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In Retrospect: A Case of Merger in Higher Education

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In Retrospect: A Case of Merger in Higher Education

Abstract

Purpose - This study examines the merger of two distinct higher education institutions. The change process was studied from the perspective of multiple stakeholders, and its major outcomes were evaluated in terms of various dimensions of success.

Design/methodology/approach - The study uses a qualitative research design. Semi-structured interviews with open-ended questions were used, targeting key decisions makers, faculty and students that led or experienced the change process.

Findings - Although the merger deal appeared good on paper, it was not executed as well as it could have been, and the aftermath yielded lower than expected returns. The systems were not integrated properly, and cultural elements were overlooked, resulting in an anomic organizational environment, in place of what should have been a more cohesive academic community.

Originality/value - This study contributes to the literature by using a micro level approach to study an institutional merger by targeting the perception of key university constituencies, thereby providing in-depth analysis and a multidimensional outlook.

Keywords Merger; Higher Education; Institutional Change; Leadership; Resistance

Introduction

Turbulence in the environment in which institutions of higher education operate has, either directly or indirectly, led many universities to engage in a merger as a responsive strategy. Factors including rising costs, changing demands and student demographics, emerging competition and technology (McCauley-Smith et al. 2015) have all contributed to the modern pressures that colleges and universities face. As pressures build and the fight for survival becomes eminent, more and more institutions look to mergers as a way to respond to environmental pressures.

This paper documents a multi-stakeholder account of one such case involving a merger that took place in 2001, where two private higher education institutions, a local professional school and an international university, combined to overcome impending threats in their respective environments and form a stronger more diverse academic entity. The purpose of this study is to understand the overarching consequences of this institutional merger by recording the perceptions of those who led the change process, and on whom the merger had a significant influence.

Contemporary research establishes mergers as one of the most crucial change processes a university goes through, with studies emphasizing the widespread impact mergers and acquisitions have on a university's existence and long term performance (Melin 2015; Wan and Peterson 2007). Yet, individual perspective of those most influenced by the change process and unique organizational dynamics that provide the context for understanding these perspectives is rarely accounted for (Evans 2015; Lawlor 2013). To address this gap in literature, this paper studies an institutional merger using a micro level approach that targets the perception of key university constituencies, including faculty and students, thereby providing in-depth analysis and a multidimensional outlook.

Given that the true effects of mergers take a long time to surface (Mao et al. 2009), a retrospective analysis after more than a decade of the institute's creation also sheds light on unique post-merger consequences that can be seen as long lasting influences of major change. Consequently, this study

follows a qualitative design where university management, employees, and students were asked to recollect their sentiments towards the merger process and describe their perception of the merged institute, before focusing on the main research questions:

- What unanticipated challenges have hindered the stated objectives of amalgamation in general, and the change process in particular?
- After more than a decade of operating as an independent institution, is the merger considered a success by its key constituencies?

The body of work concentrating on how and why institutions merge exemplifies two basic schools of thought. Most authors point to efficiency and survival as the main reason for undergoing a merger (Harman and Meek 2002; Mok 2005), while others view it in a more proactive light, citing mergers as a strategy to achieve objectives, expand resources, and enhance missions (Harman and Harman 2008). At the same time, researchers have pointed out that regardless of the factors deriving the decision to merge; specific circumstances of an individual institution greatly influence the change process and the way it is perceived by its stakeholders (Mathieson 2012; Chen et al. 2010). This justifies the predominate application of case study research in this area (Almansour and Kempner 2015; Camacho and Rhoads 2015).

Studies in the field of higher education mergers discusses in great detail the merger process at specific universities with their emphasis on identifying unique experiences and describing key lessons that can be learned from those experiences (Saarti et al. 2012). This is one of the many reasons it is difficult to define and measure the success of a merger. Given that university education is generally considered a public good (Miles et al., 2017), and owing to the wide dispersion in the way change is perceived by the key constituencies involved, there is a lack of consensus on when a merger should be considered complete (Eastman & Lang 2001) or successful (Stensaker et al. 2016). Success of university mergers is most notably attributed to factors such as effective leadership (Yoon and Kim 2015) and strong organizational identity (Calma and Davies 2015). Some have also assessed merger success strictly in terms of human dimensions, such as employee morale and satisfaction (Evans 2015).

A review of the literature reveals that success indicators to assess merger performance are broad and vary with each individual institution and the environmental context in which it operates (Lawlor 2013). As more colleges and universities merge, it is becoming apparent that there remains a lack of agreement on what constitutes merger performance in higher education. The need for a greater understanding of the process and outcomes of mergers, particularly with their application to higher education institutions is, therefore, addressed by this study.

The Present Case

This case focuses on a for-profit university (MERU) in the United States that formed in the year 2001 with the combination of two private institutions, hereby referred to as PRF and INT. PRF was primarily a graduate school with multiple campuses in a western U.S. state that specialized in providing professional qualifications in the field of psychology. INT, on the other hand, was a more traditional university, with several undergraduate and graduate programs offered in two national and two international campuses. As small, private, and lesser-known institutions, both PRF and INT were tuition driven, and needed to strategize to counter impending threats in their respective environments.

PRF was founded with less than \$38,000 and the support of 250 volunteer faculty members, many of whom took time away from their full-time jobs to teach classes. Because PRF relied on just one central program as its prime source of revenue, the university's board remained concerned about its longevity. Subsequently, a diversification strategy was proposed to stabilize the institution's revenue base, and efforts were initiated to merge the school's four campuses into one system, and transform PRF's identity into a more diversified institute. Shortly after this reorganization effort was underway, the PRF president received an email from the president of INT, for exploring a potential relationship.

In contrast to PRF's aim to diversify, INT's primary reason for seeking collaboration was financial. INT had many programs that catered to various disciplines at the undergraduate and graduate level. The university was known for recruiting students from all over the world to learn in an international and multicultural higher education community. However, as a small-scale private university, INT relied extensively on community and alumni benefactors for funding its resources, and eventually found itself in a position where it was unable to maintain its financial obligations. The university sought partners to avoid insolvency and eventually got in touch with the management at PRF.

INT wanted help finance its continuation and PRF, which was in the middle of a very substantive reorganization to expand its offerings, wanted to diversify beyond professional psychology. Considering the perceived benefits, the two entities agreed to collaborate. In compliance with regional accreditation standards, an approval from Western Association of Schools & Colleges (WASC) was attained, and the merger was finalized in 2001, forming the presently functional academic institution, MERU.

The combining of PRF and INT in 2001 was intended to build a stronger university than either legacy institution could achieve on its own. However, over time, it became evident that many of the original objectives that were projected to streamline operations, decrease costs, and achieve economies of scale were not realized. The true extent of the institute's disarray was revealed during the post-combination visit of WASC Commission in 2002. The commission recorded a deficit of \$1.96 million in domestic operations, and also estimated an operating deficit of approximately \$7 million for 2003. WASC concluded that MERU needed to make substantial changes in the way it operated, scheduling a Special Visit in Fall 2003 to review the state of the institution's performance.

During the Special Visit, WASC determined that MERU was not in compliance in multiple areas of 2001 WASC Standards and issued an order to show cause why accreditation should not be terminated. Between the issuance of the Show Cause order and the Special Site Visit, MERU took a number of immediate corrective actions that were focused on WASC-identified issues. MERU hired a new vice-president for finance and administration to consolidate most fiscal functions and put into place more effective managerial accounting procedures. A WASC task force was also established to develop a set of Core University Values, and a Strategic Planning Task Force was commissioned to assess the university's mission and vision. Since then, many parts of the plan have been implemented, and accreditation has been restored.

Given that the university is still operational, it appears that the merger was successful at least partially in achieving its objectives of becoming a more comprehensive university and avoiding insolvency. However, to establish whether positive results were achieved at the micro-level, it is necessary to examine the merger process through the eyes of the various constituencies involved in, and influenced by, the creation of MERU.

Research Methodology

This study uses a qualitative research design, as is recommended when recording lived experience, behaviors, emotions, and interactions (Strauss and Corbin 1998). Primary data was generated using semi-structured interviews designed in accordance with Seo and Hill's (2005) integrative framework for understanding the human side of merger and acquisition. Based on the framework, an interview schedule, comprising 18 open-ended questions, was developed where the questions required survey participants to describe the merger experience, their sentiments regarding the change process, and how they perceived the university today by focusing on the four main integration stages, namely premerger, initial planning and formal combination, operational combination, and stabilization.

In consultation with three experts, working as full time faculty at the merged institute, the validity of the questions was assessed, and their adequacy in terms of addressing the research objectives was established. In line with the research purpose, the questions were directed at key decisions makers that

led the change process and university constituents that experienced the merger firsthand. Additionally, other stakeholders, comprising students, faculty, and staff who were present during the merger, were invited to participate in an online survey. A complete list of the survey questions is provided in the Appendix.

Participants for this study were chosen using purposive sampling, based on their current and past positions held at the universities, level of knowledge in regard to the topic, and decision-making authority in the merger. Participants held (often multiple) positions as administrators, faculty, board members, and presidents. A total of 20 respondents were interviewed (with an equal amount of participants from both sides of the merger), of which seven held senior management positions, such as president/vice presidents. In addition to that, members of the governing bodies, such as provost and public trustees, as well as senior faculty members formed part of the sample.

Although the university under study has multiple campus locations, most of the research was conducted at the largest main campus site for the entire university. This site was chosen because: (a) it is representative of the entire university system and of the merger that took place; (b) it was the only campus that experienced a physical merger; and (c) the campus granted the research team access to administration, faculty, and institutional documents relevant to this study. Interviews were conducted either face-to-face or on the telephone in a session that lasted approximately an hour. Interviews took place at the site of each participant's work, which, in most cases, was on the campus of the field site. Where necessary, follow up interviews were conducted via email for the purpose of verifying data, and results were triangulated by referring to institutional documents, and cross comparing interview responses. The final data set consisted of an in-depth view of the merger phenomena as seen through the eyes of multiple university stakeholders.

Following data collection, interview responses were transcribed verbatim and edited for clarity and completion. Next, the study employed qualitative content analysis by segmenting and categorizing narrative responses into themes in order to identify meaningful units in the data set. The analysis process involved close reading of interview transcripts and open coding, whereby each relevant phrase or unit of new information in the transcripts was inductively assigned an abstract label or open code. An open code once created for a particular phrase was reused for all subsequent phrases or pieces of information depicting similar meaning or context, while a new open code was assigned for every distinct phrase that had previously not come up.

This process resulted in a comprehensive list of 73 open codes, each representing unique responses from the data set. All open codes were then cross compared and assessed with respect to similarity of meaning and content, and closely related codes were grouped into categories based on their common properties. The process was repeated till all open codes were assigned to a relevant category (axial codes). To eliminate personal bias, the list of open codes, sample phrases, and corresponding axial codes were provided to two independent coders who were tasked with grouping similar open codes into relevant categories. Where discrepancies arose, the categorization was cross checked with published literature to ensure construct validity of the classification. Finally, axial codes that appeared to be conceptually related were merged together to form themes that summarized the crux of the merger experience as perceived by the respondents. These results are presented in the next section.

Major Findings

The qualitative content analysis of interview responses resulted in six distinct themes, as summarized in Table 1. Reactions towards the merger appeared to be one of the most prominent themes in the data set. The theme, dealing with personal sentiments, involved a range of emotions summarizing the initial reaction of the participants towards the merger and expressing how they felt during the change process. While the majority of the participants felt negatively towards the merger, those who were directly involved in the decision making process noted that they were hopeful for the change, understood it was a necessity, and/or had accepted it as the best way forward.

Table 1. Major Themes and Subcategories

Themes	Axial Codes and Sub Categories
Reactions to Merger	Negative Sentiments - <i>Anxiety/Uncertainty</i> - <i>Suspicion</i> - <i>Frustration</i> - <i>Betrayal</i> - <i>Loss of identity</i> - <i>Anger</i> - <i>Disappointment</i> Neutral/Positive Sentiments - <i>Necessity</i> - <i>Competition</i> - <i>Excitement</i> - <i>Acceptance</i>
Main Concerns	Reputation/Recognition Faculty and Staff Role Conflicts Student Academic Concerns/Delays in graduation Administrative Inefficiencies Financial Independence Extramural Support for Transition Timing of Implementation
Institutional Differences	Structural Differences - <i>School versus University</i> - <i>Traditional versus Non-traditional Structures</i> Programmatic Differences - <i>Graduate versus Undergraduate Courses</i> - <i>Homogeneous Professional versus Heterogeneous Academic</i> Cultural Differences - <i>Residential versus Commuter Campuses and Students</i> - <i>Student-oriented versus Faculty-oriented</i> - <i>American (Multicultural) versus Foreign (International)</i>
Barriers to Change	Communication - <i>involvement in decision making</i> - <i>internal and external communication</i> Leadership - <i>competency</i> - <i>management style</i> Systems Integration - <i>administrative, financial, cultural</i>
Performance Measures	Academic Indicators - <i>Research Output</i> - <i>University Ranking</i> - <i>Student Retention</i> Institutional Identity - <i>Affinity/Affiliation</i> - <i>Reputation</i> - <i>Belonging</i> - <i>Esteem</i> Financial Success - <i>Return on Investment</i> - <i>Tuition Revenue</i>

The negative reactions towards the merger were associated with several concerns faculty, staff, and students had regarding how the change process was going to affect them personally. While faculty and staff members were primarily concerned about job security and long term viability of the merged institute, students were concerned about administrative inefficiencies and whether the change would affect their graduation prospects. Almost all of the constituencies were concerned about the reputation of the merged institute. Additionally, participants from both sides of the merger commented on the structural, programmatic, and cultural differences between the two institutes which influenced the willingness of university constituencies to adapt to the change, further complicating the combination of the two entities.

Following participants' initial reaction to the merger and the major concerns reported by the stakeholders, another major theme that emerged from the data set dealt with resistance to the change process. Specifically, three main barriers to the change process were identified: flaws in internal and external communication, inadequate leadership, and ineffective integration of institutional systems and processes. Lastly, the theme of performance measures was identified that focused on participants' views on whether they considered the merger a success. The responses ranged from negative to positive, and it was noted that even participants who viewed the merger in positive light, did not consider every aspect of the combination as successful. With respect to academic, institutional, and financial dimensions of success, participants concurred that the university has been able to meet its financial objectives, but struggles to maintain academic and institutional standing.

The next section elaborates on these themes by providing a multi-stakeholder account of the merger by analyzing it in terms of how it is perceived by those who were directly involved in, and were greatly influenced by, the change process.

Multi-stakeholder Analysis of the Merger

Reactions to the Merger

As indicated in Table 1, reactions to the initial news of the merger ranged from excitement and enthusiasm for the change to uncertainty and suspicion towards the change. Given the notion that both institutes stood to benefit by combining its resources, most were inclined towards accepting this change. At the same time, different constituents were concerned about the way the change will affect them personally. For example, one concern that students as a constituency had towards the merger was regarding how it will affect their program and requirements to graduate. For faculty, the main concern was the terms of employment. Employment and job security were also the major concerns for most staff members.

After the implementation was underway and negative events (such as administrative inefficiencies and changes in job classification) were becoming known, many members of the university community started to publicly vent their feelings of frustration, anger, sadness, and betrayal. One of the administrators notes "*in its infancy, when the merger was more of a hypothetical than a reality, all key groups were positive, but once it got to be more real and especially when negative things started happening, then people started to get more negative and upset*". He further explains that there were two kinds of upset. One kind came more from the staff regarding job-related issues. The other reaction was dominated by a sense of egotism, where PRF faculty members were of the opinion: "*Why are we combining with them! They are not at our same level of sophistication in psychology.*"

This egotism associated with PRF's sense of superiority did not go unnoticed by members of the other institution. Several INT faculty members believed that PRF faculty views INT as a second rate university, especially INT's undergraduate programs, which PRF faculty, for the most part, refused to be affiliated with. According to an INT dean: "*There was arrogance on the part of many PRF faculty members. Most of the PRF faculty, taught all levels from bachelors and masters to doctoral. Most of*

the PRF faculty did not want anything to do with undergraduate students. They saw themselves as being above them.”

However, PRF’s arrogance was not what upset members of INT the most. The major reason INT faculty and staff reacted negatively towards the merger was because of the name of the merged institute. A faculty member notes: *“INT lost its name so inevitably they were upset about the name change. This name change led to a lot of drama. That is part of the culture that we didn’t pay attention to”*. A former INT student commented on this issue: *“I feel that when we merged the University lost its focus, and I believe that is partly due to the name. Many international students often seek a degree from Western universities. Our name highlighted that we were an American university that operated at an international level, and changing the name took that away from us.”* In addition, the PRF students and faculty members reported their disappointment on having to move from their cornerstone campus to INT’s main campus. There was a belief that the facilities were neither of the same quality, nor did they provide the amount of space that was needed.

Several INT and PRF senior faculty members also said that there was *“hostile resistance to the merger on both sides”* because they felt that this change was *“thrust upon”* them without their input or consent, and the decision ultimately came from the presidents and those members on the board who supported them. As one INT faculty member said, *“There was no input from faculty or other university constituencies. The decision was top-down, from the president.”* A PRF administrator noted that the campus administrations and faculty did not have anything to do with the actual decision to do the merger, *“that was a Board of Trustees and senior management decision. Everyone else was left out of it. We were not included or involved- until it was something we were told to do and then became something we were doing.”*

One student even referred to the merger as *“The Dark Times of PRF”*. Another student from INT commented, *“The entire mood of the campus changed. INT felt like it was being colonized. It was a scary time filled with uncertainty”*. A PRF student relayed similar sentiments when he described the culture after the merger as *“focused more on being able to pay the bills and increase class sizes; faculty had less time for students; more chaotic, and more rumors because of missing communication flow”*. A student from the INT campus also stated: *“No one was happy with the change. One moment we were all INT. We loved our school, our school name, our spirit, and our history. After the merger, we felt like orphans”*.

Resistance to the Change Process

The predominantly negative reaction towards the merger inevitably resulted in resistance from constituents of both PRF and INT. A senior administrator that oversaw the merger at PRF notes that *“Resistance was met by anybody who felt that they were losing something, whether that was academic standards, prestige, physical space, name, or identity.”* One interviewee said that INT undergraduate students and PRF faculty were the most resistant to the merger *“because they were proud of the community they belonged to and didn’t want that to change”*. PRF faculty members, on the other hand, were resistant because they felt that they were *“left out of the decision-making process.”*

Based on the interviews, three major factors that reinforced the resistance to change have been identified: communication, leadership, and systems integration.

(a) Communication: It appears that many key stakeholders were not informed about, or involved in, the decision to merge. A former member of the PRF leadership team attempted to justify this by asserting: *“there is no point in bothering people and making them stressed or worried unless we really know what is going to happen.”* The only people who were involved pre-combination were the boards, the presidents, some senior administrators, and the legal counsels. To announce the merger, the president at PRF sent an internal Frequently Asked Questions letter to the institute’s constituencies. Similarly, the INT president sent letters to internal and external stakeholders and

created some press releases with the help of a local PR firm after the Definitive Agreement was approved.

The fact that neither institution chose to involve university constituencies in the process may have contributed to the resistance these groups had in accepting and embracing the merger. Because PRF was an institution founded by faculty, the decision to implement a merger without their consultation was regarded particularly “*upsetting*”. In other words, because they did not factor into the decision-making process, they did not automatically agree to the idea of the merger. In fact, many reported this as the main reason they were opposed to it.

(b) Leadership: During a merger or acquisition, leadership plays a critical role. Most of the interviewees criticized the leadership for not being open to other people’s input and ideas during the merger process. Many of the interviewees criticized the leadership team for being “*distant*”, “*controlling*”, “*cold*”, and “*stand-offish*”. During the Show Cause sanction, WASC also critiqued the president of the MERU for exhibiting some of these attributes, and for not instituting shared governance during a time when people generally want to be kept informed about what is going on.

Much of the criticism pointed at the president was also focused primarily on the management side of implementing the merger. Those at INT described the president as being a visionary who initiated radical change, but when it came to the implementation process, “*didn’t like to do the grunt work*.” One interviewee described the president as a big-idea person who “*liked to initiate big things*.” However, when it was time for implementation, “*sort of fell asleep at the wheel*.”

On the PRF side, the president was criticized for initiating change too quickly and not completing previous projects. PRF was in the middle of merging its four campuses and, as one interviewee said, “*Just as the PRF faculty members were finally beginning to get on board and make headway with this reorganization process, the President interrupts it with a new merger*.” This was too much change all at once for many at PRF to process. Another interviewee believed that the president “*bit off more than could be chewed*” by taking on a merger with another university in the middle of a complete campus restructuring project.

(c) Systems Integration: Much of the resistance to change also resulted from inadequate integration of systems and processes at the merged institute, as many of the interviewees agreed that the management underestimated the organizational differences between the two institutions. It appears that the university essentially failed to effectively bring together its administrative, financial, and cultural processes. One interviewee felt that, “*Things may have looked one way on paper, but that doesn’t tell you about the culture and how the organization works in terms of its people. This made it very difficult to manage*.”

For instance, one of the issues reported by the faculty was reclassification of jobs. INT had a tenure system, while PRF had a rolling contract system; merging these two systems was a difficult change process for faculty, particularly for INT faculty members who had achieved tenure and were forced to relinquish it after the merger. Similarly, another issue that caused friction was PRF’s professional school model in contrast with INT’s traditional university model. INT had multiple campuses with regular undergraduate and graduate degree programs, while PRF had stand-alone professional schools throughout the state. Merging two institutes with diametrically different structures was regarded as one of the hardest aspects of the change.

In addition to organizational and cultural integration, another point of contention was the new centralized, system-wide management structure that was employed at MERU. Prior to the merger, PRF had an administrative/academic leader (campus chancellor) on each campus, which enabled students and faculty to interact with the management face-to-face. Many of the interviewees found the new centralized structure difficult to adjust to, especially those used to PRF’s autonomous campus model. One interviewee expressed his dissatisfaction with the new system as: “*it feels like leadership*

and accountability is off somewhere else where we can't see or meet with them. We are accountable to our programs, but whoever is in charge is off on another campus".

Measures of Success

As a follow-up question, interviewees were asked about their post-merger sentiments and whether they thought the combination of INT and PRF was a success overall. While the responses varied, most interviewees believed that, overall, the combination was a success, even though not every aspect of the combination was successful. Essentially, participants viewed the construct of success programmatically, financially and, at times culturally. For example, one interviewee thought that the “*combined financial strength*” of the university was the most successful outcome, stating, “*that was the biggest problem before the merger*”. Another interviewee agreed, stating, “*the most successful outcome was the financial gain for both institutions. This was not the case early on, but now the university seems to be better off financially than either institution would have been on its own.*”

Another interviewee believed that survival was the most successful outcome, noting that in the midst of change, the university still continued to function for the students, and the students were able to progress without interruption. The interviewee stated: “*I think you have to look at the concept of success, specifically as it relates to our most important function at the University which is the education of our students. To that end, I believe that the most successful outcome of our particular combination was that we did provide continued, seamless, and quality education to our students*”.

It appears that even though it has been a decade since the merger took place, there is still a longing to go back to the way things were and to guard against further change. Several faculty members raised the issue of institutional identity when describing their present sentiments towards MERU. One interviewee, for instance, noted that the former INT and PRF faculty who remain post-merger are still “*feeling the wounds of the merger and may have a hard time committing to MERU because their commitment still lies with their former institution*”. Still other interviewees were of the opinion that the name still is not widely accepted or embraced by the university community. Responses suggest that members from both institutions were proud of their names and reputations as institutions of higher learning, and were not particularly inclined towards starting over.

In terms of the two mission/visions and cultures coming together, participants stated that over the years the university has integrated itself by moving towards the professional school model of PRF, which is slowly being institutionalized at MERU. It appears that members of both PRF and INT have found common ground in terms of valuing diversity. While a common set of values or a shared culture is not yet widely established at MERU, the university no longer confronts institutional differences. Lastly, interviewees agreed that the new/current students (who were not around during the merger) are “*neutral*”, and that most alumni view the merger “*negatively*” as the institution no longer exists in the form it had when they were attending it.

Discussion

The difficulties associated with merging universities that have significantly different organizational structures and cultures (Senior et al. 2017, Aagaard et al. 2016) are of serious concern and must ideally be accounted for when planning major change processes. As is mostly seen in university mergers (Aula and Tienari 2011), both PRF and INT initiated the process with the hopes of combining the best of both institutions. It appears, that while good on paper, the merger was met with hostility from both parties, mainly because of inadequate communication, ineffectual leadership, and improper cultural and systems integration. The major findings for the case are summarized in Figure 1.

Essentially, this case contributes to a unifying theme in the literature, which is of balance. Balance entails ensuring that universities are “mission-centered” and “market-smart” (Zemsky et al. 2005). There is a call for a balance between management and collegiality that is responsive to environmental

turbulence (Cangemi et al., 2011) yet responsible to institutional stakeholders (Morrill 2007). As suggested by the participants of this study, it is very important to communicate frequently to internal as well as external stakeholders so they know what to expect. Balance also involves the right mixture of managers and leaders (Kantabutra and Saratun, 2013). New members strengthen universities by providing outside ideas, while those who have been part of a university's history ensure that it does not deviate too far from its mission (Yoon and Kim 2015). Findings of the current study also reinforce these claims by emphasizing the importance of leaders who have the experience and expertise of managing strategic change.

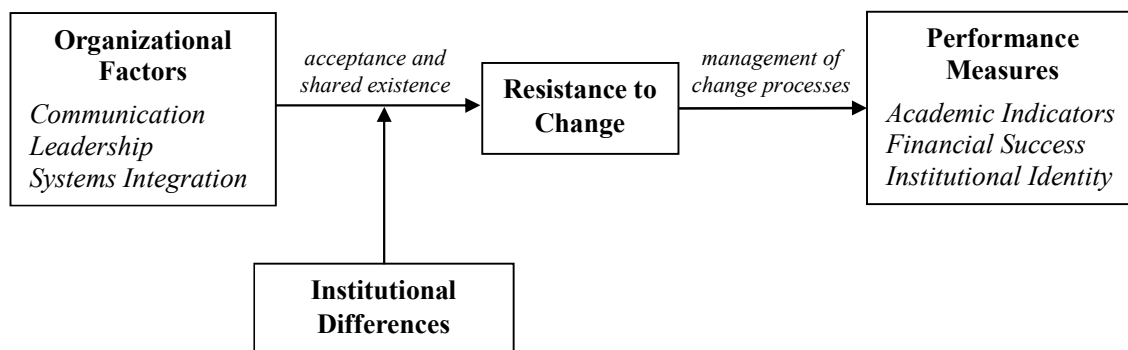


Figure 1. Institutional Change Process and Dimensions of Success

While post-merger dissatisfaction is not uncommon in higher education institutes (Evans 2015), it is unlikely that the university stakeholders would feel truly belonged unless there is a climate of acceptance and people work towards building a new shared existence (Wan and Peterson 2007). Steiner et al. (2013) recommend that universities should provide faculty and students with ways to engage with the institution and with peers in order to help cultivate a positive culture (Mitsis and Foley, 2009) and a shared university identity. The importance of cultural elements and leadership styles is also evident in the literature from studies on university mergers that show that the integration of organizational and institutional cultures and management styles are essential to the success of a merger (Weber and Tarba 2011).

Where after more than a decade of working together has not resulted in a sense of belonging or new shared identity, it is clear that neither party has come to terms with the changes that were made, and continue to reminisce about their previous homes. The degree of cultural and structural differences between the two institutions, coupled with the inability of the management to identify and resolve key issues in due time, has inadvertently led MERU to foster an environment of anomie; where the two parties seemingly exist in harmony to ensure business as usual, yet for all intents and purposes do not share a common identity.

Conclusion

The intent of this research was to explore perspectives of multiple stakeholders relative to the merger that took place between two previously independent higher education institutions. The basic framework for this study focused on decisions made during the merger process of 2001 to 2015 and the perception of the outcomes and success as a result of those decisions. While the merger may be considered a success simply because the university is still in existence today, participants agreed that not every aspect of the merger was successful.

The study raises two important questions: what indicators could be used to measure how successful are the outcomes of mergers in the academic community; and what should be the key considerations of higher education leaders in managing the merger process? These questions are particularly

pertinent where un-complementary systems and cultures attempt to amalgamate their resources to build a stronger presence. While this study follows several years after the change was initiated, it is believed that over time interviewees have had the time to contemplate the experience in order to articulate it in a more profound manner.

As is the case with all qualitative studies, generalization is not intended and the participants' views are not meant to be taken as factual evidence. The findings of this study are also limited to the case of one university, however, it is used here to form an illustrative example for other institutions that are undergoing or considering major change. The field of institutional mergers and acquisitions deserves much attention, particularly in the area of higher education that have strained resources in a competitive market that is continuously evolving. To provide information to those who are engaging in or considering a merger or acquisition as an institutional strategy, additional research, both quantitative and qualitative, must be conducted to take advantage of lessons learned by previous institutions.

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Appendix – Survey Questions

Interview Schedule

Interviewee Background Info:

1. Please tell me a little bit about yourself; how you became involved with the merger; and the role you played in the merger.

Pre-Merger Stage

2. What were the original reasons/objectives for the merger?
3. How was this transition implemented and managed?

Initial Planning and Formal Combination Stage

4. How was the merger communicated internally and externally? How were alumni notified?
5. How did you react to the news?
6. What was the general reaction of: faculty, students, staff, alumni, and the public at large?
7. What areas of the university had the most resistance? Least resistance?
8. How did the university respond to/overcome this resistance?

Operational Combination Stage

9. What major changes were made during and after the merger? How do you feel about those changes?
10. What was the administrative structure like before the merger? How did it change after the merger?
11. How did the merger influence day-to-day operations at the university?
12. How has the mission/vision changed for the merged university?
13. How has the culture/identity changed for the merged university?

Stabilization Stage

14. Overall, do you believe the merger was a success?
15. What do you consider to be the most successful and least outcome(s) as a result of the merger?
16. How has the merger affected your view of the university?
17. What was the most difficult aspect of the merger? What was the least difficult?
18. What are some of the lessons that you took away from this experience?

Online Questionnaire

1. Please indicate with which of the following you most identify:
 - a. current student
 - b. faculty member
 - c. staff member
 - d. alumni
2. Please identify your institutional affiliation.
3. Please describe the institutional culture before the merger took place.
4. Please describe the institutional culture after the merger took place.
5. Please describe your experience during the merger.
6. Please describe the institutional culture that exists today (for those still involved with the University).
7. Please feel free to add any additional thoughts or insight in the space below.