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**INSTITUTIONAL MERGERS IN HIGHER EDUCATION: LESSONS FROM
INTERNATIONAL EXPERIENCE**

ABSTRACT: Higher education systems and institutions have used institutional mergers to address a range of different problems, particularly fragmentation amongst non-university institutions, lack of financial and academic viability, pressures for major system restructuring and external competitive threats. While mergers frequently are disruptive, strongly contested and costly in both human and financial terms, they have the potential to produce substantial longer-term benefits, particularly larger and more comprehensive institutions, stronger academic programs, improved student services, enhanced student choice, greater institutional flexibility and, under certain conditions, increased efficiencies and cost-savings. Sensitivity to human and cultural factors and effective leadership are of utmost importance in achieving success in merger processes.

INTRODUCTION

This paper reviews recent international experience with institutional mergers or amalgamations in higher education. It is based on an extensive review of research literature, on our own research efforts and that of our research students, on personal experiences with merger efforts and on working in a professional capacity with administrators and academic staff in various higher education systems. It is intended primarily to provide guidance and possible help to officials and policy analysts in government agencies and associations and leaders of higher education institutions facing or contemplating mergers, or wishing to protect their institutions from outside threats of mergers.

Over the past three decades or so, mergers have become an increasingly common phenomenon across many higher education systems. They have been used by national governments to achieve a variety of purposes, but particularly for major restructuring and efforts to address problems of institutional fragmentation, lack of financial and academic viability, and low efficiency and quality. Mergers also have been used by individual institutions to address financial problems and external threats particularly those related to falling student demand and competition. Not surprisingly, mergers have been far more common in public higher education systems than with private higher education.

While an extensive literature on institutional mergers in higher education has been built up over the past two decades, much of it deals with events and narratives associated with particular mergers or sets of mergers. Such material provides informative accounts of the main drivers for mergers, the roles of key participants, particular issues in merger negotiations and the kinds of academic and administrative structures that emerged, but generally is far less helpful about longer-term results and impacts. There is also relatively little in the literature about the costs of mergers (human and financial), the extent to which longer-term financial savings were or could be realised, and the impact of cultural factors.

MODELS OF HIGHER EDUCATION COLLABORATION AND MERGER

Mergers can be viewed from different perspectives. In this paper, they are set primarily within the context of different forms of institutional collaboration sought by either governments or institutions. Institutional collaboration can take many forms from informal and *ad hoc* collaboration to formal institutional mergers or amalgamations, as depicted in Figure 1.

Figure 1

MODELS OF COLLABORATION

Informal collaboration	Affiliation	Consortium	Joint department	Merger with federal structure	Merger with unitary structure
COOPERATION	COORDINATION		MERGER		

At the far left of the continuum lie various forms of informal collaboration including academic collaboration and shared use of expensive or highly specialised equipment. Such collaboration is often organised by individual staff or departments.

Moving to the right comes more formal types of collaboration, including affiliation agreements such as those which enable non-university organisations to award university degrees or gain other forms of academic recognition, consortia to handle particular collaborative functions, jointly owned facilities or departments, and jointly owned university companies. In some cases, formal agreements for particular forms of collaboration may be based simply on exchange of correspondence, while in others cases collaboration is underpinned with formal and legally binding agreements.

Moving further along the continuum are full mergers or amalgamations. A merger can be defined as the combination of two or more separate organisations, with overall management control coming under a single governing body and single chief executive. Normally all assets, liabilities and responsibilities of the former institutions are transferred to either a continuing institution or to a new institution (Harman and Meek, 1988; Goedegebuure, 1992).

DRIVERS OF MERGERS AND COLLABORATION

Mergers and other forms of collaboration in higher education have various drivers, but particularly important with national higher education systems have been pressures on governments to achieve:

- increased efficiency and effectiveness, especially to cope with rapid and substantial increases in enrolments and additional responsibilities for higher education institutions;
- action to deal with problems of institutional fragmentation and non-viable institutions;
- improved student access and greater differentiation in course offerings to cater for more diverse student populations; and
- increased levels of government control over the overall direction of the higher education systems, especially to ensure that institutions more directly serve national and regional economic and social objectives.

While some forms of collaboration and mergers are driven by academics or other professionals, other forms arise from external pressures from government or community groups, from funding incentives provided by governments or donor organisations, or from government directives. Some collaboration springs from local initiatives of adjacent institutions and their staff, while other cases springs from regional or national decisions. In the private sector, mergers and collaboration are usually a response to external threats or opportunities.

TYPES OF HIGHER EDUCATION MERGERS

Mergers may take a variety of different forms and in turn the particular form of any merger is likely to have a major influence on the character of the merger process, the kinds of difficulties

likely to be experienced, the pattern of structures likely to emerge, and the likelihood of success. Below are useful ways of classifying and conceptualising different merger forms.

Voluntary and Involuntary Mergers

An important distinction is between mergers that result from the initiative of the participating institutions themselves as opposed to those springing from external pressures, particularly government. Generally voluntary mergers are easier to organise and are more successful, largely because it is possible to achieve a substantial degree of staff involvement in negotiations and implementation, leading usually to a strong sense of ownership.

Consolidations and Take-overs

Another important distinction is between two or more institutions of similar size coming together to form a new institution (a 'consolidation') as opposed to the 'take-over' of a small institution by a large institution. Consolidations generally take more effort and time to organise, and involve difficult issues such as choice of the name of the new institution, how the Chief Executive will be appointed, the new academic structure, the portfolio of courses to be offered, and sometimes whether or not there will be substantial academic rationalisation of courses. Takeovers tend to be far simpler, with smaller institutions often being absorbed as departments or faculties of larger institutions. For political reasons, acquisitions are often presented publicly as consolidations.

Single Sector and Cross-Sectoral Mergers

Mergers may involve institutions from one higher education sector or they may involve institutions from different sectors. Prior to the late 1980s, most Australian mergers were single sector involving only colleges of advanced education (CAEs), whereas many of the mergers of the late 1980s brought together former universities and CAEs (Harman 2000). Similarly in the United Kingdom most merger activity has been largely focussed on non-university institutions, although various colleges have become linked to universities and in the mid-1980s in a highly controversial merger the failing New University of Ulster was combined with Ulster Polytechnic (Temple & Whitchurch 1994). Cross-sectoral mergers pose special problems, especially when institutions from different sectors have distinctively different missions, roles and cultures, and are funded on different bases (Harman & Robertson Cuninghame 1995).

Two-Partner and Multi-Partner Mergers

Two partner mergers tend to be considerably different in character and how detail is handled from multi-partners mergers. The most common Australian mergers in the 1960s and 1970s were of two partners coming together but from the early 1980s there were many cases of multi-institution mergers that usually took the form of consolidations rather than acquisitions. Sometimes small institutions work hard to attract additional partners into merger negotiations in order to avoid being 'swallowed-up' by a larger institution.

Similar and Different Academic Profile Mergers

The range of academic disciplines included in mergers is another important variable. A useful distinction can be made between mergers of institutions offering courses in the same field or fields of study (e.g. combination of two colleges with the same range of disciplines) as opposed to mergers of institutions offering courses in different areas (e.g. combination of a polytechnic and college of education). The first form can be referred to as a 'horizontal' merger and the second as a 'vertical' merger. Mergers of institutions with the same range of disciplines often mean greater commonality in academic cultures but frequently major rationalisation of course offerings will be necessary if cost savings and effective rationalisation are to be achieved.

FEDERAL AND UNITARY MERGERS

Mergers may result in adoption of either federal or unitary structures. With federal structures, specified responsibilities usually remain with participating institutions, with an overarching or central body taking on other agreed responsibilities. With unitary structures, former participating institutions are not recognised as such and there is a single governing body, a single CEO and a single set of structures for governance.

In the literature, there is considerable discussion about the strengths and weaknesses of federal and unitary models. Federal models are often more attractive to participating institutions, promising retention of substantial autonomy and key elements of separate identity. Federal structures also can take into account the different cultures and organisational characteristics of participating institutions. On the other hand, federal structures may limit the amount of course

and administrative rationalisation that can be achieved, and are sometimes unstable in conflict situations.

In Australia, recent experience with federal structures has been disappointing (Massingham 2000). In the extensive mergers of the 1987 to 1991 period that involved most universities and CAEs, only three institutions adopted federal models. One of these (the University of New England) split apart at the end of 1993, another (the University of Western Sydney) experienced a high degree of conflict and has now adopted a unitary structure, while the third (Charles Sturt University) organised itself internally from the start as a unitary organisation, (Harman and Robertson Cuningham 1995; Harman 2000; Hatton 2002). The most common Australian model today for merged, multicampus institutions is a unitary structure, without campus heads or campus budgets, but with the key budget units (faculties and administrative divisions) being cross-university.

Both federal and unitary models can take a wide variety of different forms. With federal structures there can be variations in the legal status of different entities, whether government funding comes as a single block grant or separately to each unit, and where responsibility lies with regard to approval of academic programs, awarding degrees and diplomas, and budget allocations (Fielden & Markham 1997).

NATIONAL EXPERIENCES WITH MERGERS

Mergers have been a particularly common phenomenon in a small number of countries for well over three decades. Examples are Britain, Australia and the United States, each of which has used mergers to address various system-level problems, particularly related to institutional fragmentation and weak and non-viable institutions. Additionally Britain and Australia have used mergers as key elements in major restructuring efforts to build larger and more comprehensive institutions.

United Kingdom

The United Kingdom has had a long history of mergers and other forms of institutional collaboration going back to the late 19th century. In both London and in Wales, federal structures were adopted at an early stage while elsewhere in a number of cases smaller non-university institutions were combined to form the basis for the development of new universities. Another

common long-term trend has been the absorption of small and highly specialised institutions into larger and more comprehensive institutions (Robinson 1977).

In the 1970s and 1980s, merger was used as a major restructuring device to deal with problems associated with fragmentation and small size with colleges of education, resulting in many institutions being combined, or being absorbed into nearby polytechnics or universities (Locke, Pratt & Burgess 1985). Mergers were used in the 1980s to address problems associated with smaller colleges within the federated University of London while a merger strategy was adopted in Northern Ireland to address budgetary and other problems associated with the New University of Ulster. More recently, major rationalisation of medical education in London has consolidated medical schools within major institutions including Imperial College while outside London many smaller institutions have been drawn into closer association with nearby universities and larger colleges. In the five year period 1992-97, some 25 smaller colleges were merged into larger institutions, resulting in reduction in the total number of higher education institutions from 183 to 169 (Fielden & Markham 1997).

While merger activity has been centred mainly on non-university institutions, a number of universities recently have initiated merger discussions. However, despite serious negotiations, to date no proposed mergers have been achieved, although London Guildhall University and the University of North London are scheduled to combine before the end of 2002.

Australia

Over the past forty years, Australia has made extensive use of mergers to solve particular local problems of duplication and as part of restructuring efforts to address problems of fragmentation and small and non-viable institutions. Merger and restructuring activity took place in three separate waves of effort, each initiated by governments.

The first wave between 1960 and 1981 was mainly concerned with consolidation of a highly fragmented non-university sector, with the result that numerous small, specialist institutions (mainly in paramedical studies, agriculture and teacher education) were combined to form larger institutions and in a few cases absorbed into universities. In a small number of cases, such as the Victorian cities of Ballarat, Bendigo and Geelong, comprehensive CAEs were combined with small specialist colleges (Harman, Beswick & Schofield 1985).

The second wave of mergers between 1981 and 1987 was initiated by the Commonwealth Government which in 1974 had taken over full responsibility for the funding of all public higher education. As part of major cost cutting and government restructuring efforts, the Commonwealth decided that 30 CAEs with heavy involvement in teacher education must combine with other institutions or lose their funding (Harman 1981). Mergers were strongly contested but in the end 26 of the 30 institutions were combined into larger CAEs or absorbed into universities.

The third wave of restructuring from 1987 to 1991 was by far the most dramatic and far reaching. In late 1987, the Commonwealth announced major reforms that included abolition of the binary system and extensive institutional mergers. Instead of determining which particular mergers should take place, size criteria were used to define eligibility for future Commonwealth government funding: a minimum of 2000 equivalent full-time student units (EFTSU) was set to attract funding, 5000 EFTSU to attract teaching funding plus limited research funding, and 8000 EFTSU to achieve funding as a comprehensive research university. Despite angry institutional criticisms of the overall directions of reform, most institutions including major research universities were soon involved in a search for partners (Harman 1991). The end result was that some 56 out of 74 institutions in the higher sector became partners in mergers. Various other factors contributed to the success of these efforts, particularly the leadership by the Minister (John Dawkins), provision of additional funds to assist with merger expenses and staff redundancies, and allocation of capital funding and additional funded student load to cooperating institutions.

United States

Mergers have been used extensively in the United States as elements of restructuring efforts but more commonly as devices to build stronger and more viable institutions and to avoid closure of financially weak institutions (Millett 1976). In the public sector, mergers have occurred mainly amongst community colleges in order to build stronger units, with frequently independent community colleges being combined to form multi-site colleges. In the public university and state college sectors, a major trend has been to combine all separate institutions into state-wide, multi-campus institutions.

In the extensive private higher education sector, numerous mergers have taken place between small private liberal arts colleges. Most commonly the major driver has been the need to achieve financial viability and /or avoid closure. In some cases adjacent mens' and womens' colleges

have combined to form larger and more comprehensive institutions, better able to attract prospective students (Martin, Samels & Associates 1994b). In a small number of cases, adjacent private universities have combined to build stronger institutions with increased research capacity. On the other hand, many small private universities and colleges continue to thrive provided they are financially and academically viable.

Other Merger Experiences

Many other countries have had considerable experience with institutional mergers. In a number of cases such as the Netherlands and Norway, the main effort has been directed towards problems of fragmentation in non-university sectors, with merger efforts having a minimum impact on established universities. In the Netherlands, the main effort was directed to reducing the number of separate HBOs and to creating larger and more comprehensive institutions (Goedegebuure 1989). In Norway, in the early 1990s, regional colleges were combined with specialist nursing and teacher training colleges (Skodvin 1999; & Norgard & Skodvin 2002). Some 98 colleges were combined to form 26 state colleges (Skodvin 1997; and Kyvik 2002).

In Canada the main efforts have been in rationalising teachers' colleges by their absorption into university faculties of education, and integration of independent specialist institutions into universities (Harman and Meek 1988). Developments in New Zealand have been somewhat similar but the absorption of some teachers' colleges and polytechnics into universities came at a later stage.

More recently, a number of eastern European and Asian systems of higher education have addressed problems of fragmentation with highly specialised institutions under different ministries by working to build much larger and more comprehensive universities. In Hungary, for example, with World Bank support the Government sought 'eliminating duplication and achieving economies of scale' (Morgan 2000). The Government stipulated that mergers would be made on a geographic rather than a mission basis i.e., dissimilar institutions in particular geographic areas would be merged, rather than similar universities in different locations. In Vietnam, specialist institutions have been combined to form major universities such as the Vietnam National University Hanoi.

In South Africa to date mergers have been limited mainly to absorption of smaller specialist institutions into universities but mergers have been advocated in order to address two particular problems of the apartheid legacy – historically black universities experiencing enrolment declines and bankruptcies and staff profiles of former white universities which still do not closely reflect national racial distribution (Reddy 1998). In February 2001, the National Plan for Higher Education (2001) announced that the Government would work to change the 'institutional landscape' through mergers

CULTURE AS A MERGER VARIABLE

The influence of culture in some merger situations is particularly powerful (K. Harman 2002). While considerable attention has been paid to the role of governments and institutional leaders in mergers and policy and administrative issues, relatively little attention has been paid to the role of culture, especially when two or more different institutional cultures are forced to become one. Attempting to create integrated and 'coherent educational communities' (Martin and Samels 1994a; K. Harman 2002) from the merging of cultures that are historically and symbolically non-complementary poses enormous challenges for higher education leaders. Even when institutions that seem to be highly compatible and able to achieve profitable merger synergies, they often possess underlying cultural differences that can seriously impede integration (Buono and Bowditch, 1989; Norgard & Skodvin 2002).

Central to both sociological and anthropological interpretations of culture are the notions of entrenched history, saga, myths, beliefs, loyalties, customs and traditions which are transgenerational, cumulative and symbolic. These cultural elements can be applied to both organizations and to academia. Organisational culture typically refers to these elements that are shared by members of the organisation and that hold deep symbolic significance and influence behaviour (Pettigrew 1979; Clark 1983). Academic culture can be interpreted as historically transmitted patterns of meaning expressed in symbolic form through the shared commitments, values and standards of behaviour peculiar to members of the profession, as well as the traditions, myths, rituals, language and other forms of expressive symbolism that encompass academic life and work (K. Harman 1989, p.36). In both organizations and academia, these cultural elements

are deeply embedded, and the ‘thicker’ the culture the more will be its influence (Buono and Bowditch 1989, p.147). In South African institutions at present this is most evident with regard to their socially differentiated racial history and tradition.

Mergers appear to work better where there exists greater possibility of integration and articulation between the goals and visions of the institutions in question, that is ‘horizontal’ mergers between institutions whose missions and cultures are complementary. Cross-sectoral or ‘vertical’ mergers such as those between a university and a college of education are less likely to be successful unless the merger and post-merger phases are managed very effectively.

A particular cultural challenge for higher education leaders is to manage the merging of divergent campus cultures into coherent educational communities that display high levels of cultural integration and loyalty to the new institution. Table 1 illustrates some of the cultural differences along five dimensions – academic role, professional loyalties, teaching versus research, reward structures and styles of governance – that are typically evident in universities and higher education colleges.

Table 1

**Examples of differing loyalties and values of academic staff
in universities and higher education colleges**

	UNIVERSITIES	COLLEGES
Academic role	Roles ambiguous and marked by divided loyalties	Roles more clearly prescribed
Professional loyalties	Loyalties directed more to the disciplines and learned societies	Loyalties directed more to the institution and the respective professions
Teaching versus research	A strong research culture and less value ascribed to teaching	Less emphasis on research but teaching highly valued
Reward structures	Research a key criterion for scholarly recognition and promotion	Teaching and service to the profession the key criteria for promotion and recognition
Governance	Collegial, democratic decision making structures highly valued	Structures more hierarchical and bureaucratic

Source: K. M. Harman (2002), 'Merging Divergent Campus Cultures into Coherent Educational Communities: Challenges for Higher Education Leaders', *Higher Education*, 44 (1), 98 .

Given such differences, building an integrated and coherent educational community during and following merger or collaboration, poses no easy challenge and highlights the importance for leaders and senior managers to concentrate on post-merger consolidation and community building. In some cases old local loyalties need to be consciously broken down and redirected to the newly created body. If the settling down period is not managed effectively, fairly quickly and with great sensitivity to culture and tradition of the merger partners, the impact of merger on morale and loyalty of staff can be devastating.

LESSONS FROM MERGER EXPERIENCE

Overall Merger Strategy

Mergers have worked well in many countries, particularly in the public sector when they have addressed problems of fragmentation and non-viable institutions. There are numerous examples of success and relatively few examples of substantial failure. A high degree of organisational stability has generally followed major mergers, such as in Australia and the United Kingdom. Mergers have been far more common between non-university institutions than between universities. Internationally, there have been relatively few examples of two or more universities in public higher education sectors being forced to merge, or choosing to merge. Mergers involving universities generally have involved 'take-overs' of one or more smaller non-university institutions, rather than consolidations.

The degree of difficulty in achieving particular mergers depends on a number of factors but particularly important are the number of partners involved, their institutional characteristics, the degree of voluntary choice about merger, the academic profile and culture of merging institutions, and whether the merger is a consolidation or a 'take-over'. Voluntary mergers generally work better than compulsory mergers. At the same time, behind many voluntary mergers is often external threats or some degree of government incentive, pressure or direction. Whether institutions merge voluntarily or by edict, developing from different cultures a new integrated culture of shared values and loyalties is a major challenge for leaders that needs to be handled sensitively and with relative speed.

Federal organisational arrangements are a softer way of achieving mergers but may be less successful in achieving major rationalisation and integration, especially of academic programs. Federal models also carry with them greater risk of organisational breakdown or ineffectiveness. Mergers based on federal models may take various forms but particularly important are whether government funding or subsidies come as a single grant to the central body or whether separate grants are made to various constituent members, who awards the degrees, how decisions are made on new academic developments and quality assurance, and how resources are internally allocated. Mergers based on unitary models are usually harder to achieve since they demand participating institutions giving up much more autonomy and blending of differing cultures but in the longer run work better in developing academic coherence and new institutional loyalty. Unitary models also offer the possibility of a higher degree of institutional stability, greater cost efficiencies and stronger academic programs.

Governments and government agencies can play highly constructive support roles in merger planning and implementation through:

- articulation of merger goals and rationale;
- provision of advice, support and guidance to participating institutions;
- provision of funding incentives; and
- clarification of issues about staffing and salary levels.

Governments also may assist with enacting necessary legislation, and the appointment of interim governing bodies and CEOs.

In restructuring efforts and attempts to achieve increased institutional collaboration, most higher education systems have used a variety of different mechanisms rather than depend on a single mechanism. No single solution suits all higher education systems. While mergers can produce substantial gains, other forms of collaboration are of value and could be facilitated.

The Merger Negotiation Process

The chances of success with a merger effort will be enhanced if there is a strongly held shared vision of possible advantages and likely threats. Ideally, heads and other senior managers of participating institutions should be committed to the idea of merger and be able and willing to

articulate the possible gains and advantages. Merger negotiations need strong, effective and creative leadership.

Mergers usually place heavy additional workloads on participating institutions and additional costs are generally incurred, although there may be longer-term savings. Some costs may be unexpected, such as those relating to property rights and liabilities, staff redundancy, and costs associated with levelling staff salary scales. Funding for such contingencies should be assured. Due diligence studies are highly desirable so that accurate information on the financial health of participating institutions is known prior to a merger decisions.

Cultural and symbolic factors are particularly important, especially with cross-sectoral mergers and mergers between institutions with substantially different characteristics and traditions. Appreciating and managing cultural differences are key elements of effective leadership in merger negotiations and implementation. Visionary, transformational leadership that is sensitive to cultural factors greatly facilitates merger processes.

Merger negotiations call for considerable skills and sensitivities. Ideally all participating institutions should have some wins in merger negotiations. Negotiators need to be willing to search for compromises likely to be acceptable to all parties. Bold policy decisions regarding academic programs, building research capacity, improving teaching and staffing matters are not likely to please all stakeholders and some compromises usually need to be made. On the other hand, this does not mean that negotiators should work to achieve mergers without due attention to principles they see as being of utmost importance.

The process of merger negotiation should be as open as possible, with all possible information being widely shared on campuses of participating institutions. However, there may be limits to openness, partly because some information is likely to be confidential and partly because events often move quickly. Further sometimes governments demand that particular information be kept confidential.

Issues about staff employment and the ability of students to complete the courses in which they are enrolled need to be addressed as soon as possible, since these issues are of great concern to these stakeholders (Hay, Fourie & Hay 2001). Status issues can be particularly sensitive. Wherever possible, appropriate guarantees should be given to both staff and students. Of utmost importance is the need to generate staff, student and community support for proposed mergers.

This will involve sharing merger plans widely, articulating goals and rationales, and promptly addressing rumours and errors of fact.

Merger Implementation

Implementation strategies need to be carefully planned, identifying priorities, administrative responsibilities and appropriate time schedules. Generally mergers work best if institutions that have agreed to merge can move as quickly as possible to merger implementation. Long delays increase anxiety levels and give opponents increased time and opportunity to organise against merger. Wherever possible, detailed academic course and departmental rationalisation issues are best left to the implementation process and dealt with as much as possible by normal internal academic decision-making and governance processes. Implementation strategies should address staffing issues, including redundancy and re-training.

Mergers invariably involve additional costs, especially for detailed planning, restructuring academic and administrative departments, integration of library and information systems, enhancing infrastructure and sometimes staff redundancy packages. Government incentives, such as grants to cover special merger costs and staff redundancies, can considerably facilitate implementation.

Merger implementation can be traumatic experiences for institutions and their staff. Rumour mongering is common and many staff become highly suspicious. Building morale, new loyalties and a sense of community requires that leaders appreciate inherent and subtle differences of contested cultures and exercise sensitive judgement in managing conflict. The chief executive needs to perform a macro-managerial role conceptualising a vision for the whole organisation and identifying forces likely to affect its destiny.

Results of Mergers

Overall, well-planned and sensible merger efforts appear to have been largely successful, even if the merger proposals were strongly contested at the time. In many cases, mergers have resulted in larger and more comprehensive institutions, with stronger academic programs and support service, more choice for students and increased capacity for organisational flexibility. While mergers generally involve additional expenditure rather than cost savings in the short term, often there have been substantial longer-term gains, although care needs to be taken with many of the claims made about potential economies of scale (Fielden & Markham 1997; Kyvik 2002). In some cases,

governments have ensured longer-term gains by cutting budgets while in other cases institutions spent savings on improved student services or investment in infrastructure (Harman, Beswick & Schofield 1985). One notable advantage of in Australia and the United Kingdom was that major restructuring was soon followed by major expansion and so further capital development could be concentrated more strategically on a reduced number of institutions.

CONCLUSIONS

Our efforts in reviewing and interpreting international experience with institutional mergers may not be readily accepted by all administrators and academics, since many mergers have been disruptive and strongly contested, and have involved considerable human and financial costs. While acknowledging these negative aspects, we consider that international experience demonstrates that sensibly conceived and well-managed mergers, with due sensitivity be paid to cultural and human issues, can produce substantial longer-term benefits, both for individual institutions and higher education systems. Not surprisingly, mergers have been a far more common in public higher education sectors than among private institutions.

Mergers are by no means the universal panacea to deal with problems of systemic fragmentation, course duplication and non-viable institutions. Neither are they the sole policy levers available for system restructuring efforts. Indeed, experience across national higher education systems demonstrates that no single set of restructuring and collaboration/merger solutions suits all situations. At the same time, the clear international trend is away from small, specialist institutions towards larger and more comprehensive institutions, and from institutions operating on single sites or campuses to multi-site and multi-campus institutions. The dominant trend is also away from strongly independent institutions working almost entirely on their own towards stronger collaborative linkages between institutions.

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