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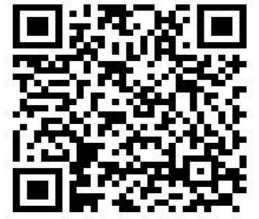| BIL.	TAJUK	SUMBER	PENULIS	h-INDEX	UNIVERSITY RANKING
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Challenges and Success Factors in University Mergers and Academic Integrations

Original Article

Challenges and Success Factors in University Mergers and Academic Integrations

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Reza Majdzadeh DVM PhD[1]

Abstract

Background: There are different reasons for mergers among higher education institutes. In October 2010 the Iran University of Medical Sciences (IUMS) merged with two other medical universities in Tehran. In this study, we aim to review the literature on academic integrations and university mergers to call the attention to challenges and reasons for the success or failure of university mergers.

Methods: We searched for studies that pertained to university or college mergers, amalgamation, dissolution, or acquisition in the following databases: PubMed, Emerald, Web of Science, Scopus, and Ovid, without any limitations on country, language, or publication date. Two reviewers selected the search results in a joint meeting. We used content analysis methodology and held three sessions for consensus building on incompatibilities.

Results: We reviewed a total of 32 documents. The "merger" phenomenon attracted considerable attention worldwide from the 1970s until the 1990s. The most important reasons for merging were to boost efficiency and effectiveness, deal with organizational fragmentation, broaden student access and implement equity strategies, increase government control on higher education systems, decentralization, and to establish larger organizations. Cultural incompatibility, different academic standards, and geographical distance may prevent a merger. In some countries, geographical distance has caused an increase in existing cultural, social, and academic tensions.

Discussion: The decision and process of a merger is a broad, multi-dimensional change for an academic organization. Managers who are unaware of the fact that mergers are an evolutionary process with different stages may cause challenges and problems during organizational changes. Socio-cultural integration acts as an important stage in the post-merger process. It is possible for newly-formed schools, departments, and research centers to be evaluated as case studies in future research.

Keywords: Health Facility Merger, Health Facility Acquisition, Multi Institutional Systems, Systems Integration, Academic Medical Centers

Introduction

In higher education, combining organizations in the form of a merger has occurred with both general and specific definitions.[1] In the broad sense, a merger is defined as "any form of organizational combination" and more specifically, it is "a distinguishing type of inter-institutional cooperation, characterized by irreparable entirety".[2–4]

In the specific definition, one or both entities will formally fade away and re-emerge as a new body. The transfer of ownership occurs with general and common possession of the properties of the former organizations. Goedegebuure and Yuzhuo describe the merger as follows: "the combination of two or more separate institutions into a single new organizational entity, in which control rests with a single governing body and a single chief executive body, and whereby all assets, liabilities, and responsibilities of the former institutions are transferred to the single new institution".[5,6]

As a policy option, merging received plenty of attention in the 1970's primarily because it was one of the popular means by which governments initiated systematic restructuring of higher education. One could readily track the movement from smaller, single-site, and specialized campuses towards larger, multi-site, more comprehensive organizations.[7]

A merger is still a viable policy option in Iran, as the merger of two universities (K. N. Toosi University of Technology and Abbaspour University of Technology) has recently been proposed by the Ministry of Science, Research, and Technology.[8]

In Iran, one recent experience of a university merger happened in October 2010 in which the Iran University of Medical Sciences (IUMS) was merged into two other major medical universities based in Tehran, Tehran University of Medical Sciences (TUMS) and Shahid Beheshti Medical University (SBMU).[9] This merger raised numerous questions in the minds of decision-makers, high- and middle-level managers, academic staff, and the general public. Has this type of merger occurred in other parts of the world? If yes, what were the managerial experiences of those mergers?

In this paper we attempt to answer as many of these questions as possible by reviewing the pertinent literature on academic integrations and university mergers. We sought to determine answers to the following questions. What were the experiences with university mergers in other countries? What were the reasons for these mergers? What types of university and academic mergers have been described? How many phases have been considered in the merger process? What are the elements of success in university mergers? Which methods and/or tools have been used to evaluate the effects on organizational outcomes?

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Materials and Methods

Due to the more general nature of this recent merger, for this study we considered a broad research scope with an exploratory perspective on reviewing the merger process.

We sought to contain our research to university or college mergers, amalgamation, dissolutions, or acquisitions. The following keywords were selected separately and in combination: (university OR college OR academic staff) AND (merger OR amalgamation OR acquisition OR integration OR dissolution). We searched for studies in these databases: PubMed, Emerald, Web of Science, Scopus, and Ovid, without limitations on country, language, and publication date.

After the preliminary search we included a wide range of study designs (e.g., case studies, descriptive studies, or literature reviews). We attempted to include as many organizational reports, books, theses, dissertations, and other related grey literature as possible, by sensitive searching in both Google and Google Scholar. This research also included supplementary studies from exploratory examination of the bibliographies of the latest studies.

Two reviewers in a joint meeting chose search results based on title, abstract, and the overall quality of the published evidence. We used content analysis methodology to develop our questions, extract answers, and then refine these questions. This was followed by a narrative answer of the questions. We held three sessions for consensus building on incompatibilities.

Results

A total of 38 documents were selected for appraisal, of which we chose 32 for the extraction and synthesis phase, relied for the most part on original researches. Questions and related answers follow.

What were the experiences of university mergers in other countries? What were the reasons for these mergers?

Published literature on university mergers date from 1968. Two articles by Jessop[10] and O'Malley[11] in the former *Journal of Irish Medical Association* explored the relation of a university merger with medical education and services. However, there was a lack of original publications on university mergers from 1968 until 1996. In 1996, Draper described the prospects, problems, and promises in the merger of the United Kingdom colleges of nursing with departments of nursing in universities to support the formation of a unified educational system.[12]

In 2002, Harman et al. debated that the merger phenomenon had attracted considerable worldwide attention from the 1970s to the 1990s, and has since reappeared on the policy agenda.[7] Hundreds of universities and colleges in different countries have recently undergone merger processes. We specifically located merger experiences in China,[6] the United States of America,[13] Norway,[14] South Africa,[15] Germany,[16] and Hong Kong.[17]

As a model and mechanism of restructuring and increasing levels of institutional collaboration in higher education systems, many drivers and pressures in different countries have been proposed to be the reasons behind the merger of academic organizations. The most important is a boost of efficiency and effectiveness with regards to substantial growth in student admissions, solving the problems of organizational fragmentation, broaden student access and implement equity strategies, to increase government control of the overall direction of higher education systems, decentraliza-

tion,[7] and the establishment of larger organizations.[13]

In an analysis by Bates et al., an increase in actual tuition rates and faculty salaries in addition to lower numbers of students were factors that increased the private four-year college merger rates.[18] However, financial profits have not been the primary incentive for mergers in many countries. Because of their "non-profit status" perspective, university leaders, administrators, and boards of trustees may not seek merger partners[19] contrary to the fact that other businesses usually merge to gain additional profits through increased market power and economies of scale or scope.[20]

What types of university and academic mergers have been described?

The most frequent types of mergers are twin-partner vs. multi-partner; horizontal vs. vertical (e.g., organizations with similar or different academic profiles); voluntary vs. involuntary; single-sector vs. cross-sectoral; and consolidation vs. take-over.[7] In many cases, it is not possible to clearly categorize the merger as belonging to just one type of merger process.

What are the challenges, elements of success and causes of failure in university mergers?

We divided the answer to this question into three parts: cultural aspects of the merger, geographical distance, and successes and failures.

Cultural aspects of the merger

When studying challenges in "historically and symbolically un-complimentary" organizations, the human aspect of mergers and the resultant culture conflicts that have been encountered by leaders and upper management are the topics of research.[21] Cultural incompatibility may cause institutions to become reluctant to merge. A dissimilarity in academic missions or cultures may block an otherwise valuable merger.[18]

Examples of cultural conflict, both organizational and academic, and the subsequent forces that act as a barrier to a merger, should caution high-level decision-makers to employ expert leadership to keep these damaging conflicts to a minimum. Decision-makers should attempt to develop new relationships and establish high morale within the newly formed academic organization.[7,21]

Cultural differences are frequently seen as the cause of and reasons for organizational problems after mergers. By using a sense-making perspective and evaluating ethnographic data from eight Finnish-Swedish mergers, Vaara has specified three concomitant cultural sensemaking processes: "search for rational understanding of cultural characteristics and differences", "suppressed emotional identification with either of the merging sides", and "purposeful manipulation of the cultural conceptions for more or less legitimate purposes". It has been stated that leaders and high-level managers involved in post-merger procedures should understand and implement cultural conceptions through these three processes. These processes emphasize concerns such as the underlying structures behind cultural differences that cause them to maintain "acculturation/acculturative" processes that play a central role in a post-merger, in addition to the incompatibility of values and beliefs amongst individuals.[22]

Geographical distance in merger

It is believed that mergers are often associated with problems, stress, and concern among managers and staff. Norwegian Tele-

mark College, a multi-campus institution of five campuses located at large distances apart was integrated in 1994. This merger was expected to result in academic and administrative economies of scale. One challenge, both during and after this merger, was the relatively large distance between the campuses that ranged from 20 to 180 kilometers. This distance was a major obstacle to attaining their goals. To eliminate this barrier, this institution developed technological infrastructures such as internet, email, telephone, and videoconferencing. The results of their study have revealed that even if information technology overcomes some shortcomings, other important aspects remain that should not be overlooked. For example, the fact that good technology can not directly, nor satisfactorily replace personal contact. Geographical distances have impacted the expectations of this merger such as lowering administrative costs or academic gains in the form of cross-disciplinary courses and programs, and increased co-operation in teaching and research. Possibly, geographical distance increased the existing cultural, social, and academic tensions.[14,23]

Successes and failures

In the United States, Cohen et al. reviewed the initial failures and analyzed factors responsible for the relative success of a merger between two large tertiary academic hospital systems in 1997. They explained the tactics in developing a set of principles for appropriate continued guidance of the merger and discussed the future strategy for the merged organization. In 2000, three years after this merger they surveyed the two merged centers to determine the integration of their 19 clinical departments across five broad areas: 1) conferences, 2) residency programs, 3) common faculty and support staff, 4) finances, and 5) research. The researchers noted that the overall clinical integration was 42%, which was most frequent with regards to conferences (50%) and least frequent with finances (25%), with a range of 20%–72%. There were six departments that had more than 50% clinical integration after three years. Surprisingly, they discovered that the single-chairperson model for department leadership was the most successful in achieving major clinical integration of the previously detached departments. According to Cohen et al., the skills of leaders to act as a team and lead the change process was the most vital factor for the attainment of a sensible level of clinical integration.[24]

Successful staff integration of pre-merger organizations with the intent to achieve synergy was a common, major challenge not only for the management of individual institutions, but also for entire higher education systems.[6]

However, Cohen et al. did not address the operational non-clinical aspects of the merger in departments such as finance, quality assurance, human resources, legal affairs, and purchasing. They argued that merger of specified system departments was easier and quicker than the integration of the clinical departments and provided "economies of scale without loss of market share".[24]

How many phases and levels have been considered in the merger process?

Royston, Hinings, and Brown have defined three phases for a merger: 1) courtship in which the need for organizational combination is recognized; 2) consummation which consists of planning the merger and its implementation; and 3) post-merger during which the institutionalization occurs. The courtship phase corresponds to a planning phase in which organizational fitting or compatibility is neglected and strategic fitting is the primary focus.

Later, in the consummation phase, the two merging organizations join, speeding up the process of combining the organizations. In this phase of the merger, the new organization gains a more unified operational identity. In the consummation phase, ignoring issues on organizational compatibility is more difficult. The new organization's full integration and realization of the benefits of its merger does not occur until the post-merger phase. According to some authors, it may take four to five years for a merger to attain its full potential.[25]

Shrivastava defines three levels for integration following a merger: procedural, physical and socio-cultural, all of which lead to the defining of procedures and policies, sharing of office space and a common ideology in terms of regulations and culture.[26] In the context of higher education in China, three categories have been described in terms of levels of integration by Wang: superficial, deep and kernel.[27] Superficial integration happens early in the initial stages of the merger process and is focused on combining administrations. Institutions and their leadership, financial, regulatory, and planning arrangements become more united with the intent to assist in building a departure point for a merger of deeper levels. However, the restructuring and specialization of different disciplines that involves the integration of departments and institutes sustains a new organization through its deep merger. When the concepts and cultures within the organization go through redefinition and integration, the kernel phase or cultural aspect is completed, of which this phase is considered to be the most vital component of integration for academic staff.[21,23]

Which methods and/or tools can be used to evaluate the effects of a merger on organizational outcomes?

We have attempted to locate a set of standardized tools for evaluating effects of a merger on academic organizational outcomes. However since evaluation methodology is more common for businesses and economic organizations,[28] it is difficult to adapt these tools to academic organizations.

Discussion

This review of the literature revealed that the decision and process of a merger is a broad, multi-dimensional change for an academic organization that consists of an extensive range from the actual physical joining to deep socio-cultural mission-focused mergers.

We have located numerous reports and case studies of established university mergers throughout different regions of the world that have occurred in diverse educational and managerial contexts. Mergers are not an uncommon phenomenon among the higher education setting.[29]

It is out of the scope of this article to discuss the pros and cons of mergers, but rather this paper illustrates other countries' experiences and how mergers can be managed in order to obtain the best results. Managers should be aware that a merger is an evolutionary process with different stages and levels and challenges and problems may occur at some time during organizational changes. Different experiences worldwide have shown that a merger is one of the most noteworthy dealings an organization may engage in.

We found tacit (not explicit) evidence stating that solving the problems of organizational fragmentation and increasing control from the Ministry of Health and Medical Education on the overall direction of health system performance in Tehran were the pri-

mary reasons for the TUMS, SBMU and IUMS merger. Future research may show other reasons for this event or may determine if the objectives of this merger have been met.

An academic institution may cease to exist after a merger or at least may lose its pre-merger identity. In this regard the merger can be painful with many wounds that need to be healed. Harman claims that the more widespread practice is "taking-over" another institution rather than a merger and that there are few true, factual mergers that occur in educational and commercial enterprises.[7] Although we have been unable to assign an unambiguous typology of merger to this specific experience in Iran, however in appearance, patterns of horizontal, twin-partner, involuntary, and single-sector mergers could be found in the departments within each university.

It is a general observation to anticipate that it takes a long time (perhaps over ten years) for the new institution formed by a merger to function as a unified and integrated identity. This considerably challenges the intent of efficiency as a purpose and reason to merge. There is no one best way to bring about a merger.[30]

Socio-cultural integration acts as an important stage in the post-merger process, particularly in the institutional setting and academic staff integration. Successful mergers need to identify and adjust the cultures of pre-merger organizations in an attempt for integration of the cultures with the goal of reaching a common culture in terms of its values, beliefs and norms over a short or long duration and at different levels within the organization (Box 1).[13] This is more difficult in academic compared to non-academic organizations. This stage of integration needs more time and effort when compared with physical or procedural integration. Cultural integration begins with a superficial integration such as administrative rules and evolves to deeper levels which necessitate new definitions of the new organizational culture. Internalization of the merger needs to pay attention to all these levels. According to the Greenwood categorization,[25] this merger experience has rapidly entered the "post-merger" phase and has not evolved inclusively through previous phases of "courtship" for need assessment and "consummation" for planning. This may cause a specific gap to be developed which delays evolution of the most important phase of the merger, the "socio-cultural" or "kernel" phase according to Shrivastava[26] and Wang.[27]

Factors associated with the relative success of the clinical merger were as follows: "constant communication among the leadership and staff"; "flexibility in developing the leadership models"; "patience and lack of complaint in having activities advance over time" which caused trust to develop among senior leaders and superior managers; "presence of a senior executive arrangement whose decision-making power and authority is accepted"; and the principle that "no clinical service should be integrated just for the sake of merging, but that integration should be encouraged to a certain extent where and when it makes sense to attain particular program goals".[24]

As no formal assessment of achievements from the TUMS, SBMU, and IUMS merger has been published at the time of this article, we cannot explicitly discuss the elements of success in this merger or effects of this merger on organizational outcomes. However, according to recommendations, the greatest lesson to be learned is that large geographical distance will prolong the time period of the merger process at all levels of integration and it is crucial to take this challenge into account during and after the integration process.[14,23] In addition, attention to cultures and more importantly, sub-cultures should not be neglected, incorporating the involvement of all academic staff from leaders to managers, among others. A successful merger process also depends on attentive interactions with the external environment and the provision of an internal dynamic environment which fosters satisfaction and productivity of the entire staff.[31]

Because the experiences of managerial changes in universities are not well documented or published in most developing countries (including Iran), we did not have access to all relevant literature on mergers in countries such as ours. We have presumed that in some cases it might be the condition that a merger was the consequence of an external policy and not directly related to the outcome of the interests mentioned in our study; however, we extracted those sections that were in accordance with our exploratory perspective of the merger process.

As the three universities based in Tehran were (and the two new organizations still are) involved in health care and service provision to their specific catchment areas in addition to human resource functions (specifically, education and research functions), it was not our intent to assess how to deal with the merger with regards to health care provision and the financial aspects of these organizations. These specific functions should be studied in future research activities.

Not all case studies followed formal protocols, but relied chiefly on qualitative evaluation. However as a result of the lack of comprehensive case studies on university mergers, we included semi-structured case studies in our review process. Some of the presented information in published articles was based on experts and/or key-informant interviews, their expertise and judgment.[32]

We located a few studies that were similar to our situation. However, the generalization of results pertaining to organizations with different settings and culture needs additional consideration.

We anticipate the production of additional research projects by scholars to evaluate organizational change and practical policy-making processes as well as institutional and system transformations. TUMS is the largest medical university in Iran, which con-

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Box 1: Case study of a successful merger.

During and just after the merger of two medical schools which led to the establishment of the Allegheny University of Health Sciences, faculty and staff encountered major changes, all with frustrations and fears because they were somewhat uncertain about the new direction of the established university. However, in the early phases of the merger process which was the most critical stage, faculties of the two merged academic organizations were brought together to plan the Generalist Physician Initiative (GPI) and apply for a grant from The Robert Wood Johnson Foundation. Although the new merged school was awarded the GPI grant in the middle of its complex merger, the GPI application action had a deep impact not only on the merger of those two schools, but also on the consequently evolved educational enterprise. Ross et al. explained that the GPI provided a center of attention with an apparent set of goals and this single, pervasive attempt had a significant effect on the formation of a unified faculty in a recently-united school of medicine.[13]

sists of more than 10 schools, approximately 70 research centers, with more than 2000 academicians and 19000 students at different levels. There are over 80 different disciplines for post-graduate education at TUMS. Thus it is readily possible for newly-formed schools, departments and research centers to be evaluated as case studies in both qualitative and quantitative research.

Conflicts of interest

The authors of this study are studying and/or working for Tehran University of Medical Sciences, one of the universities engaged in this recent merger experience.

Acknowledgment

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Mergers in higher education institutions: a proposal of a novel conceptual model

Mergers in higher education institutions: a proposal of a novel conceptual model

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Abstract

Purpose – The macroeconomic changes as well as the challenges facing universities nowadays result in the transfer and adaptation of various concepts and organizational methods from enterprises to universities. One of such solutions is mergers. Even though there are a very large number of practical examples of university mergers in the world, at the same time there is a shortage of frameworks that would help manage mergers. The purpose of this paper is to present key areas of focus in HEIs' consolidation processes and the creation of the conceptual model of the universities' mergers.

Design/methodology/approach – In this paper synthesis, the inductive approach for model development and case study description were used. The analysis and findings were based on the systematic literature review taken out from management and public policy areas. The new public management and public value governance approaches as well as strategic and process theories of mergers were applied. The descriptive approach to management was used as well.

Findings – Formulation of a Conceptual Model of Universities' Mergers and ten principles of effective management of universities' mergers that cover the entire process, from planning, through implementation, to integration.

Research limitations/implications – There is a need to verify the proposed inductive model of universities' mergers through further qualitative and mixed-methods research studies.

Practical implications – The paper offers a significant opportunity for practical application of the presented content, because it indicates how the know-how from one (business) sector can be valuable for the future of another sector (the over-fragmented sector of higher education).

Originality/value – This study presents the key areas of focus in HEIs' consolidation processes and proposes a novel Conceptual Model of Universities' Mergers. It concludes with the principles of effective management of universities' mergers.

Keywords Mergers, Strategic management, Universities, Higher education, Conceptual model, Consolidation processes

Paper type Research paper

1. Introduction

In today's reality, characterized by increased cross-border competition in both educational services and research outputs, universities are under strong pressure to both compete and collaborate. Higher education institutions (HEIs) compete for financial resources, talented

students, high-quality lecturers, brilliant researches, good reputation and status, as well as high scores in international rankings. The increasingly competitive global market is the important driver of institutional mergers which become an important strategy of many HEIs. Other strategies, as underlined by Harman and Harman (2008, p. 99), include informal collaboration; joint business ventures; strategic alliances; regional, national and international networks and consortia; as well as cross-institutional mergers of academic and/or service departments. This study concentrates on strategic management of mergers in HEIs. The consolidation of universities is a major theoretical and practical challenge. However, despite a very large number of practical examples of university mergers worldwide, at the same time there is a shortage of frameworks that would help manage mergers in the HEIs context. This paper is an attempt to respond to these needs and grow the body of knowledge in this area.

One of the concepts giving the theoretical basis to the topic of strategic mergers of universities concerns the theory of social identity, other refer to strategic and process theories of mergers and acquisitions (M&A) (Cai, 2006; Cartwright and Schoenberg, 2006; Gleibs *et al.*, 2013). In the public sector, the basis for analyzing the concept of consolidation is the theories of "new public management" (NPM) and "public value management" (Bryson *et al.*, 2017; Hartley *et al.*, 2017). According to the trends of "new public management," university management can be treated as a complex process, similar to organizing the work of an enterprise (Dunleavy and Hood, 1994; Dunleavy *et al.*, 2006). Mergers of public universities can illustrate the logic of this approach. Currently, in the process of university merger research, the higher education sector goes through the induction stage, where hundreds of case studies and a few comparative studies have been gathered that draw a complex picture of the mergers' practices and can serve as a source of guidance. However, there is a need for inductive synthesis of the sources of information and creation of a conceptual model that will help to guide the management processes.

The paper is organized as follows: Section 1 highlights context, reasons and strategic goals of mergers in HEIs. The following section refers to the areas of strategic focus during mergers. In Section 3, we present the proposal of the Conceptual Model of Universities' Mergers that is followed by an example of a merger that resulted in establishing the Université Grenoble Alpes. The study finishes with the conclusions and the proposal of ten principles of effective mergers' management at universities.

2. Mergers in higher education institutions – context, reasons and strategic goals

Strategic mergers are formal combinations of two or more organizations into a single organization deliberately planned, so as to more effectively meet external challenges and opportunities (Harman and Harman, 2003). In relation to higher education, strategic mergers are described as strategies of "merging colleges for mutual growth" (Martin and Samels, 2002). In terms of getting two institutions together, the following terms are used: M&A, consolidation processes, takeovers, fusions, buy-outs and marriage. Despite the fact that these terms should not always be treated as synonyms, they are often used interchangeably. In a merger, one company takes over another, including all assets and liabilities. In a consolidation, two or more companies merge to form one new, larger company. All of each company's assets and liabilities then become the property of the new organization. Mergers and consolidations are ways in which companies can merge, following essentially the same process; therefore in our study, we will use the terms "mergers" and "consolidation" in relation to universities' mergers interchangeably.

The diagnosis of trends concerning changes in higher education has been developed on the basis of many studies and is widely described in the literature on this topic. One significant, clear trend is toward the development of larger and stronger "producers" of

educational services and research. Moreover, there are several tendencies observable in the HEIs sector that prejudge the strategic changes in universities:

(1) High and increasing diversity of universities; the educational sector consists of organizations that differ substantially in their founding structure, activity, quality, specialization and size.

(2) Internationalization resulting in the increasing mobility of students, researchers, programs and entire institutions.

(3) Privatization and commercialization of education on a global scale, where higher education becomes a service coming from the sphere of "private goods," and science is an intellectual product.

(4) The development of the "entrepreneurial university" model.

(5) The reduction of the state's participation in subsidizing or even co-financing universities.

New globally competitive higher education environment dictates strong incentives toward competition between institutions, but at the same time makes many of them decide to cooperate, following different types of partnerships: from a very informal cooperation between researchers, through alliances, consortia, affiliations and federations to full scale mergers.

In the case of HEIs, the implementation of the mergers' plans should lead to fulfillment of the mission and achievement of strategic goals related to the improvement of research and education or/and to the implementation of the universities' third mission (Di Berardino and Corsi, 2018; Zomer and Benneworth, 2011). In the second half of the twentieth century, there was a departure from the traditional formation of the Humboldtian university vs the entrepreneurial university (Clark, 1998). It is more and more visible that universities, especially those private ones, however also public HEIs, use economic logic and solutions developed in the field of business management. Competition, commercialization of research and cooperation with the socio-economic environment are becoming increasingly important. Internationalization and globalization of universities is growing, complex cooperation networks are being formed, and universities are competing for the best researchers and students through international cooperation. Universities begin to resemble business units and therefore they face similar competitive challenges. The university is transforming into an economic market organization that follows the concept of "new public management" (de Boer *et al.*, 2007; Hood, 1995; Sułkowski, 2016).

Entrepreneurship tendencies in the university culture are reflected, *inter alia*, in the orientation on innovation, in scientific activities carried out in cooperation with the industry, in the application of organizational solutions of "quasi-business" and "quasi-corporate" type, as well as in the pursuit of generating revenues from educational and scientific activities. In addition, "entrepreneurial universities" implement a market mission and create competitive strategies, use accountability and governance methods, and make decisions using a managerial model (management and supervisory authorities have the power), not a collegiate one (based on an academic staff). Mergers may be treated as a manifestation of the development of entrepreneurial university formation and academic entrepreneurship, both in relation to public and private HEIs. Private universities, through merger and consolidation processes, develop economies of scale and improve organizational methods, which lead to more effective market operation and fulfillment of their mission (Rudden, 2010). Moreover, in private HEIs, e.g. in the USA, mergers have been commonly used by individual institutions to deal with threats of closure, declining enrollments or even bankruptcy (Harman and Harman, 2003). Public universities recognizing that there are too many too small institutions try to obtain through mergers a "critical mass" in scientific,

educational and operational activities (Aula and Tienari, 2011; Tirronen and Nokkala, 2009). Generally, e.g. European universities are having hard time competing with their American counterparts, because they are relatively small and poorly funded. Lang (2003), while analyzing the reasons of mergers among public universities, underlines that governments want new programs at relatively low marginal costs. Moreover, mergers can reduce sunk costs of previous investments as the facilities may be utilized more efficiently. Some studies have confirmed also the financial drives of many mergers in HEIs (Eastman and Lang, 2001) pointing out that universities' mergers can result in significant economies of scale (Brinkman and Leslie, 1986; Lang, 2003; Lang, 2002; Sears, 1983).

Following Pinheiro *et al.* (2017) and Sułkowski (2017), it is possible to indicate several strategic goals, concerning universities' mergers:

(1) increase of the effectiveness and efficiency of the universities' operations (Pinheiro and Stensaker, 2014);

(2) limitation of the higher education system fragmentation (concentration);

(3) expansion of students' access to the education network;

(4) strengthening the autonomy, responsibility and accountability of the university;

(5) creation of larger universities, growing scale of scientific, educational and operational activities, gaining the economies of scale and "critical mass" (Aula and Tienari, 2011; Docampo, Egret and Cram, 2015; Tirronen and Nokkala, 2009);

(6) optimization of operating costs (Harman and Harman, 2003);

(7) strengthening the competitiveness of a particular university at the national level (Goedegebuure and Meek, 1994; Harman and Harman, 2003);

(8) support for university competitiveness at the international level (Harman and Meek, 2002);

(9) strengthening the competitiveness and visibility of the entire country and the national education system at the international level (Docampo *et al.*, 2015);

(10) meeting the needs of different stakeholders, in particular students and employers in a more efficient way;

(11) implementation of an effective strategic management mechanisms;

(12) restructuring and rationalization of university management;

(13) change of the competitive model to oligopolistic or even monopolistic in the case of private universities;

(14) diversification of the educational offer; and

(15) market expansion (mainly in case of private universities).

All the stakeholders of consolidating universities could benefit from their successful merger as it means a stronger institution that is in a position to compete better in today's global economy and become more effective and efficient.

3. Areas of strategic focus during mergers

In consolidation processes, strategic management plays a key role (Pinheiro and Stensaker, 2014). First of all, the decision about a merger itself should be preceded by a strategic analysis of the organization and the environment, which is the premise for making the decision on the merger. There should be consultations with various stakeholders and due diligence groups. The strategic objectives of the merger, which will be the basis for the

preparation of the strategic plan, should be set (planning stage). The adoption of the strategic plan for the merger is related to the transition to the process of strategic coordination (implementation stage). Strategic management at this stage consists of drawing conclusions from due diligence as well as participation in negotiations and conclusion of contracts. Institutionalization of the merger – in the form of signing agreements and validating the decisions taken on the consolidation of entities – closes the implementation stage and constitutes the transition to the integration stage. Strategic management at the integration stage is associated with (Sułkowski, 2017):

- supervising the correctness of the merger and implementing the strategic plan;
- corrections to the strategic plan related to unforeseen situations;
- strategic controlling of the merger process;
- managing the work of management teams and the integration team;
- coordination of central unit activities; and
- conflict resolution and organizational and public communication.

Undoubtedly, decisions on mergers belong to the strategic ones. They are complex management processes that require a long-term implementation plan, consistent with the strategic plan for the development of the entire organization. The degree of complexity and difficulty of running consolidation processes depends on the number of factors: institutional characteristics, the type of consolidation – if it is voluntary one or a compulsory (take-over), the profile of the HEIs involved, number of partners and cultural context, just to mention a few. The actual strategic success of the merger is not just the implementation of the university merger itself, but also the effects it brings. In order to achieve them, universities must consider and deal with several challenges of consolidation processes. In this paper, we indicate five areas of strategic focus during mergers: academic due diligence, appropriate selection of methods and tools in restructuring, project management during mergers, academic leadership, and finally university brand management and marketing activities of universities in the merger process.

3.1 Academic due diligence

Due diligence means in-depth analysis, examination and verification of previous information, thanks to which a potential buyer or merger partner can make an assessment (Sułkowski, 2017, p. 186). Such verification usually takes the form of a written document that presents the actual situation of the organization and pays special attention to current and future possible risks that may occur after the merger. The general characteristics of due diligence should meet the requirements of credibility, accountability, validity, accuracy, transparency, completeness and clarity. The scope of due diligence is wide, because this comprehensive analysis includes financial, legal, infrastructural, technological, organizational, intellectual resources, human resources and organizational culture analyses.

The due diligence in universities should focus on the most important goals, potential synergic effects of consolidated institutions as well as difficulties/barriers in the following areas:

- management (strategies, structures and organizational processes);
- material resources (campuses and laboratories);
- human resources (scientific and didactic staff, administration, students and graduates);
- financial resources (endowment, cash flow, costs and revenues);

- intellectual and intangible assets (patents, intellectual rights, brand value and innovations); and

- cultural capital (culture and organizational identity).

The example criteria that may be audited via academic due diligence are indicated in Table I.

3.2 Appropriate selection of methods and tools in restructuring

Restructuring may be understood as a discontinuous (radical), violent and serious change (Reilly *et al.*, 1993) or as the basic change in the organizational structure of the enterprise, its capital or assets (Bowman and Singh, 1990). The merger process is usually closely coupled with restructuring, because it is a radical transformation that provides the opportunity to conduct deep organizational changes. In principle, the merger is always accompanied by restructuring, which serves to rationalize the activities of the consolidated universities. Restructuring happens to be the initial stage of the merger; however, it may take longer than

Criteria	Scientific	Educational	Implementational
Previous effects of universities planning the merger	1. Evaluation, parameterization 2. Rankings of scientific excellence 3. Outstanding achievements (e.g. Nobel Prizes) 4. Quality of scientific activity	1. The value of graduates in the labor market 2. Prestige of the university 3. Quality of education (accreditations, certifications and rankings)	1. Capital of connections (stakeholders, composition of the board of trustees, founders and donors) 2. Cooperation with the society 3. Spin-offs, incubators and innovations 4. Quality and scale of cooperation
People and teams of both universities	1. Outstanding personalities, talents and scientific leaders 2. Composition and potential of scientific teams	1. Outstanding personalities and teaching talents 2. Composition and potential of educational teams	1. Outstanding personalities, organizational and implementation talents 2. Composition and potential of implementation teams
Programs	1.Scientific grants, projects and programs	1. Education programs 2. Range of the educational offer 3.Organization of education	1. Implementation of new programs 2. Organization of cooperation with the environment (e.g. career offices)
Scientific and educational authorizations	1. The right to award academic degrees 2. Scientific certifications	1. Teaching qualifications 2. Certification and educational accreditation	1. Practical authorizations 2. Industry certifications and accreditations
Synergy after the merger	1. Increase in quality and the amount of work 2. Promotion in rankings 3. Increase in the value or number of outstanding achievements 4. Larger number of outstanding researchers and teams 5. Greater number of grants, projects, certificates and programs 6. Better organization of the educational system	1. Increased employability and value of graduates 2. Increase in prestige 3. Improvement in the quality of education (new accreditations, certifications, rankings) 4. Expansion and increase of the value of the offer	1. Development of the capital of connections and cooperation with the environment 2. Increase in the number and scale of innovations, spin-offs and incubators 3. Larger number and value of patents and implementations 4. Improvement in the system of cooperation with the environment

Table I.
Academic due diligence criteria

Source: Study based on Sułkowski (2017, pp. 194-195)

the merger itself. In the case of public universities, restructuring is rarely the most important goal of a merger, but it is often implemented as a consequence of the consolidation process. In the mergers of private universities, restructuring is usually one of the key objectives, because the possibility of creating added value through the merger requires a deep reengineering of the whole institution. Identification of areas for restructuring takes place at the stage of analysis and strategies creation (due diligence). Such identification should lead to:

(1) analysis of organizational strategy, structure and culture;

(2) definition of measures and indicators, the measurement of the current status and planned targets (after merger and restructuring);

(3) choosing the methods of restructuring during the merger and after its implementation; and

(4) creation of a merger plan taking into account restructuring processes.

Depending on the area of change, three types of restructuring can be distinguished: operational, financial and concerning the ownership. Each of them focuses on different aspects that are presented in Table II.

The university restructuring methods used in the merger processes relate appropriately to all processes and functional areas of the organization, namely finance and accounting, as well as the management of: people, quality, information, marketing, infrastructure and other aspects of operations. The typology presented in Table III does not cover all restructuring methods, tools and approaches that can be applied at universities, but it constitutes a list of options to consider in the merger processes.

In the mergers of universities, various restructuring methods and techniques are used; however, as Sułkowski (2017, p. 206) indicates, there should not be introduced too many complex methods of university restructuring (e.g. reengineering, Six Sigma or lean management) simultaneously. Before planning the merger, it is necessary to reflect and select the appropriate mix of useful methods, techniques and tools to be used in organizational changes.

3.3 Project management in university merger processes

Mergers can be operationalized as inter-organizational projects that lead to the improvement of processes: research, education and cooperation with the environment. Mergers of universities refer to deliberate organizational change, with a framed plan, time restrictions and budget limits. Projects have become means of implementing the organizational changes in HEIs. Effective project management in universities results in an increased competitiveness and value. The composition of the projects involved in the merger may

Type of restructuring	Description
Operational restructuring	Concerns changes in the core business of the enterprise and in the case of the university sector it may relate to, among others, marketing activities of the university, human resources (academic and non-academic staff), technological and property resources of the university, as well as the organization and management processes implemented at the university
Financial restructuring	Focuses on financial aspects related to indebtedness, liquidity and efficiency of using capital
Ownership restructuring	Begins with changes in the structure of equity of the university and may then include further areas of activity

Source: Authors' own study

Aim	Restructuring methods
Improvement of processes and operating principles	Reengineering Lean management Kaizen TQM and EFQM ISO 9001 Six Sigma Benchmarking Shared service centers Target costs
Rationalization of the scope of activities	Strategic segmentation (basic, non-operational, auxiliary and maintenance functions) Diversification Outsourcing Insourcing
Improvement of organizational forms	Creating cost centers creating profit centers Creating strategic business units Division of the organization and creation of independent entities
Selection of adequate structural solutions	Divisional structure design structure Matrix structure Holding
Improvement of the organizational structure	Diagnosis of the organizational structure Designing a streamlined organizational structure Implementing changes in the structural solution
Improvement of the organizational culture	Cultural audit Cultural change programs
Source: Authors' own study	

Table III.
Examples of restructuring methods used in consolidation processes of HEIs

vary depending on the strategy and mission of the particular university. University mergers should lead to synergy that provides the opportunity to improve the core processes (Patterson, 1999). In the management process of a merger, a mix of various methods, tools and techniques listed in Table III can be applied. Apart from that a three-level typology of merger projects in HEIs can be built according to the parameters: project duration, range of changes, degree of complexity, project effects and scope of changes. The typology of the universities' merger projects is presented in Table IV.

3.4 Academic leadership during the merger
Leadership plays a key role during a merger process. Harman and Harman (2003, p. 29) state: "sensitivity to human and cultural factors and effective leadership are the most important factors for achieving success in university merger." Academic leadership is to encourage members of the organization to act together, leading to the realization of the goals of this institution. The concepts of academic leadership are derived from a rich theory, and are developed on the basis of organization and management, psychology and sociology. Effective leadership that is crucial for the success of the merger may be analyzed from the perspective of various theoretical schools. They embrace mainly: theory of attributes, situational theories, management style concepts, critical trend regarding the school of leadership, the school of neocharismatic and transformation leadership and the team management school. In the context of university mergers, there are four main concepts of leaders that seem to be the most relevant. Their main characteristics are described in Table V.

Type	University merger as a type of project	Time	Range of changes	Degree of complexity	Project effects	Range of changes
Strategic	1. A comprehensive university merger project 2. Integration of universities	2–5 years	Large	Large	Impact on the organization and its environment	Changing the content of the work (what)
Tactical	1. Implementation of a new strategy 2. Implementation of a new name and logo 3. Implementation of a new IT system 4. Implementation of a new system of education quality management 5. Implementation of new management systems for human capital	1–2 years	Medium	Medium	Impact on most elements of the organization	Changing the way of work (how)
Operational	1. Information campaign 2. Adaptation of systems at the level of departments 3. Training of administrative staff 4. Changes in job descriptions	Up to 1 year	Small	Small	Impact limited to the unit under which the project was implemented	Changing the ways (by whom, when and where the work is done)

Source: Authors' own study

Table IV.
Typology of university merger projects

3.5 University brand management and marketing activities of universities in mergers
Building reputation through intensive communication, marketing and internal branding (employer branding) is gaining importance in the academic world. Branding and image are notions related to reputation, they are also associated with culture and organizational identity (Aula and Tienari, 2011). All these areas of the organization's activity are subject to profound transformations in the processes of a merger. During mergers, the universities must use the concepts of marketing communication, brand management and organizational identity. The international and national recognition of universities for students and other external stakeholders depends to high extent on the university brand. The name of the university creates its image by providing a message that reflects the identity of the university. It creates trust, loyalty and reputation of the institutions. More and more often, students who make the decision about choosing a university take into account the value of the brand, e.g. the benefits that may result from receiving a graduation diploma from that particular institution. Following Aaker (1991), while verifying the value of the university brand, five basic elements described in Table VI should be considered.

The search for sophisticated concepts and marketing tools by universities is increasingly noticeable in order to build an appropriate brand image of the university and to attract customers, especially during or after merger. However, the marketing activities of universities concerning mergers are not limited to brand management. Contemporary marketing activities at universities focus not only on the regular promotion of the educational offer, but also on relational activities – building the image of the university. Especially, the concept of relationship marketing that has been transferred from other market sectors has become very popular among professionals performing marketing activities at universities (e.g. Plewa *et al.*, 2005).

Theory	Description	Strong and weak points
Transformational and neocharismatic leadership	The leader sets the direction of change and allows for quick, efficient and effective operations. This approach is based on the mutual trust of the leader and team members. It is also based on values and shaping of collective and individual identities. The leader focuses on transforming the perception and interpretation of reality (sensemaking and sensegiving), which allows the group to believe in the sense and value of the change that is taking place	There is a threat concerning the creation of illusions and mistakes. Therefore, the perspective of transformational leadership should be balanced; its task is to combine a positive attitude to change with a pragmatic view of the process implementation
Situational school of leadership	The basis of research in this approach is searching for the conditions of effective leadership in university mergers processes that is affected by a particular situation/conditions. It means that each case is to be analyzed on an individual basis	The benchmarks are precious. In the literature on the subject of university mergers, case studies are the most numerous, although at the same time there is no comparative analysis. In the induction process, large number of data on effective leadership is gathered, however it is still difficult to build a universal theory now
Team leadership	Team leadership in complex organizations such as universities plays a key role. Effective mergers of universities can only be carried out by committed, competent and flexible employee teams. The role of leaders is important because it involves making strategic decisions; however, with a significantly high level of organizational complexity of merger processes, the co-decision makers are mostly team members. Team leadership focuses on self-learning teams that by cooperating with each other and with external entities develop a consolidation project	Not always it is possible to build a team that meets all the requirements of an effective and efficient cooperation. Behavioral aspects make crucial role in the works of teams
Critical perspective of leadership	The processes of mergers at universities create changes that may have a negative impact on the objectivity of leaders. They may fall into the traps of autocracy, narcissism, oppressive treatment of employees, manipulation of people and treating the scientific and educational mission as a smokescreen	Critical analysis allows leaders to combine ethical solutions with pragmatism necessary to implement organizational changes (Aasen and Stensaker, 2007)

Source: Authors' own study

Table V.
Concepts of leaders in
university merger

4. The Conceptual Model of Universities' Mergers

The systematic literature review summarized in the previous sections provided an input to form a map of the concepts related to mergers in the higher education sector, thus allowing us to formulate a conceptual model, which essentially represents an "integrated" way of looking at the topic of universities' mergers (Liehr and Smith, 1999). Miles and Huberman (1994) defined a conceptual model as a visual or written product, one that "explains, either graphically or in narrative form, the main things to be studied – the key factors, concepts, or variables – and the presumed relationships among them" (p. 18). The proposed Conceptual Model of Universities' Mergers is an attempt to build a simplified representation of the

Elements	Description
Relationships with the brand	The reactions related to the association of the brand against the background of other brands are analyzed. Universities create relationships with graduates, students, employees and stakeholders, which leads to strengthening the university's brand
Other assets related to the brand	These are added features that the brand offers, for example certificates, accreditations, signed cooperation agreements. The name, logo and brand are strengthened by accreditations and certificates
Loyalty	It is manifested in the attachment to the university of students and employees that shape ties with the university. Increasing number of universities implement loyalty programs among students and graduates
Brand awareness	It involves: brand recognition, the number of associations with a given brand (in case of universities, these may embrace features like: very good quality of education, a recognized diploma in the labor market, good study conditions, qualified scientific and teaching staff), but also for example a well-known sports team
Perceived value of the brand	The perception of the university as an institution that offers products and services of a corresponding quality is measured. Very often, the perception of the quality of education at a given university is a determinant of choosing this particular institution

Source: Authors' own study based on Aaker (1991)

universities' mergers-related phenomena, providing useful basis for further exploration and understanding of the concepts and their interplay. The creation of the model was through inductive process where different concepts were researched and put together to form an integrated bigger map of the phenomena and their possible relationships. The model is an end result of bringing together the related researched concepts to give a broader understanding of universities' mergers. Figure 1 presents the proposal of the Conceptual Model of Universities' Mergers.

The Conceptual Model of Universities' Mergers presented in Figure 1 assumes that mergers between universities, just like in business, do not easily succumb to managerial control and project management, which enable full implementation of the objectives.
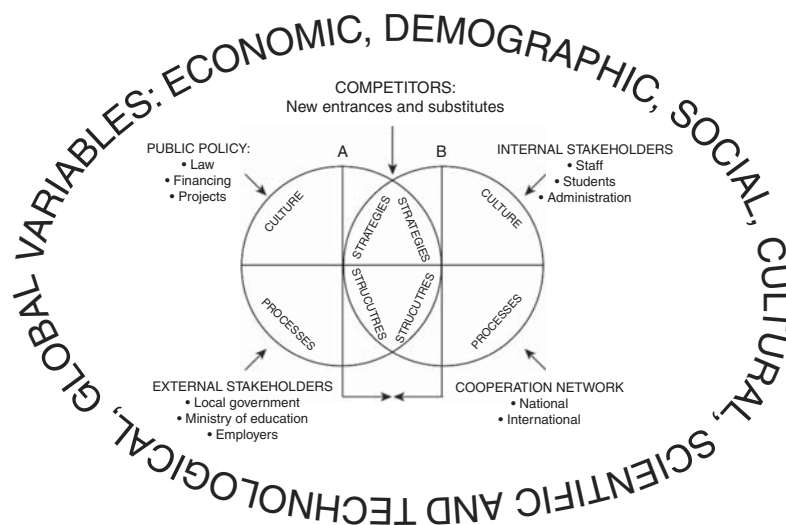
Source: Authors' own work

The effectiveness of the implementation of mergers between universities is conditioned by a number of supporting and inhibiting factors.

Supporting factors include:

- relative homogeneity of the merging organizations (similar type of activity, similar founding or ownership structure);
- origin of the merging organizations (lack of far-reaching cultural and legal differences if the universities come from one country); and
- benefits of mergers that may occur for the institutions involved.

Inhibiting factors include:

- conservatism of traditional academic cultures;
- a strong ethos of academic professions often oriented toward maintaining the status quo; and
- the dominance of the stakeholder model favoring the maintenance of compromise between groups of influence.

The merger process takes place at three levels:

- Level I: change of university organization systems. The merging universities integrate or/and restructure their organizational systems. Strategic areas, structures and processes as well as cultural aspects of the merged organizations require alignment.
- Level II: influence of the closer environment on the merger's process. The dynamics of the consolidation process are directly impacted by:
  - competitors present in the country and in the world or new emerging competitors and institutions trying to fill the market niche by offering alternative educational offers;
  - cooperation networks consisting of national and international entities cooperating with universities;
  - internal stakeholders, i.e. academic staff, students and university administration;
  - external stakeholders, i.e. ministries, central and local government, employers; and
  - public policy, reflected in law, financing of universities and central and local programs.
- Level III: influence of the further environment on the merger's process. In this respect, the significance of the following key variables needs to be taken into account:
  - Economic factors, such as: living standards and unemployment rate. They have a significant impact on the motivation to start a merger. One can risk a statement that the deterioration of the country's economic situation should become a catalyst for a wave of mergers, especially in dispersed higher education systems.
  - Demographic variables related to fertility and the flow of human capital. They form the basis for assessing the demand for higher education at the national level.
  - Social factors related to the level and structure of scholarisation in a given country. Social patterns have a significant impact on decisions if to study and what educational direction to choose. It is wherein worth mentioning that the transformation from an elite to an egalitarian higher education system is becoming a global megatrend. The waves of systemic mergers, carried out, among others, in China, EU countries and the USA in the 1990s, were designed to better adapt to the mass and even universal model of education (Mao *et al.*, 2009).
  - Cultural context that has a significant impact on consolidation processes, although the assessment of its impact is very difficult. Culture not only shapes the organizations themselves and the behavior of people in organizations, but also affects the

functioning of the entire education system and even the dynamics of the consolidation process. In countries with a high level of social capital, with developed civic culture, university mergers have a greater chance of success, although there are also examples that contradict this thesis. Successful centralist mergers in China prove that even in a society with a relatively low civic culture, it is possible to effectively implement university consolidation (Cai and Yang, 2016, pp. 71-85). On the other hand, some unsuccessful mergers in the UK and Australia prove that culture is only one of the variables in the complex mosaic of influence factors (Martin, 1994, pp. 83-91).

 – Scientific and technological environment: it is connected with the development of science requiring the reorganization of research units. The general tendency is to group together scientific units, which leads to the creation of a "critical mass" that allows to implement ambitious research projects and to develop renown scientific schools. New technologies emerge in the cooperation of the university with the industry and through the creation of spin-offs. New communication and network technologies also have a direct impact on conducting research (e.g. methods and laboratories) and education (e.g. on-line and distant education were motivational factors when merging even faraway campuses and schools).

 – Global variables related to the internationalization of science and higher education and the development of global competition. One of the key mechanisms to drive the wave of strategic mergers in the public university sector that is sweeping through the world is global rankings. The globalization is dominated by the English-speaking countries due to the international role of English and the scientific and educational position of universities. In many countries, mergers are carried out to promote the internationalization of universities by: opening joint, dual and double degree programs, as well as English-language programs, attracting foreign students and strengthening their academic exchange.

The growing numbers of publications, research and cooperation projects convince that mergers may lead to the implementation of many strategic goals and may affect both private and public universities. The proposed Conceptual Model of Universities' Mergers sheds some more light on this complex phenomenon. Understanding the context for the universities' mergers, realizing supporting and hindering factors, processes, structures and variables playing roles in the whole process can help plan future mergers more effectively.

5. The use of the conceptual model: a case of the Université Grenoble Alpes

The proposed Conceptual Model of Universities' Mergers can constitute a useful framework for analysis of the merger that resulted on January 1, 2016 in reuniting of three universities in France: Joseph Fourier University, Pierre Mendès-France University and Stendhal University, forming the Université Grenoble Alpes. The split was made in 1970s and the XXI brought a strategic decision to reunite the three from four institutions that previously constituted the University of Grenoble (except from Polytechnic Institute of Grenoble). Table I presents the key elements of the proposed model and its relevance to the merger of the three universities in Grenoble. The data for the description of the Université Grenoble Alpes were collected from May 2016 till mid-2017 in France through observations, interviews and collection of documents. The follow-up study visit to Grenoble was organized in May 2017 (Table VII).

In summary, the Université Grenoble Alpes currently educates over 45,000 students and employs 5,500 employees in over 80 organizational units. The merger brought first results in the form of: intensification of scientific activities, improvement of organizational and managerial efficiency and generation of savings from consolidated processes and structures. Much effort was required from the employees to adapt to the new situation, which means that the results of scientific and educational activities should improve year by year. The interviews indicated

The Conceptual Model of Universities' Mergers elements	The Université Grenoble Alpes case study
Supporting factors	Homogeneity of the merging institutions stemming from the facts that they are all French Universities, are located in Grenoble and have a common history
	The involvement of employees in the merger was quite high due to the "Shanghai shock" which became a stimulus for change
	The opportunity to use central financial programs to co-finance the merger
	The sense of creating a valuable and to some extent pioneering organizational solution in France
	The merger date was announced early (in 2009) giving enough time for planning and preparation (until January 2016)
Inhibiting factors	Groups disturbed by the merger were formed
	Conservative attitude towards the merger was adapted by trade unions
	Attachment to the organizational structures and cultures of the separate universities was high
	Elevated ambitions of the decision makers representing the merging universities were exhibited
Change of university organization systems	As a result of strategic analyses, due diligence, research and negotiations, the following were agreed: the strategy and stages of the merger, the structure of the consolidated university, the new name and the authorities of the consolidated university
Strategies	In the restructuring process, a new strategy was created which was focused on cooperation with the society, innovation as well as internationalization and development of high-quality research and education within a comprehensive university. The mission underlined the growing role of international interdependence, innovation and interdisciplinary research. It also confirmed that the heart of the university's activity was the combination of education and research
Structures	The university's rector was chosen (Lise Dumasy, the rector of Université Stendhal for three tenures) as well as Vice-rectors who represented the merging universities
	New organizational structure was created. In total, 24 units such as departments, schools and institutes were distinguished in the organizational structure after consolidation. As part of the matrix structure, 6 large disciplinary research units were established
	The university developed also a number of major improvement projects, which in turn led to a faster development of research. EQUIPEX enabled furnishing of laboratories in order to allow to undertake the most innovative research. IDEFI focused on the innovative education of students and researchers. LABEX allowed to establish and develop scientific cooperation with the best world centers and researchers. Infrastructure was also being developed, using public-private partnerships. A center of creativity and innovation was built to serve interdisciplinary research and education focused on innovation. Other examples were the health education and research center as well as the buildings of the law and social sciences departments
	Deeper structural changes were introduced also in university-wide service units that cover various functional areas, such as finance and accounting, human resources, international cooperation, education and university life, research and innovation, information systems, logistics, cooperation with the environment and others
Processes	The merger was preceded not only by a long period of close and formalized cooperation, but also by a six-year planning and preparation process for merger implementation at the strategic and operational level
	In the consolidation process, a new information system was implemented, covering not only the university management, but also the entire scientific output of employees and units, international relations and education quality management. New websites for the university and all units were also created, which was coupled

Table VII.
The application of the conceptual model of universities' mergers: case study of the Université Grenoble Alpes

(continued)

The Conceptual Model of Universities' Mergers elements	The Université Grenoble Alpes case study
	with marketing activities, oriented towards the internet and social networking sites in particular
Culture	A deepened specialization between research and teaching staff was introduced. Evaluation and remuneration and development systems rewarding higher productivity (performance based systems) were introduced. The positions, salaries and development opportunities of employees from different disciplines were differentiated. New branding and new identity were gradually being developed
Influence of the closer environment on the merger's process	A wide consultation process was carried out, followed by communication, both among employees as well as students and other stakeholder groups
Competitors	Each merging university had different focus in their areas of studies so they saw themselves as complementary rather than competitive entities. The merger was seen as strengthening of all universities by creating an entity that could become a stronger regional, national and international player and competitor
Cooperation network	The merger of the universities into the Université Grenoble Alpes offered a new path that other entities and cooperation networks started considering as a strategic option
Internal stakeholders	The staff participated in the preparation of the merger through systematic meetings in the framework of inter-university integration teams for several years The Polytechnic Institute of Grenoble, although initially discussed the merger, retreated in the course, mainly due to social resistance. The Polytechnic staff did not know if the merger would bring them sufficient benefits to compensate for the partial loss of independence
External stakeholders	Negotiation and integration teams were established where representatives of all universities as well as central and local authorities and external stakeholders participated
Public policy	The ministry and local authorities favored consolidation and actively supported it. The merger required some specific laws and regulations that were prepared. The merger process was co-financed under the Ministry's programs
Influence of the further environment on the merger's process	
Economic	The conviction that the merger can lead to higher economic rationality and efficiency
Demographic	There was an opinion that merger offers new developmental opportunities for employees. At the same time there was a fear for human resources reduction. The fact that the merging universities were complimentary in the areas of study limited the lay-offs scope
Social	The concept of creating the Université Grenoble Alpes involved the assumption that also other universities from the Rhone-Alpes region can be involved in the merger. The discussions were held, however, in the end no more than the three institutions decided to participate in the consolidation process. The public entities, authorities at local and national levels as well as employers saw the merger as an opportunities-generating undertaking for the region. New entity was expected to be followed by the creation of new identity among the stakeholders
Cultural	Merger was perceived as a mixture of opportunities and threats. New branding contributed to developing new identity of the institution and its stakeholders
Scientific and technological	One of the consolidation motifs in France was to build strong links between universities and enterprises, which was supposed to fuel economic, scientific and technological development. There was an expectation that Grenoble merger could result in the "Silicon Valley" type of solution
Global	The beginning of the 21st century in France brought "Shanghai shock," which was associated with the poor positions of French universities in international rankings. Achieving the "critical mass" in science through merger was to be a springboard to becoming a world-class academic institution with high international recognition

Table VII.

improvement of consolidated university management through: more effective strategic management, real emphasis on international cooperation and cooperation with the society, effective marketing communication and more advanced financial management and accounting. Employees mention faster and more efficient operation of administrative units compared to the situation before the merger. UGA implements mechanisms that dynamize scientific activity, which has improved its position in national and international rankings in the last two years. There is also a gradual increase in the number of English-speaking students and programs, which favors the internationalization of the university. The UGA educational offer was expanded, and at the same time unified and modernized.

5.1 Summary
Merger processes have produced positive results in many countries in the form of: increased effectiveness in conducting research (obtained grants, publications and implementations), higher recognition of universities (positions in international rankings) or optimization of the universities activity costs. At the same time, some negative effects of mergers may appear. They may be related to lower than expected effectiveness, resistance of the academic community, increase in the degree of universities bureaucratization and the weakening of academic culture. Moreover, frequently, consolidation processes do not fully achieve their goals, many of merger attempts finish as failures. The conclusion is that consolidations between universities can give positive results; however, the merger process should be effectively managed.

Based on the analysis of the literature and observations gathered during the case study data gathering the following ten principles of effective management of the universities' mergers may be proposed:

(1) analysis of the potential synergy effect and complementarity of the university in line with the properly conducted due diligence process;

(2) verification whether the merging organizations match in their identity and whether the change will bring status benefits;

(3) flexible and data-based analysis and strategic planning of the consolidation process, including controlling ("milestones," operational plans);

(4) communication and commitment of the main merger stakeholders who should be aware of potential benefits;

(5) taking into account the influence of culture and human capital management, enabling the satisfaction of the staff, students and other stakeholders from the consolidation process;

(6) transformational leadership that implements change and emphasizes benefits as well as identity change;

(7) effective management of the brand, PR and marketing communication processes, both inside and outside the organization;

(8) implementation of restructuring processes of consolidation project management methods, structural changes and the use of management concepts, experiments and research on the consolidation of universities;

(9) consideration of key areas of transformation, including systems: strategy, people management, IT, marketing, as well as research and education-related processes at all stages of implemented changes; and

(10) development of the vision and concept of an entrepreneurial, flexible, innovative and competitive university.

These principles cover the entire process of a merger: from planning, through implementation, to integration. The proper application of these ten principles might contribute to more effective management of university mergers and a greater success of institutions that decide to take this strategic decision.

The proposed Conceptual Model of Universities' Mergers offers a framework for better understanding of the merger context and its variables. However, it is also important to mention the limitations related to the wider applicability of the model. Mergers belong to complex organizational processes. They constitute a radical change which the entire organization is subjected to in a relatively short time. The processes accompanying mergers are multidimensional and entangled in cultural and social factors that cannot be fully controlled causing that the trajectory of revolutionary cultural change happening in universities becomes partly indeterministic. Therefore, the created model needs to be viewed with these limitations in mind.

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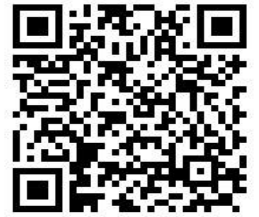
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Complementarity merger as a driver of change and growth in higher education

Complementarity merger as a driver of change and growth in higher education

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Abstract

Purpose – Mergers in higher education seem to be more common as academic institutions work to control costs and avoid program duplications in challenging economic times and adopt the more common cost saving measures often espoused from business mergers. The purpose of this paper is to highlight successes from a complementarity-based merger of two institutions in the University System of Georgia (USG) and present results over time.

Design/methodology/approach – A case study methodology was employed to explain why a particular merger resulted in greater growth compared to other system-wide academic mergers. This research focuses on a single merger of two institutions in Georgia, one of seven such mergers in the USG institutions to date, involving Gainesville State College and North Georgia College and State University to become the University of North Georgia. Observations are made and complimented by secondary data to rank growth among the seven USG consolidations.

Findings – The case findings highlight the success from the complementarity of these institutions. While the two were unique institutions, the success of the merger was linked to the underlying complementarity issues.

Originality/value – Using the strategic issues inherent in mergers from the business literature, the merger of the two institutions is profiled and discussion and recommendations are provided along with areas for future research.

Keywords Higher education, Merger, Complementarity, Educational institutions, Programmes

Paper type Research paper

Introduction

While the mergers and acquisitions (M&A) literature focuses largely on corporate combinations, environmental and economic forces have made the strategy more common in non-profit and higher education arenas. This paper considers mergers within a higher educational system and examines a successful case as an example for other combinations of educational institutions.

M&A are an important consideration in corporate strategy. Although M&A transactions continue to be prevalent, general success has been elusive with more than 70 percent of M&A transactions reported to have been unsuccessful in creating value (Bauer and Matzler, 2014; Christensen and Eyring, 2011). The lack of consistency in successful M&A transactions has been linked to ill-conceived reasons for the combination including over aggressive performance targets (Lee and Prekopa, 2015), conflicting cultures (Cartwright and Cooper, 2014), misaligned strategic intents, and inadequate integration plans among others (Dyer *et al.*, 2004; Ferreira *et al.*, 2014; Epstein, 2005). Mergers, commonly described as a combination of equals, can be especially sensitive to many of these challenges. Mergers may face more integration issues than acquisitions due to greater top leadership confusion, cultural and operational conflicts, and potential market disruptions (Bauer and Matzler, 2014).

Mergers in the public sector are also common and have goals similar to business mergers and that is to reduce administrative expenditures. However, Blesse and Baskaran (2016) in

their study of mergers of municipalities in the German federal state of Brandenburg found voluntary mergers do not affect expenditures, but compulsory mergers do show significant reductions in expenses. Luoma-aho and Makikangas (2014) note that the public sector worldwide is under pressure to downsize and the results are an increased number of mergers. Their content analysis of public sector organizations in Finland focused on changes in the organizational reputation. Postma and Roos (2016) found that mergers of Dutch healthcare providers are due to increasing pressure from competitors as well as municipalities and insurers, all related to changes in health policies.

The study of mergers as a strategic option for growth and value has experienced mixed results. Understanding and comparing the results are more difficult due to a wide variation in the emphasis of the studies. In addition, differing emphases of pre-merger or post-merger contexts have added to diverse and conflicting results. Although the most common reason for a business combination remains economic at the core, the primary publicized and justifiable motive for corporate mergers is to gain a competitive advantage from synergies, resulting in an increased value of the combined firms (Bruner, 2002). The anticipated increase in value from the synergistic combination is commonly assumed to be obtained through cost savings from economies of scale and organizational efficiencies, revenue enhancements from expanded and strengthened market position, and/or increased innovation and product development through shared intellectual capital (Mukherjee *et al.*, 2004). Chatain and Zemsky (2007) agree that merger objectives have consistently included the creation of more cost-effective operations, extension of the firm's geographic coverage, expansion into new categories of products or services, access to new technologies or complementarity capabilities and resources, or solution to changing and innovative technologies.

Furthermore, Bauer and Matzler (2014) categorize merger research into four distinct areas including studies focusing on: financial performance and wealth effects of the combinations; performance based on the effect of pre-merger relatedness, perceived similarity, or complementarity; organizational behavior with attention to effects on organizational culture, individuals, and organizations; and the effectiveness and efficiency of the merger process. Although each of these objectives provide compelling strategic rationale for a merger, this paper considers complementarity as a primary merger strategy for gaining a competitive advantage and presents a case within the higher education context as an example.

Background and theoretical framework
Mergers and competitive advantages
Firms pursue competitive advantages with various proactive or reactive merger strategies to reduce cost by increased economies of scale, reduced competition, stronger market competitiveness, broader economies of scope, or increased market size resulting from geographic expansion. Firms engaged in a primary strategy of consolidating administrative functions, markets, and operations, thus eliminating overlapping resources, processes and markets, may gain a competitive advantage by reduced costs and lower pricing and elimination of competition in existing markets. However, such a quest might limit the innovation necessary to build growth in new products and markets by reinforcing an existing path dependency, or an organizational condition in which the feedback mechanism of an organization continually reinforces the current path an organization is pursuing. In a merger, the controlling firm may influence the elimination of processes or resources from the merger that do not support the firm's current strategy and thus inhibits consideration of new approaches or ideas (Liebowitz and Margolis, 1995). Mergers targeted at developing or strengthening a firm's competitive advantage, by reinforcing expansion and innovation, may allow the organization to break its path dependency and to provide an environment

allowed positive changes to occur. Firms pursuing a complimentarity merger strategy have the opportunity to break the firm's entrenched path dependency by gaining synergies that produce economies through overlapping synergies, as well as economies of scope and expanded markets through complementarity resources and capabilities (Karim and Mitchell, 2000).

Kim and Finkelstein (2009, p. 619) define complementarity as "occurring when merging firms have different resources, capabilities, and/or strategies that can potentially be combined or reconfigured to create value that did not exist in either firm before the acquisition." A complementarity merger might contribute to the combined firm achieving a stronger and increasingly dynamic core competency that provides a competitive advantage across existing and emerging markets. Having different resources or capabilities alone does not expand an organization's core competency. Prahalad and Hamel (1990) stated that a core competency is:

> "[…] the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies;" "is communication, involvement, and a deep commitment to working across organizational boundaries;" and "does not diminish with use. Unlike physical assets, which do deteriorate over time, competencies are enhanced as they are applied and shared" (p. 82).

To realize potential competitive gains from dynamic core competencies from a complementarity merger, the different resources, processes, and markets must indeed be complementary, expansive, and effectively developed and implemented. In summary, effective long-term core competencies are continually developed and changed as opportunities present themselves. A complementarity merger provides a firm the opportunity to build and maintain an evolving competitive advantage resulting in higher performance (Kim and Finkelstein, 2009).

Mergers in higher education

Mergers in higher education are a current trend, and Czarniawska (2015) proposes that the future of colleges and universities within larger society, like that of fashion are going through cycles of waxing and waning. She compared the merging and ranking process currently in vogue in higher education today to that of fashion which is continually changing. Czarniawska's (2015) contribution to the book, *Universities in the Flux of Time: An Exploration of Time and Temporality in University Life* (Gibbs *et al.*, 2015), examines how changes in higher education are perceived within their own communities as well as among those constituents they serve. She compares universities including Gothenburg University's reorganization as well as other universities including those in Sweden (Linnaeus University) and Finland (Aalto University in Helsinki).

Czarniawska (2015) notes universities begin a process of mergers or internal centralization because it is the current trend. She notes (p. 34) "in this sense, fashion helps managers come to grips with the present while simultaneously serving to loosen the hold of the past on the present and introducing an appearance of order and predictability into preparations for the future." This cyclical process of merging, she notes, regularly follows a tendency to decentralize. Czarniawska (2015) further argues that mergers also support the current trend of university ranking where larger colleges and universities, some of which are made possible through mergers, are typically ranked higher among external stakeholders. Centralization is in vogue and also helps improve rankings and rankings legitimize and explain the fashion of centralization. Both "fashions" support and enable each other (see also Czarniawska 2005; Czarniawska and Genell, 2002; Czarniawska and Joerges, 1995).

Regardless of reasons for mergers in higher education, the competitive environment in higher education has experienced significant change over the last few years and has

pressured academic organizations to adapt. The growth of online courses, massive open online courses, and other non-traditional education delivery methods are changing the traditional higher education model. In addition, funding reductions are forcing universities to cut costs while providing a more competitive product for students (Adams and Shannon, 2006). Pressures on colleges and universities have been the impetus for mergers that included mandates to cut operational costs, provide more student services, and lower tuition, as well as offer services for parents and future employers (McBain, 2012).

Fielden and Markham's (1997) study of London University mergers and 30 other mergers in the UK found that university mergers were commonly driven by strategic or academic objectives rather than direct financial benefits. They found the primary reasons for higher education mergers included: taking advantage of a good fit in compatibility and complementarity of a smaller institution with a larger one; providing the larger institution an enhanced portfolio or academic profile; assisting in long-term strategic plan for change; providing a way for an institution to enter new markets; and allowing the merged units to be an area's main higher education provider (p. 2).

Kyvik and Stensaker (2013) agree that most research on higher education mergers focuses on the structural and cultural issues and even the economic implications. Most research agrees that higher education mergers often stem from political pressure to reduce the sheer number of institutions (Drowley et al., 2013). Furthermore, mergers within higher education that desired scale economies from mergers seldom realized them and results show that teaching and research results may not improve (Ripoll-Soler and de-Miguel-Molina, 2014). Possible barriers to success include the poor quality of the target institution's faculty or offerings, disruption for staff and students who are often relocated, attempts to merge differing educational philosophies, and overall cultural differences between the merging institutions (Fielden and Markham, 1997). In addition, demands for greater efficiency and higher quality in higher education have stimulated structural reforms.

Mergers in Australia, the USA, and several western European countries have resulted in the elimination of program duplication, increase in academic integration or collaboration with new interdisciplinary fields, and stronger positions in the market from merging institutions that complimented each other. Moreover, voluntary mergers were more successful than forced mergers, and mergers worked best when the institutions were not physically distant from each other or where large cultural and academic differences did not exist (Skodvin, 1999).

Harman (2002) examined the sociocultural issues of merging divergent college campuses and found evidence that expert leadership kept cultural conflict minimized, with a focus on developing new loyalties, fostering morale, and creating a sense of community within the newly merged institution. Findings show that higher education mergers are relatively rare, tend to have no clear financial or quality metrics to assess success, and the level of success depends largely on the stakeholders (Etschmaier, 2010). Mergers in the University System of Georgia (USG) provide an interesting case study of recent higher education mergers.

Methodology

When studying mergers or other change processes, methodologies rely largely on qualitative research or a mix of qualitative and quantitative research and are largely structured in a case study approach, often reviewing the individual organizations or entities before, during and after the merger processes. Dasborough et al. (2015) in their study of employees' during a merger of higher education departments used phenomenography to better understand change in their interpretative study. Other qualitative methodologies used in change research include using content analysis to examine roles of individuals using social identity theory, in a pre-merger and post-merger series of semi-structured interviews (Jay, 2014).

Lupina-Wegener (2013) in her study of the integration in subsidiary mergers in corporations also recommended a qualitative method research design combining both semi-structured as well as informal interviews combined with participant observation and the analysis of secondary/primary data analysis to investigate central themes in human resource (HR) integration. In a study of HRs in organizational change in higher education institutions, study objectives were achieved using a case study methodology of the HR department at a British University (Edgley-Pyshorn and Huisman, 2011).

Dasborough *et al.* (2015) agreed phenomenography is an appropriate methodology to understand change and the phenomena of change, especially during a structural change like a merger within the higher education sector. He and Baruch (2009), in their investigation of organizational identity's evolution during institutional change, employed an inductive case study methodology which they claimed was most appropriate for examining change processes because it is based on grounded theory and also considered useful in explanatory research.

Payne (1996) agreed in early stages of organizational change, multiparadigmatic qualitative research can aid in understanding of faculty assumptions, particularly for social inquiry. Landau and Drori (2008) conducted an ethnographic field study for their three-year analysis of change and crisis for organizational members. Using principles of qualitative research they collected data including participant observation and used induction as well as interpretation. Given their close proximity and relationships with the subjects they investigated, Landau and Drori (2008) found the use of the ethnographic methodology allowed collection of rich data essential for studying and viewing the organization's context, particularly from the members' perspectives.

This study uses a single case approach for the purpose of identifying reasons the University of North Georgia (UNG) experienced higher growth after its merger as compared with other consolidated institutions in the USG during the same period. Although a single case study presents some limitations, the circumstances provided a unique opportunity to learn through close and engaged observations. In this case study, the authors were participants in the activities under review as well as researchers, similar to the methodology used by Landau and Drori (2008). The researchers and authors were part of the target study and were able to both study and learn through observation of the organizations involved in the merger as well as employees impacted by the merger. This type of ethnographic research allows for immersion into the merging environment to better identify and understand challenges, strategies and results. The ethnographic methodology is derived from cultural anthropology, and rather than relying simply on coded interviews or questionnaires, the researchers experience the environment as a participant, an observer, or both. This embedded design helps to promote sensemaking (Landau and Drori, 2008).

In addition, this study of mergers of the two North Georgia institutions is a longitudinal case study. In her study of an Australian College of Advanced Education Lewis (1994) suggests when colleges are undergoing a major transformation, a longitudinal study is necessary to observe both espoused as well as observed reactions. One of the members of this research team was dean of a professional school and actively engaged in the merger process. This participation in clinical inquiry was accomplished through observation as well as eliciting and reporting of data in a methodology similar to Coghlan (2002).

Context and participants
Mergers in the USG
The state of Georgia has experienced tremendous growth in economic development with new businesses locating in Georgia at increasing rates. The Board of Regents at the University System of Georgia (BOR/USG) is focused on increasing the number and quality of graduates from USG universities and colleges to meet demands for highly qualified

workers to support this growth. The BOR/USG implemented the consolidation of colleges and universities in 2012 with the following objective:

> The University System of Georgia is preparing students for the 21st century economy and citizenship. Today the System must look internally to ensure that it has a 21st century structure, providing a network of institutions offering the proper range of degrees and opportunities in research and service to students and faculty. The purpose of campus consolidation is to increase the system's overall effectiveness in creating a more educated Georgia (Board of Regents, University System of Georgia, 2012, available at: www.usg.edu/docs/consolidations.pdf).

In addition, the BOR/USG presented the guiding principles for their merger decisions to:

(1) increase opportunities to raise education attainment levels;

(2) improve accessibility, regional identity, and compatibility;

(3) avoid duplication of academic programs while optimizing access to instruction;

(4) create significant potential for economies of scale and scope;

(5) enhance regional economic development; and

(6) streamline administrative services while maintaining or improving service level and quality (Board of Regents, University System of Georgia, 2012).

The first consolidation phase included eight institutions merged into four: Waycross College and South Georgia College became South Georgia State College; Macon State College and Middle Georgia College became Middle Georgia State College (later renamed Middle Georgia State University); Augusta State University and Georgia Health Sciences University became Georgia Regents University (later renamed Augusta University); and Gainesville State College and North Georgia College and State University became UNG (Board of Regents, University System of Georgia, 2012, available at: www.usg.edu/docs/consolidations.pdf).

While the job market and the economy could be a potential driver of mergers, challenges that led to the mergers are clear and include rising tuitions and student debt, enrollment declines, low graduation rates, decreases in state appropriations, loss of faculty, and financial pressures. There have been positive outcomes within the four BOR/USG mergers, but the level of overall success has been mixed. Areas of concern have included name changes, which are sacred to universities, students, alumni and donors, mascots, and loss of national or international reputation (Grantham, 2015). Three of the four merged institutions experienced from 6 to 16 percent enrollment declines. Only one institution, the UNG, has realized significant enrollment growth each year post-merger (see Figure 1).
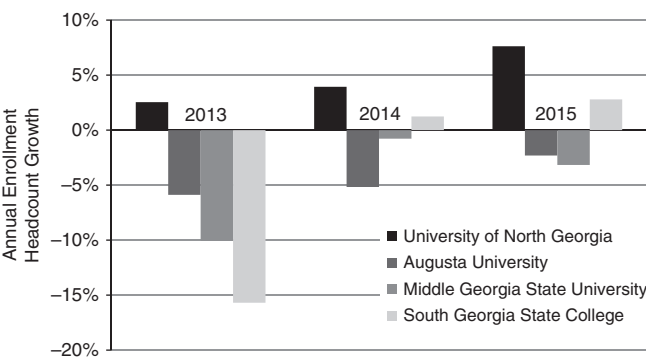
Figure 1.
USG Mergers headcount growth comparison

Source: USG website

The case of the UNG
When the UNG merger was announced many of the North Georgia College and State University (North Georgia) and Gainesville State College (Gainesville) stakeholders expressed concerns about the merger. Each institution had a strong culture and each believed that their institution was the better school and their students were the better students. The two institutions were relatively well known to each other, but the main stakeholders' concerns focused on the extent to which merging the two would dilute the quality of their respective schools.

However, their concerns and protests did not change the direction of the merger. The USG/BOR had set deadlines and parameters for the changes. The USG/BOR included in their reasoning for the merger many of the complementarity components that would eventually provide a sustainable strategic advantage for the newly combined institution. The USG/BOR presented the following strategic and operational objectives for the merger of North Georgia and Gainesville:

- Creates an institution of nearly 15,000 students that provides a strategic approach to meeting the higher education needs of students in the northeast Georgia region.

- Provides a broad spectrum of academic programs from associate to graduate degrees in a student-friendly, seamless system.

- Students from both institutions already share a similar geographic origin and transfer between both institutions.

- Increases access to educational attainment and enrollment opportunities in significant growth and population area of the state.

- Efficiently expands baccalaureate and graduate offerings in Gainesville while allowing for increased enrollment, e.g., teacher education, foreign languages.

- Capacity for on-campus growth is limited at North Georgia. The consolidation provides additional capacity in Gainesville.

- Builds on a strong foundation of collaboration and partnership that already exists as reflected in North Georgia's and Gainesville's program offerings of both Cumming and Gainesville.

- Increases opportunities to hire for specialized needs. Through economies of scale, there is the capacity for needed higher education enterprise professionals with appropriate expertise and experience levels.

- Combines resources to enhance responsiveness to regional economic and community development needs (Board of Regents, University System of Georgia, 2013).

The two higher education institutions had similar characteristics such as geographic territory and partnerships in several programs and locations. Yet, the two were complementary in their academic purposes and operating philosophies. For example, Gainesville was an access institution, and students were not required to meet rigorous admission standards for acceptance as long as they completed the required remedial courses. In addition, degrees at Gainesville consisted primarily of associate degrees or certificates. Conversely, North Georgia had very competitive admission standards, and the academic profile of their students consistently ranked near the top among institutions in the USG. North Georgia offered a range of Bachelor, Master and Doctoral degrees.

This merger was touted in the press to save costs, but the USG objectives appeared to be primarily focused on leveraging strategic complementarity. This study considers how strategic complementarity was essential to the success of the merger of North Georgia College and State University with Gainesville State College into the new UNG.

Analysis

Pre-merger

North Georgia College and State University. North Georgia was founded in 1873 as a result of the US Mint Property in Dahlonega, GA being granted to the state of Georgia for educational purposes, making North Georgia the second-oldest public institution of higher education the state of Georgia. North Georgia was the state of Georgia's first co-educational university through the inclusion of military education at its inception. North Georgia is currently recognized as one of six senior military institutions. The Corps of Cadets remains a signature element on the Dahlonega campus of the UNG. The original institution was named North Georgia Agricultural College and was designed as a school of agriculture and mechanical arts, with a mining engineering focus.

As gold mining diminished in the area and other higher education institutions in the state adopted agriculture degree programs, North Georgia began to emphasize arts and sciences. In 1929, the North Georgia Agricultural College was renamed North Georgia College, and in 1996, due to the much wider scope of academic programs, the USG reclassified the college as a state university and renamed it North Georgia College and State University (North Georgia). Fall 2012 was the last semester when North Georgia was officially in operation. At that time the university was located on two campuses, Dahlonega and Cumming, and student enrollment was approximately 6,500 as shown in Table I.

The culture at North Georgia included the presence of the Corps of Cadets and tradition, a teaching focus with a research component, close ties with the regional communities, residential and commuter campus, athletics, and standard support services for students. North Georgia stakeholders including its graduates shared a close connection and endearment with the university. This strong organization identity helped build and strengthen a sense of ownership that was both an advantage and disadvantage. There was a great sense of pride and tradition and as the university grew over time, necessary changes to support the growth were sometimes resisted by major stakeholder groups. However, all were interested in making the university the best it could be.

North Georgia's primary campus was located in Dahlonega, GA, but immediately prior to the consolidation the university had joined with Gainesville to build an extension location at Cumming, GA, some 30 miles from the main campus. The Cumming campus serves primarily as an instructional and feeder location with limited Bachelor degree offerings. The MBA program was also located on the Cumming campus. Because of its newness the Cumming campus did not enjoy the same sense of pride and tradition as the North Georgia and Gainesville campuses.

Gainesville State College. Gainesville Junior College (Gainesville) was founded in March 1964, and initially classes were held at the Gainesville Civic Center and First Baptist Church. In 1966, Gainesville moved to its permanent campus with a student population drawn from a 50 mile region around Gainesville in Northeast Georgia. Although initially Gainesville offered an educational experience that included academics, athletics, student activities, and public service. Intercollegiate athletics were discontinued in 1985 due to a reallocation of institutional resources.

Campus location(s)	Degrees offered	Number of students	Distinguishing characteristics
Dahlonega Cumming	Bachelor Masters Doctoral	6,500	Senior Military College Carnegie Community Engaged University USG Leadership Institute Federal Service Language Academy

Table I.
North Georgia College and State University (2012)

In 1987, the USG/BOR authorized the removal of "Junior" or "Community" from the names of all two-year institutions to better reflect the quality of the educational experiences students in those colleges received. Gainesville Junior College became Gainesville College.

In 2003, the college expanded to include the Oconee Campus in Watkinsville, GA, where enrollment grew very quickly, and in 2005 the institution's name changed to Gainesville State College (Gainesville), reflecting the growth of four-year degree programs within the college as shown in Table II. Student enrollment at the time of the merger was approximately 8,600.

The culture at Gainesville included a predominant emphasis on teaching, close ties with the local community, an all-commuter campus, and heavy support services for students. Similar to North Georgia, stakeholders of Gainesville held a close identity with the college and had a strong sense of pride and ownership. Many of the community who were instrumental in the founding of Gainesville maintained involvement at the college.

Gainesville maintained two campuses and shared a third campus with North Georgia, providing multiple geographic and academic access points. The campuses were geographically separated in drive time by 30 minutes to one hour. The distances added to the differences in academic offerings created multiple campuses rather than one college with multiple locations. Gainesville was decentralized allowing each location to establish and grow its own unique culture and operating philosophy.

The merger process
The merger process was driven by the vision that the USG BORs' had for UNG. The BOR envisioned UNG as a comprehensive university that offered associates through Doctoral degrees while maintaining inclusive geographic and academic access. "While other states have tried to merge colleges, few have attempted something this extensive, said [Richard] Novak, executive director of the Ingram Center for Public Trusteeship and Governance at the Association of Governing Boards of Universities and Colleges" (Diamond, 2013). Creating the first truly comprehensive university within the USG system was challenging due to the wide dissimilarities among the campuses, colleges, academic programs, faculty, and students. Furthermore, there were no other benchmarks from other higher education mergers UNG could use to help guide their process (Diamond, 2013).

The merger process preliminary planning began with the announcement of the merger on January 10, 2012. The primary goal was to maintain communication, inclusion, and process while ensuring high-quality academics, faculty and student development, community involvement, and operational efficiency and excellence. The multi-campus challenges surfaced early in the process. Electronic communications were heavily leveraged to maintain operations, ensure inclusion, and streamline communications. The initial challenges included selecting a president, choosing a name and setting up working committees to perform the pre-merger planning. Dr Bonita Jacobs, President of UNG stated that "We've had so many committee groups working on everything, and we are blessed to have two former campuses at Gainesville State and North Georgia College and State University who sincerely care about students and that makes it an easier process for us" (King, 2013).

Campus location(s)	Degrees offered	Number of students	Distinguishing characteristics	
Oakwood Watkinsville	Certificate Associate Targeted Bachelor	8,660	Access institution Diverse student population Theater program	**Table II.** Gainesville State College (2012)

All strategic and operational integration teams were charged to work toward a university of one while recognizing and respecting the unique characteristics and traditions of each campus. Strategic teams included the Consolidation Implementation Committee, comprised a wide variety of stakeholders from each institution. This committee provided overall guidance for the consolidation and was the liaison to the USG BORs during this process. In addition, the Executive Planning Team, composed of vice presidents and chief information officers, provided internal oversight and recommendations. This team had oversight for more than 70 work teams of faculty, staff, and students, focused on all aspects of the soon-to-be consolidated university. Each of the work teams consisted of five to ten members and 35 of the work teams concentrated their efforts on academic concerns.

Shortly after the merger began January 8, 2013, efforts were initiated to develop a formal strategic plan for the newly consolidated university. As previously mentioned, inclusion, communications and excellence were considered in putting together a steering committee that consisted of approximately 60 faculty, staff, students, and eternal stakeholders. Several sub-committees were formed, and the process was completed in approximately six months with a final strategic plan for the UNG.

While the strategic planning process was in progress, a number of standing committees and works teams evolved to complete or sustain the work that resulted from the 70 original work teams. Some of these committees and teams focused on reengineering processes and procedures while others dealt with implementing procedures which were in place. As with any merger, blending systems remains challenging.

Post-merger analysis

UNG. The new UNG, established on January 8, 2013, initially consisted of four campuses across Northeast Georgia, and a fifth campus was opened in Blue Ridge, Georgia during August 2015. All five campuses are located in Northeast Georgia, the fastest growing region in the state, and include a total enrollment of over 17,500 full- and part-time students. While UNG has multiple campuses not located near each other, the merger integration included steps to ensure the campuses were viewed as one university while maintaining their own unique characteristics.

As a part of the consolidation process UNG developed a new mission of providing a culture of academic excellence in a student-focused environment that includes quality education, service, inquiry, and creativity. The mission is accomplished through broad access to comprehensive academic and co-curricular programs that develop students into leaders for a diverse and global society.

UNG has gained a unique advantage by offering a wide range of educational pathways to more than 100 programs of study ranging from certificate and associate's degrees to professional doctoral programs. The comprehensive offerings are delivered across seven academic units including the College of Arts and Letters, College of Education, College of Health Sciences and Professions, College of Science and Mathematics, Mike Cottrell College of Business, University College, and the Institute for Environmental and Spatial Analysis. In addition, UNG provides academic, professional and other co-curricular opportunities focused on developing strong graduates.

As shown in Table III, UNG is one of six premier senior military colleges across the nation and carries the distinction of The Military College of Georgia. The nationally recognized Army ROTC program attracts students from across the nation. Also, UNG is designated by the USG as a State Leadership Institution and has earned the Community Engagement Classification from the Carnegie Foundation for the Advancement of Teaching.

Findings

A complementarity merger
When considering the value creation of a merger, similarities of the organizations are the primary considerations for potential success. Synergies through overall increased economies of scale and reduction in cost are assumed to result in increased value. However, strategic complementarity is increasingly a consideration for merger success (Bauer and Matzler, 2014). Complementarity occurs when the strategies, resources, and services are different, but when combined create a more comprehensive strategic advantage and improved performance (Kim and Finkelstein, 2009; Bauer and Matzler, 2014).

The UNG merger created a unique competitive advantage that is difficult to copy or emulate due to the complementarities that formed a sustainable competitive competency (Brynjolfsson and Milgrom, 2013; Prahalad and Hamel, 1990). The two institutions in the UNG merger maintained different strategic missions, resources, capabilities, and services that fit well together resulting in a strong combined strategic advantage including:

- economies of scope in programs from associates to Doctoral degrees;

- expanded facilities enabling accelerated growth;

- enhanced research and teaching;

- more diversified cultural environment;

- economies of scale from some similarities; and

- elevated status in the higher education environment and market.

Economies of scope in programs, from associates to Doctoral degrees, creates a clear pathway for student advancement, provides higher educational access to a broader community base, and allows regional students a more extensive set of academic choices. Expanded facilities have provided opportunities for increases in the number of students and programs and additional undeveloped property provided space for future expansion. Combining faculty and staff talent pools created a stronger and more diverse range of expertise that enhanced research, teaching, and learning. Prior to consolidation North Georgia had less diversity than Gainesville. The combination has created opportunities for students, faculty, and staff to work together in a diverse cultural environment. Classrooms and student organizations have become more diverse as well.

Gainesville and North Georgia had many similar administrative processes. The merger increased the efficiency and effectiveness of many of these processes. The elevated status in the higher education environment and market from the merger resulted in an institution with a much larger student enrollment, a larger geographic presence, with more national and international engagements. The consolidation of North Georgia and Gainesville into UNG has resulted in a truly comprehensive and inclusive university positioned for continued growth in size and quality.

Campus location(s)	Degrees offered	Number of students	Distinguishing characteristics
Dahlonega Oakwood Watkinsville Cumming	Certificate Associate Bachelor Master Doctoral	15,820	Senior Military College Carnegie Community Engaged University USG Leadership Institute Federal Service Language Academy Access institution Diverse student population Theater program Five campuses

Table III.
University of North
Georgia (2013
combined units)

Challenges and opportunities
UNG will be challenged to continually go beyond the status quo and sustain their competitive advantage by innovating and adapting to customer (i.e. students, parents, and communities) needs through further development and introduction of new services leveraged on future complementarity resources. As an example, while maintaining a traditional educational environment where students are physically present on-campus, UNG might explore and implement new approaches to knowledge delivery by leveraging technologies across campuses and increasing knowledge through expanded and more innovative research.

Disruptive innovations in teaching, research and community engagement can only be fully realized if constraints and resistance to change are eliminated:

> Universities that survive today's disruptive challenges will be those that recognize and honor their strengths while innovating with optimism. University communities that commit to real innovation, to changing their DNA from the inside out, may find extraordinary rewards. The key is to understand and build upon their past achievements while being forward-looking (Christensen and Eyring, 2011, p. 47).

UNG will embrace strengths from previous complementarities for a unique competitive advantage. At the same time, they will continually identify and explore future complementarities for growth. While most higher education mergers are pursued for costs savings or political reasons, many have been successful through the combination of complementarities resulting in added value and thus greater competitive advantage. The growth and strengthened performance at UNG is an example of a successful complementarity merger.

Discussion
Narrative and implications
Mergers in higher education have increased from pressure to keep higher education affordable, competition from non-traditional educational options, and desire for more market-based options. At the onset, institutions being merged for strategic reasons such as cost reductions, gaining competitive advantage or increased quality often appear to be a good fit. Desired merger outcomes are often not realized when strategic reasons, such as complementarity or similarity, do not fit the institutions. The lack of clarity of purpose often impedes merger success. Merger as a strategy can expand markets, products, and resources. Mergers may also introduce conflicts, confusion, and concern. The complementarity merger expanded the markets and products of UNG. The broad array of degrees from associate to doctoral is very difficult and costly to duplicate, a major consideration within the definition of a sustainable competitive advantage. The findings of this case study demonstrate how a strategic merger can provide benefit beyond cost reductions. In the UNG case, the merging institutions were very complementary resulting in broader academic offerings, increased geographical accessibility, and a sense of being a part of a large university, but with the feel of a small university. Cost savings from efficiencies were realized. Other higher education institutions and systems would be well served to consider the strategic, as well as the potential cost savings benefits.

Changes in higher education are often the results of increased merger activity. Sometimes these changes face resistance from faculty and administrators following engrained, outdated ways of operating. Many universities seem to be experiencing locked-in path dependency creating an environment that reinforces a culture of "doing things the way we always have." Pressure from changes in the competitive landscape of higher education and accreditation organizations is prompting leaders of colleges and universities to break the path dependency that has stifled innovation and change. A complementarity

merger may be the action needed to redirect efforts and propel the organization toward innovation and change.

Truly comprehensive universities should continue to strengthen the core traditional education while developing non-traditional and innovative education delivery methods. Such need, disruptive innovations in teaching, research and community engagement can only be fully realized when constraints and resistance to change are eliminated.

Additional mergers in the USG. Higher education mergers as a strategic alternative for growth and costs savings continue to increase around the globe. Current trends support complementarity mergers as a viable strategic alternative for higher education organizations seeking improved services and greater value.

Since the initial round of mergers in 2012, the USG has implemented additional consolidations including Georgia State University and Georgia Perimeter College, Kennesaw State University and Southern Polytechnic State University, and Albany State University and Darton State College.

Limitations and directions for future research
The presented findings in this exploratory, qualitative case study should be considered in light of several limitations. Observer bias should be considered due to the close relationship of the observers with UNG, although one of the observers had not been employed with either school either before or after the consolidation. Two of the observers were closely involved in the merger implementation. The use of a single case study for analysis may limits the generalizability of the findings. The location of the sample institutions chosen for study may limit the generalizability of the results. However, there is a dearth of literature for colleges and universities as they consider merger strategies. While macro-environmental factors support and even encourage further consolidations, there is limited data on their frequency and successes. There is a lack of research on the characteristics of successful mergers as well as best practices for implementation. The business literature on mergers suggests there is not one best way to accomplish a merger. Research has explored how mergers may fail at various intervals during the process. Further study into the characteristics of successful and less-than-successful college and university mergers is needed.

Future research should consider a multi-case study examining different locations, sizes, and academics of merging or merged higher education institutions. Additional research should examine the effects of time. In the UNG case, the results had been good for the first four years, but as it continues to grow will it be able to maintain efficient and effective operations and be flexible enough to continue to meet a changing market demand. Future researchers should examine the effects of funding on fast growth and quality of services after a higher education merger. Additional research should consider benefits to stakeholders, including alumni, students, faculty, staff and external parties after a complementarity merger similar to UNG.

Conclusion
The USG BORs has begun to consolidate several universities and colleges across the state for cost savings and academic access purposes. In this single case exploratory study, the merger of North Georgia College and State University was merged with Gainesville State College to form the UNG. The complementarity nature of the merger has created a comprehensive university with a full range of academic degrees and programs. The UNG merger increased academic and geographic accessibility in the region and the result has been high growth at a time when many universities are facing declining enrollment.

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