing their social awareness.

As part of our horse-riding project, students take children living with physical or cognitive disabilities to the RosAmos riding school, where they experience therapeutic interaction with the horses.







Our natural capital

We consider our natural capital to be the renewable and non-renewable environmental resources upon which all our other capitals are based. We use these natural resources or environmental assets to add value to our other capitals.

Here are a few examples of this close relationship between our natural and other capitals.

We need water to sustain our staff and students, who constitute our human capital. Without that sustenance, our academic staff cannot do research and consequently cannot increase our intellectual capital.

Without land and resources such as soil and water, we cannot construct buildings to strengthen our manufactured capital. However, by building on the land and using natural resources and creating waste during the construction process, we decrease the value of our natural capital.

Stakeholders who will benefit from strong natural capital	All our stakeholders need natural capital to exist and flourish.
Material matters (goals or enablers) involved	<p>We will not be able to realise any of our goals or implement our enablers without natural resources as input.</p>  <p>The material matter “to promote sustainability” (part of goal three in our Annual Performance Plan) is particularly relevant here.</p> 
Risks involved	Risks include those related to academic and operational matters, student life, compliance (for instance with environmental regulations) and IT (infrastructure needs an energy source).

How we created value

When it comes to our natural capital, we acknowledge two important facts. Firstly, we realise that material matters of an environmental nature are invaluable as an input for overall value creation at the NWU.

Secondly, we know that natural resources are scarce and should be managed sustainably so that they will still be available to us and the next generations in the future.

That is why we are committed to reduce the environmental footprint our activities create. We intend to do this by using natural sources responsibly, by decreasing our energy use and by complying with environmental regulations.

Material matter

Promote sustainability



Although sustainability refers to much more than only environmental sustainability, our focus in this section is on environmental affairs.

Environmental audit

As part of our commitment to responsible citizenship and environmental responsibility, the NWU’s Centre for Environmental Management (CEM) conducted an audit in 2014. The findings included a long list of non-compliance issues.

Internal Audit followed up in 2017 by conducting an Environmental Compliance Audit, which revealed that only some of the required legal compliance audit rectifications had been resolved.

While CEM continues to monitor these rectifications, we have stepped up our response by initiating change management and awareness activities and appointing a green campus coordinator and committee for each campus.

Challenges

Unfortunately, these coordinators had limited success in bringing about the required changes, for a variety of reasons. These included a lack of specialised expertise and the absence of a policy for environmental responsibility.

In 2018, we designated a coordinator and accountable manager for the finalisation of the outstanding compliance issues across the university. A follow-up investigation was then launched in October, followed by a status quo report.

This report showed that although some progress has been achieved within various responsible and accountable units, there are still outstanding compliance issues.

Future outlook

We intend to establish a working committee in 2019 to oversee all infrastructure operations, and to appoint a policy owner to compile a sustainability and green campus policy with definite timelines.

Another priority is to focus on who is responsible for finalising outstanding compliance issues. Where applicable, responsibility for achieving these targets will be included in task agreements.

Material matters Teaching and learning; research; community engagement



Several of our academic programmes focus on environmental aspects, for instance our biological and agricultural sciences, while various NWU research entities conduct research on topics related to the environment.

Our Unit for Environmental Sciences and Management in particular generates research that safeguards nature and supports the optimal utilisation of natural resources within the limitations of ecosystem resilience.

Their research programmes range from climate change and air quality, to biodiversity and conservation ecology.



Raising awareness on the need to safeguard natural resources

The Unit for Environmental Sciences and Management launched various awareness projects in 2018.

During Water Week in March, the unit ran a water-saving awareness programme on the campus in Potchefstroom. During this campaign they shared information on the importance of water and why this scarce resource should be managed sustainably.

Then, on 18 July, Mandela Day, they visited Madibeng Primary School in Potchefstroom to emphasise the value of education and the importance of a clean environment.



NOTE In addition, we plan to join the Higher Education Environmental Sustainability Community of Practice in 2019, as this will allow benchmarking with other South African universities.

Material matters

Student value proposition



By involving our students in various Green Campus initiatives, we encourage them to become responsible citizens who are aware of the importance of environmental sustainability.

These initiatives include an energy-saving competition for student residences, art exhibitions (with students using recycled material) and opportunities for students to implement innovative green ideas.

Future outlook

We plan to initiate an awareness campaign in 2019 called “Flip the Switch”. It will be launched on the three campuses during March 2019 to create awareness of energy consumption and the impact it has on the environment.

Creating this awareness will not only motivate the NWU community to save energy; it will also afford everyone the opportunity to start making a sustainable difference in their communities and surrounding areas. We believe that the establishment of an energy-conscious NWU will ultimately conserve the environment for future generations.



We hosted our annual Value your Environment campaign at the end of February 2018, creating awareness on various environmental issues that impact society.

The week-long campaign was held on the campus in Potchefstroom.

Students had the opportunity to participate by planting trees and presenting a fashion show using recyclable materials.

“The main aim of this campaign was to encourage students to reduce their carbon footprint,” says Mario Matos, Student Campus Council (SCC) member for current affairs.

Mario says that the SCC also made use of this opportunity to promote the values of the university.

“I’m very satisfied with the outcome of the event. My team and I approached the project differently this year by trying to make it more appealing to students and to encourage them to actively take part in maintaining a green lifestyle. We are also looking into taking this initiative to our sister campuses in the near future,” concluded Mario.





Our financial capital


Our financial capital is about the funds available to us for creating value for the NWU and our stakeholders through the provision of services.

Financial capital is obtained through financing, such as state funding, debt and grants, as well as revenue generated through our operations and investments.

In other words, it is about our income and budget (our input) and how we use that during our activities to produce outputs and outcomes, while maintaining a healthy and stable financial environment.

Current financial stability and future sustainability are of the utmost importance in ensuring that the university achieves its strategic objectives as a unitary institution of superior academic excellence that empowers people to excel – to soar, as we put it throughout this report.

Excellent financial discipline in planning, managing and investing our financial capital is a prerequisite for ensuring that adequate funding is available for operational requirements and that capital expenditure needs can be met while maintaining a healthy balance sheet.


Stakeholders who will benefit	All our stakeholders benefit when the NWU’s financial capital is strong. Here are a few examples. Having a financially stable university will enable us to keep our tuition fees within reach of our current and future students and their families. It will also enable us to afford fair remuneration for our staff and reassure our donors and the DHET that we spend their donations and funding wisely and serve the national priorities for higher education.
Material matters (goals or enablers) involved	All our goals and enablers are involved, as we need money to achieve and implement them. 
Risks involved	The main risks are uncertainties in the higher education sector (for instance the downward curve of state funding), demand for organisational change (for instance free education), risks related to academic matters, compliance (for instance to financial laws and regulations), risks relating to student life, IT risks, commercialisation and operational risks.

How we created value

In this section of our value creation story, we tell you how we managed our finances to maintain our sound financial position, despite numerous challenges in our external environment. (More about our sound financial position on page 77.)

Material matters

Ensure the financial sustainability of the NWU



To ensure long-term financial sustainability, we have to distribute our resources in a way that supports our core business strategies.

As in the previous year, our budget task team compiled a high-level break-even budget on a cash flow basis. The budget was shaped by the realistic prediction of income, translating to expenses that we can “afford”. This meant we paid close attention to the calculation of the key sources of revenue, taking into account all the latest, most relevant information available.

NOTE Our financial capital is a medium of exchange that releases its value through conversion into other forms of capital.

We used pre-determined ratios (expenses measured as a percentage of core business income) as a financial sustainability guideline to steer the NWU towards the ideal combination of income and expenses. The 2017 budgeted expense ratios were used as the basis for the 2018 expense budget. The result of the income calculation gave an indication of the adjustment needed in terms of the 2018 expense budget. We then did a three-year forecast, based on the same principles and certain assumptions.

We used the following ratios to guide us:

- ▶ Staff cost as a percentage of income
- ▶ Operating cost as a percentage of income
- ▶ Capital cost as a percentage of income

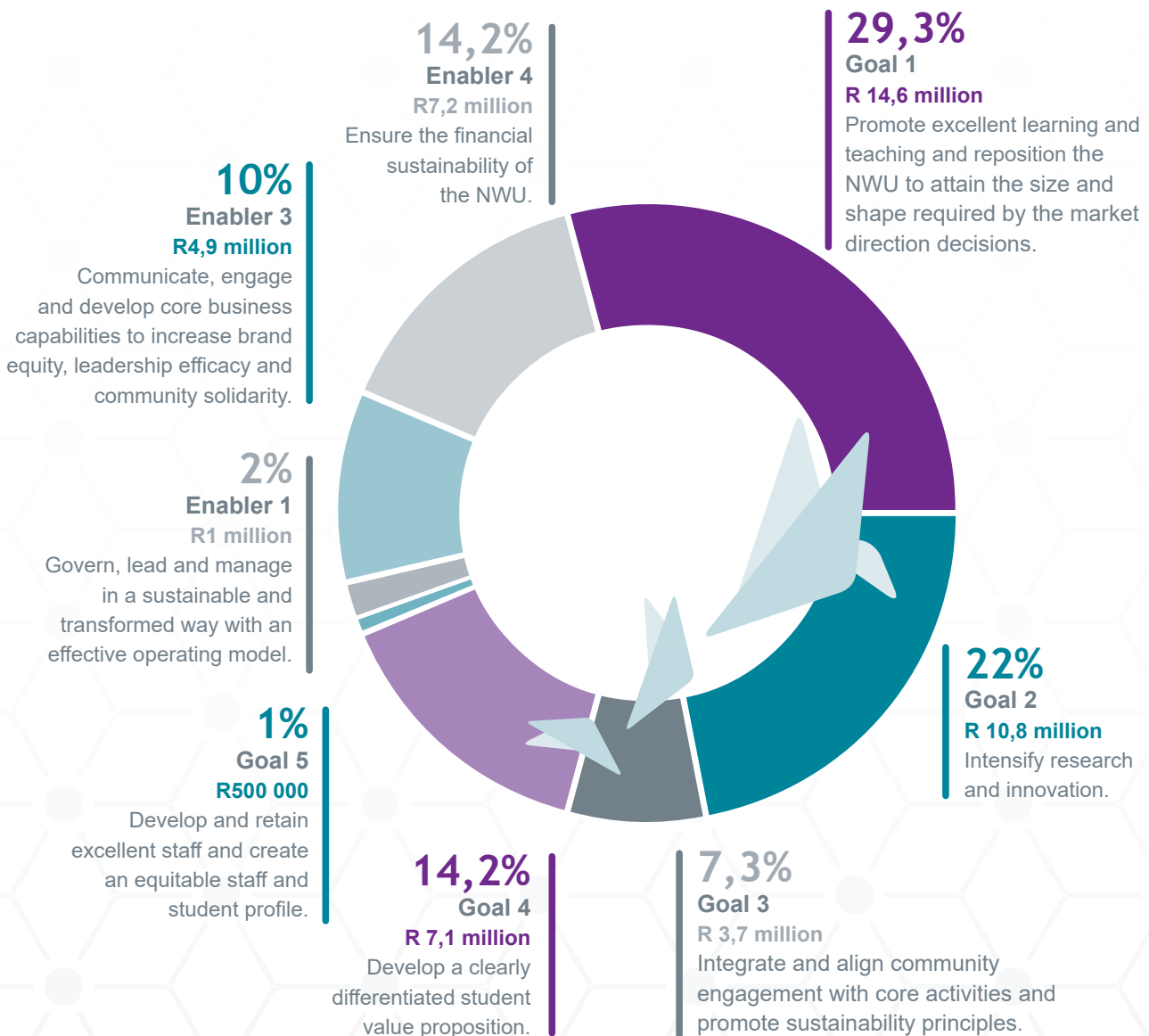
On the following pages we will illustrate how we financed our strategic initiatives and how we allocated our funds to achieve our goals and implement our enablers in 2018.

How we plan to finance our strategic initiatives

Using our strategic fund to allocate funds for identified strategic projects, we strengthen our efforts to align our activities and resource allocation with our overall strategy and success model.

During the budget process, managers submitted their strategic requests, together with the project charter for every strategic project, to the University Management Committee for approval.

Funds allocated per goal/enabler



Strategic projects per goal/enabler



Teaching and learning

Goal 1: Promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions.

- IT for teaching and learning (ITTL) on all campuses
- Open distance learning: design and develop an honours degree for distance mode of delivery
 - Produce and upload videos for teaching and learning to e-Fundi
- Teaching and learning technology for classrooms
 - Purchase teaching and learning equipment
 - Integrate technology into the classroom
 - Team-teaching training and workshops
- Develop focused support for law students
 - NWU Medical School project: extension and continuation
 - Development: study material production (SMP) (TRACS) system
- Unit for Continuing Education implementation
 - Computer lab for Consumer Sciences



Community engagement and sustainability

Goal 3: Integrate and align community engagement with core business activities and promote sustainability principles.

- Bhive Enterprise Development Centre
- Work-integrated learning camp for BEd first years



Staff and students

Goal 5: Develop and retain excellent staff and create an equitable staff and student profile.

- Buy mobile units and equipped them with computers and WiFi to assist in online applications for admission to the NWU and for NSFAS funding.



Communication

Enabler 3: Communicate, engage and develop core business capabilities to increase brand equity, leadership efficacy and community solidarity.

- New NWU brand roll-out
- Purchase public artworks (additional R1 000 000 already allocated from previous year's fund)

GOAL 01

GOAL 02

GOAL 03

GOAL 04

GOAL 05

ENABLER 01

ENABLER 03

ENABLER 04



Research and innovation

Goal 2: Intensify research and innovation.

- Recruiting postdoctoral fellows
- Funding for Isotope project
- Upgrade: Dynamic Retinal Vessel Analyser (DVA) apparatus
- International Conference: BRICS Council of Exercise and Sports Science
- Strategic South African National Antarctic Programme (SANAP) funding
- Maintenance of the neutron monitor network
- Shortfall: telescope, Mafikeng Campus
- Collaborative research initiative to facilitate multi-level research capacity building
- Incentive programme: NRF-rated researchers
- Intensify innovation activities on the Mafikeng Campus



Student value proposition

Goal 4: Develop a clearly differentiated student value proposition.

- Cross-campus student seminars
- Develop interactive electronic referencing guide in collaboration with the Centre for Academic and Professional Language Practice.
- NWU culture review and development project
- Student life culture and climate improvement project



Lead and manage

Enabler 1: Govern, lead and manage in a sustainable and transformed way with an effective operating model.

- Finalise policies and rules for the transition to the new 2017 NWU Statute.



Financial sustainability

Enabler 4: Ensure the financial sustainability of the NWU.

- NWU Integrated Energy and Energy Efficiency project

In the near future: opportunities and challenges in executing our strategy

For the 2019 academic year, the Department of Higher Education and Training (DHET) has asked for an across-the-board tuition fee increase of 5,3% (based on the consumer price index or CPI).

The challenge is that the CPI rate is not representative of the increase in cost required to operate a university.

Universities must cope with a historical subsidy increase deficit as the pace of subsidy increases has been below Higher Education Inflation for a few years, and did not allow for planned growth.

The DHET announced a block grant increase that includes the fee adjustment grant (GAP grant) that will be discontinued from 2019, with R2,76 billion being distributed to the sector's block grant subsidy component from 2019 to partially address the block grant increase that does not cover the Higher Education Price Index (HEPI) and system volume growth. This development will put additional pressure on the financial stability of universities.

The block grant increase will only make up for the difference between the suggested 5,3% tuition fee increase and the HEPI-related increases in the short to medium term.

Future outlook: how to maintain financial sustainability

A considerable risk for the future sustainability of universities is the combination of the tuition fee increase being capped at 5,3%, the phasing out of the GAP grant and fees in essence being transferred to subsidy that increases at a lower rate than HEPI and growth.

All of these factors mean that we will have to make tough decisions to maintain our healthy financial position, and that the focus for 2019 will be to diversify our income streams and improve operating cost efficiency and effectiveness.

In the long term, the financial sustainability of public higher education institutions may be jeopardised to such an extent that some may lose their competitive edge in the market and the ability to contribute to the skills and knowledge economy of South Africa.

To prevent this from happening, we intend to participate actively in the modelling of the future funding design. We remain committed to working with the DHET to ensure not only a well-functioning and sustainable NWU, but also the stability and sustainability of the South African higher education sector.

“We are committed to maintaining financial stability, and therefore it will become increasingly important to generate our own income, review activities that are not financially viable and focus on disciplined cost.”

STATEMENT ON BORROWINGS

The NWU did not enter into any new long-term borrowing agreements in 2018