

COMMERCE BEYOND THE NUMBERS

The present state of world economies tells us that commerce can no longer drift within a business-as-usual pattern of thinking. Those who work and study in the field must ask the difficult questions most likely to bring about structural change. UCT researchers are stepping outside traditional boundaries to grapple with poverty and unemployment, inequality, HIV/AIDS and the other critical issues facing South African society today.

The two greatest influences on the way UCT's Commerce Faculty has gone about its work in the past year are a quest for relevance, at both policy and grassroots level, and an increasing spirit of collaboration within the sciences. In addition, the faculty has continued to place emphasis on social innovation and entrepreneurship, along with leadership and a values-driven ethic that has seen it grow in both excellence and relevance, increase its research outputs, and seize the unique opportunities of the day.

The Commerce Faculty has enjoyed the highest rate of improvement in annual peer-reviewed, accredited journal outputs at UCT over the past three years.

During a period of significant budgetary pressure that forced steady increases in the faculty's ratio of undergraduate students to staff, and postgraduate students in need of supervision, two professors received the first A ratings ever awarded by the National Research Foundation to researchers in any commerce faculty in South Africa. The number of staff with an NRF B rating, which indicates considerable international recognition, doubled. These are objective signals of improvement not easily achieved.

The basic essential condition for this success under pressure is straightforward: the faculty's academic corps has an unusually low median age, so a high number of the staff are still growing in their research capacities, confidence and efficiency. Crucially, when confronted with shrinking resources, especially in that most precious asset, time, most staff have responded by working even harder and longer than they had already been. The faculty has supported and leveraged this superior collective work ethic through organisational change.

Across the sciences, research has for many decades become increasingly collaborative; this is due mainly to greater specialisation which requires projects to involve multiple authors. A second driver is the global tendency to extend larger grants to fewer but more ambitious projects, rather than making small grants to individuals. This is leading international research universities to organise around strong thematic research units guided by the best principles of entrepreneurship and enterprise management.

Organisation into research units is particularly important to the Commerce Faculty for an idiosyncratic set of reasons. As noted above, the faculty is comparatively young, and young researchers thrive best given close mentorship and leadership by established scholars who are better positioned to attract funding. Relatedly, a key to improving postgraduate recruitment and completion rates is providing incoming doctoral and research master's students with



strong support structures. Research students who work not merely with a single supervisor, but as members of a collaborative group engaged in multiple related projects at any given time, are much more likely to graduate more quickly, experience less stress and risk of alienation during their thesis work, be exposed to a wider view of research in their discipline, and be richly networked when they seek employment after completing their studies.

The Commerce Faculty has long contained within itself a model for this kind of organisation. Historically, the strongest part of the faculty concerned with research is the School of Economics (SoE) which has, for almost a decade, been structured around four research units: the AIDS and Society Research Unit (ASRU), DataFirst, the Development Policy Research Unit (DPRU), and the Southern Africa Labour and Development Research Unit (SALDRU).

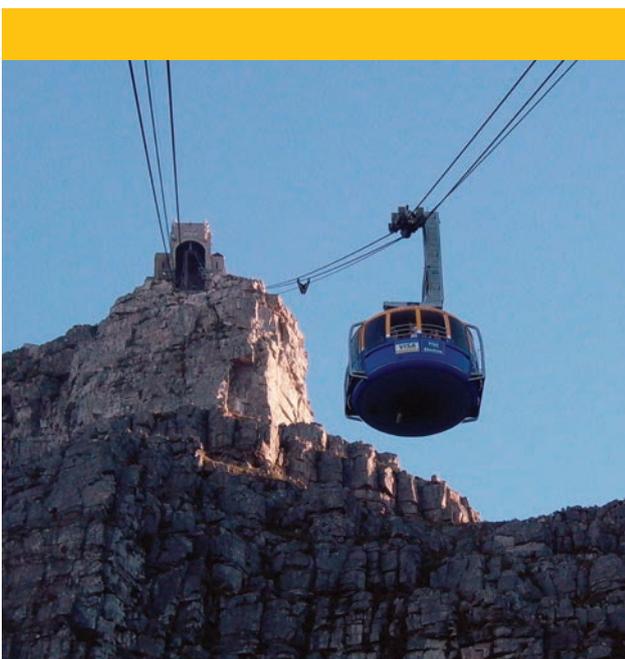
SALDRU – the longest established and mightiest of the units – has for 30 years highlighted poverty and inequality as its focal issues and produced a substantial body of groundbreaking work that has helped policymakers to systematically address poverty alleviation in South Africa.

The unit is entrusted with the design and administration of the National Income and Development Survey, funded by the Office of the President. Since 2010, it has housed the

Abdul Latif Jameel Poverty Action Lab for Africa (J-PAL Africa), with its Head Laboratory at MIT, and it works with African governments, NGOs and businesses to generate evidence needed for effective policies that improve the lives of poor people. SALDRU has provided the recruitment and project context for multiple doctoral and research master's students.

Outside the SoE, four Commerce research units already existed before 2010: the Centre for Actuarial Research (CARE), which focuses on technical demography and on modelling the demographic and epidemiological dynamics of HIV/AIDS; the Centre for Information Technology and National Development in Africa (CITANDA), which studies the management, development, use and impact of information and communication technology in areas related to business, economic and social development in Africa, with a special focus on new mobile communication technologies and applications customised to the needs of African enterprise; the Institute for Monitoring and Evaluation (IME), which promotes capacity-building in programme evaluation in Africa; and the University of Cape Town Unilever Institute of Strategic Marketing (UISM), which has built a national reputation as South Africa's foremost source of intelligence on South African consumer behaviour.

Since 2010, a strategic plan to extend existing research platforms into "wall-to-wall" research units across the faculty has been adopted. No academic is required to join a unit but, if coverage of units is sufficiently deep, all academics can find a natural home in at least one.



The first two new units to be accredited by the University Research Committee (URC) were the Research Unit in Behavioural Economics and Neuroeconomics (RUBEN), which uses experiments to study ways in which people and households in developing and least-developed economies assess risk and make decisions, and the unit for Policy Research in International Services and Manufacturing (PRISM), which seeks to improve South Africa's competitiveness through undertaking evidence-based research on firm and sector-level competitiveness, as well as contributing to policy frameworks that impact on African industrialisation paths. Both RUBEN and PRISM have collaboration agreements with strong international partner institutions, which the faculty views as a preferred feature of all research units. RUBEN is currently in negotiation with the Risk Management Institute at Georgia State University to design a joint doctoral programme.

This was followed by the African Collaboration for Quantitative Finance and Risk Research (ACQuFRR), which will be part of a larger, forthcoming structure – the research wing of the planned African Institute for Financial Markets and Risk Management (AIFMRM), funded by a coalition of banks and insurance firms.

The UCT Tourism Research Unit (TRU) studies South Africa's tourism industry with the aim of identifying unrealised opportunities and formulating innovative and sustainable methods of filling these gaps.

Two units operating within the faculty, not yet URC-accredited, are the Development Unit for New Enterprise (DUNE), which focuses on building entrepreneurial capability in South Africa by researching the dynamics of leadership and innovation in the fields of general entrepreneurship, technopreneurship and social entrepreneurship; and the unit for Practice and Research on Occupational Health Psychology in Africa (PROHPA), which is dedicated to applied research on issues relating to the well-being, safety and health of people at work, through focus on the work environment, the individual, and the work-family interface.

Most of these new units are in their founding stage of development and considerable growth is expected in their range and quantity of output in the years ahead. Crucially, all are tasked with diversifying their sources of research funding to enable more growth and scope in the faculty as a whole.

The optimistic expectation is that the recent acceleration of research in the faculty will continue through coming decades with dynamic outcomes, not only for the academic community, but for South Africa at large.

The business of GLOBAL CHANGE

UCT's Graduate School of Business (GSB) is different from others; it stands out from the crowd and speaks to a relevance badly needed in the world today. As a business school it is prepared to ask the uncomfortable questions and make the difficult choices to stand things on their heads, if necessary, to bring about practical change, from the shaping of national policy to innovation in local business models for improved service delivery.

The GSB sees one of its key roles as enabling new ways of thinking, behaving and striving to be proactive in response to Africa's challenges. In the wake of the financial crisis, and with social and environmental challenges multiplying across the planet, innovation from business schools is a necessity, not a luxury. And at the heart of all GSB initiatives is a commitment to research.

The GSB has identified five systemic research themes around which mainstream research is clustered: values-based leadership, social innovation and entrepreneurship, governance and sustainability, development finance, and infrastructure, reform and regulation.

But the organising principle of all research at the school is understanding emerging markets. Given that the school is situated, geographically, in a society and economy which is undergoing a rapid socio-political and economic transition from agrarian and feudal lifestyles to modern consumer lifestyles and careers, it is ideally situated to study such contexts. It provides researchers with a special opportunity to conduct emerging market research that is of interest to the leading international scholarly journals in all management disciplines, and contributes to the well-being of diverse stakeholders.

Research excellence is encouraged and incentivised at the school and 20% of GSB staff now have National Research Foundation ratings. Emphasis is on supporting and incentivising an increase in the quality, quantity and relevance of research that is transforming



Professor Walter Baets

SARChI Chairs

associated with this theme

■ Social Science Chair in Economic Growth, Poverty and Inequality

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■ Poverty and Inequality Research

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and transformative, selectively comprehensive, locally responsive and engaged, and globally competitive.

In a boost to research at the school, the first Old Mutual Research Fellows in Emerging Economies were recruited during 2012 with funding from Old Mutual. The research fellowship is aimed at understanding the complexity and uncertainty inherent in emerging markets, while simultaneously developing young, previously disadvantaged academics.

As a business school it is prepared to ask the uncomfortable questions and make the difficult choices to stand things on their heads.

The establishment of two new research centres is also furthering research output: the Bertha Centre for Social Innovation and Entrepreneurship and the Allan Gray Centre for Values-Based Leadership.

Partly as a result of these activities, the GSB remains one of the most recognised and celebrated business schools in Africa. In 2012 it was endorsed by the international community, receiving accreditation from both the Association of MBAs and the European Foundation for Management Development. The school's full-time MBA programme is also the only one in Africa to be ranked in the *Financial Times* Top 100 MBAs ranking and its Executive Education programmes were rated one of the best in Africa.

Such recognition helps to ensure that the school is putting UCT on the world map when it comes to business – specifically to changing the way business is thought about and practised in emerging markets.

Research Groupings

associated with this theme

■ Advancement of Business Competitiveness Unit

The Advancement of Business Competitiveness Unit aims to be the primary source of knowledge and support for the advancement of competitiveness of organisations in South Africa and the rest of Africa in both the private and public sectors. Research focuses on undertaking surveys to map current business practices in the various sectors of the South African economy with the aim of benchmarking them against best practices. Using case studies, the unit also undertakes in-depth investigations of the business practices peculiar to the value chains of the various sectors. Both the surveys and the case studies will generate insights into the potential weaknesses of the value chains which hinder competitiveness in both the private and public sectors.

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■ Centre for Actuarial Research

The Centre for Actuarial Research is the only unit of its kind at an African university. It brings together multidisciplinary teams to build capacity, improve techniques and produce independent research in demography, healthcare financing, social security and HIV/AIDS modelling. The main focus of the centre is on training and research in demography and modelling the demographic impact of HIV/AIDS in Southern Africa.

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■ Research Unit In Behavioural And Neuroeconomics (RUBEN)

RUBEN is an inter-disciplinary group of researchers who use economic experiments, often together with functional Magnetic Resonance Imaging techniques, to examine the role that social, cognitive and emotional factors play in economic decision-making. In particular, the methodological approach in which the members of the team are experts allows the estimation of risk

attitudes and time preferences of individuals, households, and communities in the field. RUBEN is currently the only centre for experimental research in economics on the African continent, providing training, research leadership and technical resources for the benefit of researchers across the continent. A key aspect of RUBEN activity is training. RUBEN hosts annual training workshops for scholars from the rest of the continent, and raises funds to cover all workshop costs for these participants. In addition, the unit aims to provide scholarships for four to six postgraduate students annually.

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Policy Research in International Services and Manufacturing

Policy Research in International Services and Manufacturing (PRISM) is a research and policy unit within UCT's School of Economics. PRISM provides a lens to focus research and policy work broadly on issues of globalisation, trade and industrialisation. It is home to a number of related research activities, projects and programmes concerned with issues of globalisation, global value chains, industrialisation paths, foreign direct investment and multinational corporations, international trade, foreign investment, the defence industry, policy governance, infrastructure development, the role of knowledge-intensive services, innovation, and international competitiveness. PRISM has an applied focus, responding to economic policy questions issues in South Africa, the rest of Africa and beyond.

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UCT Tourism and Events Research Unit (UCT-TRU)

The UCT Tourism and Events Research Unit is an interdisciplinary specialist research and teaching unit within the School of Management Studies. The mission of the unit is to undertake high quality research and engage in research-led teaching in order to contribute to policy formation by business, governments and international organisations. Current research interests include the analysis and measurement of tourism's

economic impact, consumer behaviour and the demand for tourism and travel, and the impact of social media on tourist decision-making.

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The African Collaboration for Quantitative Finance and Risk Research (ACQuFRR)

ACQuFRR is a research unit that spans the activities of the quantitative finance group in Actuarial Science and researchers in the Department of Finance and Tax who share an interest in risk research. It provides structure and support for the pursuit of quantitative financial (risk) research that is distinctive to Africa and emerging market economies. Many of its teams are multidisciplinary, in keeping with its mandate, and may include market practitioners. ACQuFRR's focus is on postgraduate training, research and professional workshops.

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Environmental-Economics Policy Research Unit

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Southern Africa Labour and Development Research Unit

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Centre for Information Technology and National Development in Africa

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Development Policy Research Unit

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