



Mergers and alliances in context

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Chapter 1

Mergers and Alliances in Context

Luke Georghiou and Jennifer Cassingena Harper

The foundation of a university often reflects the preoccupations of its age, reaching back to theological roots in medieval times, and later meeting the needs of nineteenth century empires for administrators with a rounded education or those of the emerging professional and industrial classes for a highly trained workforce and for research, particularly in science and engineering. Humanistic ideals and academic freedom were embodied as core elements in most cases. Such institutions, with more than a century behind them, have become part of a much larger population of universities as the expectations of and demands for a graduate education drove a global era of expansion and massification. While the core concept of a university remains recognisable almost anywhere that the term is used, substantial differentiation nonetheless exists. This differentiation may lie in the nature of the student population, the focus of the curriculum, the degree of research intensity, the form of governance, financial viability, scale of activity, the degree of autonomy and the extent to which it is embedded in one or more locations. More recently, as rankings and other forms of assessment have entered the picture, the level of ambition of an institution has also become a distinguishing factor.

Our concern in this volume is what happens when the circumstances prevailing at the time of foundation and developing during the subsequent evolution of the institution have changed such that it no longer meets the expectations of its stakeholders. Under these conditions governments or the institutions themselves may seek to redefine or reinforce their mission by combining the assets and

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capabilities of a university with one or more other institutions. This, as we shall see, is the essence of mergers and alliances in higher education.

The existing literature largely reflects a wave of merger activity that took place in the 1980s and 1990s. For example (Harman and Meek 2002) introduced a special edition of the journal *Higher Education* by noting the restructuring of higher education in Canada, Great Britain, Germany, the Netherlands, Norway, Sweden, Hungary, Vietnam, New Zealand, Australia and South Africa. They associated systemic transition with the move from small elite higher education systems to massified offerings based upon fewer larger and more comprehensive institutions, often extending to multiple campuses. In assembling the present collection of experiences, initially via a workshop and then with the addition of further contributions, we have taken the opportunity to reassess the phenomenon of mergers in higher education in the current context. This is done both through assessing the longer term consequences of historic merger activity and by introducing more recent cases forged in the current pressures facing higher education.

The chapters of this volume each tell stories and make contributions in their own right. It may help to guide the reader by pointing out from the start some recurrent themes and tensions. In seeking to identify the phenomenon of university mergers, their causes and their consequences we encounter a series of dichotomies.

1.1 Alliance Versus Merger

When the search is for resources or capabilities beyond the institution and possessed by another institution, or by a combination of those institutions, a range of options exist for university managers and national or regional administrations. Any scale of working together begins with cooperation. Virtually all institutions are engaged in some form of research cooperation and many have teaching arrangements with other institutions. To move into the frame of an alliance requires a more formal agreement, normally at institution level, embodying the scope, purpose and objectives and normally specifying a means of implementation. A useful basic taxonomy on these lines was set up by James on behalf of the Higher Education Funding Council for England (James, September 2012/21). This defined collaboration as two or more partners working together in a selected part of their activity. It could involve setting up a new institute or shared facility or a combination of existing activities. As indicated above, an alliance requires more systemic collaboration but does not have to extend to the full range of activities and as James states, the key test is that partners retain their separate identities. Delgado and León (Chap. 12, this volume) describe a process to drive such ‘strategic aggregations’ in Spain. This criterion of identity reserves for the full merger the definition: “two or more partners combining to create a single institution, which may retain the name and legal status of one of them or be an entirely new legal entity.” The report also notes a range of merged circumstances including the “holding company” model, in which an umbrella institution can operate subsidiaries that maintain separate

names, brands and operations. Most mergers (at least among those reported in this volume) once completed appear to be stable or even irreversible but alliances and federations are more likely to be in a position of evolving in either direction depending upon the balance between centrifugal and centripetal forces. In one of the cases presented (Georghiou, Chap. 10, this volume), the group considering the merger between the two Manchester institutions judged that the transaction costs of federation would make that option uneconomic and that true benefits could only be achieved in a sustainable way by a full merger. Hawkins (Chap. 14, this volume) provides a corroborating example in which the creation of the University of Western Sydney was driven by the high costs and perceived financial risks entailed by the pre-merger federal arrangement between the three constituent institutions.

Harman and Meek (*ibid*) introduced further taxonomic categories including distinctions between voluntary and involuntary mergers and between consolidations and take-overs. The issue of whether a merger is voluntary can be shaded. Such circumstances may arise from direct imperatives from government and its agencies, or by dint of being the chosen route out of a crisis, financial or otherwise. To these categories may be added the creation of a new entity from the elements of existing institutions. Even this is a continuum as substantial elements of the predecessor institutions may continue.

An interesting dimension is that of heterogeneity between the merging entities. This may apply to the specialisations of the universities. Mergers are usually moving in the direction of widening the offering and perhaps reducing the risk exposure of more narrowly defined institutions. For example, Yang (Chap. 7, this volume) describes how in China a series of monotronics and specialised vocational training institutions were merged into universities in parallel with a process of upgrading. Several cases involved the accession of medical schools, with examples in Cardiff (Gummett, Chap. 5, this volume) and Fudan (Yang, *ibid*) both driven in part by the belief that a world-class comprehensive university should not be without one. Another source of merger activity is the absorption of public research institutions which may not have had an educational mission. A further distinction made is that between mergers of institutions with similar academic profiles 'horizontal' and those with different academic profiles 'vertical'. Ljungberg and McKelvey (Chap. 4, this volume) present examples of both in the Swedish context.

1.2 External Versus Internal Motivation

There is little doubt that national ambition is a driver for university mergers. In recent times this has been highlighted by the increased attention paid to ranking tables. Whatever the shortcomings of these (and there are many) they expose countries whose investments are not matched by their presence in the higher echelons (Hazelkorn 2009). In France, as both Surssock (*ibid*) and Finance et al. (*ibid*) acknowledge, rankings have been a driver even if this is not always admitted. Georghiou sets out how entering the world's 'Top 25' became a central

goal in the University of Manchester's 2015 agenda. National expectations of universities can form a wider and more pervasive backdrop than the narrow goal of international league tables. The repercussions of the Bologna process are acknowledged in several of the European cases. Andreescu et al. (Chap. 3, this volume) indicate that the introduction of national rankings can be used as explicit instrument to drive mergers. The most extreme social need was manifested in South Africa where reform and consequent reorganisation were a necessary component of breaking the mould of racial segregation.

Systemic restructuring regularly drives merger activity and apart from the case of South Africa, already mentioned, there are examples of mergers being a tool for the implementation of national systemic visions as in Ireland (Harkin and Hazelkorn, Chap. 6, this volume) or their regional equivalents as in Wales (Gummett, *ibid*). Harman (1986) had long before provided an account of the tensions between a "coercive" Federal government and state governments in the Australian mergers of 1981–1983. Moving in a more positive direction, Yang (*ibid*) sees the transfer of jurisdictions from different departments and levels of government as an important rationalising benefit from mergers in the Chinese context.

In one particular respect governments play a critical role. Mergers are unlikely to succeed without substantial investment in capital and systems and in most cases the public sector is the source of such funds. Where they have not been forthcoming the results have often been negative. A converse danger is of over-incentivising structural change by tilting resources towards those who follow that path. In the worst case this can divert institutions from seeking real synergetic gains.

Several of the contributions reflect the tensions between the autonomy of the institutions and the ambitions of the government for systemic change. At one level this can be explained through a desire to avoid disruption or even to defend vested interests in university management. However, the tensions may be real with mergers leading to the end of long-established provision for a region or of particular ways of teaching and researching a subject. Even if overall system improvement is achieved (often an aspiration rather than a certainty), it cannot be assumed that all constituents will end up as beneficiaries.

1.3 Education Versus Research

The combination of heterogeneous institutions with different subject portfolios could be seen as a clear positive move for research, creating the possibility of new interdisciplinary combinations. For education such a move could be largely neutral. This is not the case when more similar institutions are combined. Ursin et al. (2010) have argued that even though educational improvement is often a stated goal, this issue receives relatively little attention in the planning processes associated with mergers. Their conclusions are based upon the analysis of documents associated with merger planning for four Finnish institutions (including the well known case of the formation of Aalto University). They attribute the

relative scarcity and generality in content of such documents to a desire to avoid the difficult topic of redundancy in provision and also that those involved in higher level planning of mergers are typically not closely engaged in teaching and learning and feel uncomfortable with the lack of clear measures of outcome that could be used to drive the process.

One issue that is particularly highlighted in the context of teaching and learning is that of distance. Merged universities frequently have multiple campuses inherited from the legacy institutions, with substantial travel time between them. Over time this may be mitigated by greater use of blended and distance learning but it remains a source of cost and administrative challenge.

1.4 Short-Term Versus Long Term Outcomes and Assessment

Universities are one of society's most durable institutions. This raises the question of what is the right timeframe in which to judge the success of a merger. Policy imperatives operate typically in the short-to-medium term with an expectation that goals will start to be met almost immediately. Against this one could recall Chinese Premier Chou en Lai's most probably apocryphal response to Henry Kissinger when asked his opinion of the effects of the 1789 French revolution, reportedly replying that it was too soon to say (McGregor 2011). University merger decisions made in the early 2000s could well continue to have consequences two centuries later.

The mergers literature in general does not provide a very positive evaluation of value generation. For example, (Cartwright and Schoenberg 2006) in a review of 30 years of the wider corporate M&A literature note that failure rates remain consistently high. University mergers lack a counterfactual and hence can only really be judged in terms of longitudinal changes in performance (with all the controversy that institutional performance assessment entails). Mao et al. (2009) provided a rare example of an attempt to evaluate quantitatively the research performance of merged universities (in China) and found that after a post-merger improvement for a couple of years, performance then declined through loss of cohesion in merged administrations. They echoed earlier work by Harman and Meek that it can take up to 10 years for newly merged institutions to operate as a cohesive whole (2000). Martin and Samels (2002) provide a still more pessimistic view of the outcome of measures in an article that recanted on their earlier support for university and college mergers in the USA (Martin and Samels 1994). An anticipated wave of mergers and super-institutions had failed to materialise, being outnumbered they report by strategic alliances in a ratio of 20:1.

Hall (Chap. 8, this volume) notes the lack of a formal comprehensive evaluation of outcomes of the wide-ranging South African restructuring but assembles evidence from audit reports and other sources to provide a systematic assessment. Badat (Chap. 9, this volume) cautions that functional differentiation does not

necessarily deliver the desired outcomes when other social circumstances have not shifted. Structural change is only one element. More broadly true evaluation is inhibited not only by timing and lack of formal frameworks but also by the absence of a counterfactual and the need to tailor performance measurement to the specific goals of each case.

1.5 Motivation and Implementation

Moving beyond the higher-level dichotomies, cases presented here also illustrate motivations for merger from a bottom-up or institutional perspective. A frequently used term is critical mass, addressing a fear that smaller institutions are less likely to have a voice at the international table and a reality that they may be less able to survive fluctuations in markets or policies. Indeed mergers can be driven by hard circumstances as well as by opportunity and ambition. Munteanu and Peter (*ibid*) describe how declining student numbers in a climate of financial austerity threatened the sustainability of one of the institutions. That said, there is no clear evidence that size is of itself an advantage. Structures need to be put in place to harvest the potential synergies and economies of scale and scope. The nature of public sector employment, the culture of academic freedom and the deep rooting in cities and regions of most universities has meant that the dramatic job losses and relocations associated with industrial mergers are much reduced in the context of academic merger experience.

Throughout this volume, implementation has emerged as a key issue. Detailed accounts of the processes involved have been presented, for example by Finance (*ibid*), Georghiou (*ibid*) and Hawkins (*ibid*). The emerging picture is that implementation is a multi-level and protracted process. Factors militating towards success include top-management commitment from the outset, mirrored by support from key stakeholders in governing bodies and related parts of government in the region or nation. A clear vision is also needed to ensure that the merged institution is not simply a loose association of pre-existing elements and in particular that it addresses the goals that precipitated the need for merger in the first place. Interim structures appear to be important as a means of engaging staff and students and ensuring that matters of vital detail are not subsumed in higher-level statements. Even with wide participation, many staff will not be close to the processes and hence a good communications strategy is essential. Where possible genuine redundancies, notably but not exclusively in administration, need to be recognised and dealt with, with an open process to populate newly created management positions. As already remarked, substantial resources are needed to implement mergers, often including funding for a renewal of capital assets and infrastructures. It is probably the default that merged institutions cost more than their predecessors unless explicit efforts are made to eliminate unnecessary costs. Apparently mundane matters such as compatibility of financial and student systems can be critical to success or failure.

1.6 An Overview

This volume seeks to draw upon more recent experiences of mergers and associations short of a merger and to approach the subject both from a systemic level and from the perspective of individual institutions. Inevitably the two levels are interlinked but broadly speaking this distinction is used to separate Part I, dealing with perspectives at the level of a nation and national system, although often illustrated by examples which extend the range of cases, and Part II, which takes us down to individual case-studies analysed in depth. These experiences of course also show responses to wider forces and initiatives but allow a more detailed insight into the specific rationales and the implementation issues involved in effecting a university merger.

Part I begins with Surssock's overview of mergers and alliances in France (Chap. 2, this volume). She takes as a reference point the European University Association (EUA) 2012 survey that highlighted four key factors behind merger activity including economies of scale; enhanced regional or international impact; increased quality through rationalisation and consolidation; and synergies in education and research. In France specific contextual factors came into play, in particular the hyper-centralisation and hyper-fragmentation of the higher education system. Mergers have been used by the leaders of educational institutions to address these weaknesses and to rationalise higher education and research, consolidating its various elements, and improving its impact internationally. A number of policy initiatives were introduced at national level from the 1960s to the 1990s, including a drive to strengthen universities' research capacity through a rapprochement with the research organisations, but this led to the emergence of two categories of laboratories. The launch of the Shanghai Ranking in 2005, with only three French universities in the top 100, led to efforts to address the factors for this poor performance, through initiatives to support university partnerships and financial incentives for regional partnerships. The drive to concentrate resources in support of excellence was coupled with a shift of power from the central to the regional government. The policy context remains dynamic and subject to reversals in what has been achieved to date through the mergers in terms of overcoming fragmentation and centralisation.

In Chap. 3, Andreescu et al. examine mergers and classifications in Romania. They illustrate how effects of the university classification and ranking process in Romania, as envisaged through the 2011 Law on national education which mandated them, have been slow to materialize. The process was prompted by a number of weaknesses affecting the higher education system, namely the homogeneity of universities, the limited level of competition between universities and the inefficient allocation of funding and general fragmentation of resources. While the 2011 Law moves beyond encouraging absorption of one university by another to support mergers directly, it fails to address in sufficient detail the formal types of mergers and it focuses solely on public universities. The outcomes targeted by the mergers include a more rational allocation of resources based on quality and institutional profile of the university, the preferential allocation of resources to

merged universities, and the concentration of public resources targeting scientific research. The current classification is rather limited and does not reflect current European thinking, focusing on three ideal types, namely research-intensive universities, research-and-education universities, and education-centred universities. The authors develop and explore a typology of merger scenarios, focusing on one in particular, the merger of Romanian universities and public research and development institutes. The successful conclusion of a number of merger cases highlights their utility in addressing deficiencies in the RDI system. The chapter identifies the benefits at various levels, systemic and institutional, as well as outlining certain areas for exercising caution.

Chapter 4, by Ljungberg and McKelvey, sets the context for university collaborations in Sweden as part of the broader pressures for dynamic change at European level linked to a call for more strategic approaches in addressing increased competition and autonomy for universities, causing them to transform from social into knowledge business entities. The main external pressures facing universities in Sweden relate to increased competition among HEIs; a shifting policy focus from quantity towards (increased) quality; forthcoming contraction of education; and government support for mergers between small HEIs and larger universities. Three “voluntary” merger cases are presented addressing a merger between two regional university colleges, the merger of two regional HEIs and a vertical merger (absorption of one university by the other) between two HEIs. The analysis indicates broadly similar rationales, namely to achieve scale and scope by pooling resources; increase quality; and differentiate into or change position in existing market or profile. The sub-rationales included achieving critical mass of researchers and scale in education, pooling and using resources efficiently, consolidating disciplines, accessing competencies and/or brands. In terms of outcomes, the cases indicate that it is easier for HEIs to strategically position themselves through mergers in education than in research, with two cases (Mid Sweden and Linnæus universities) resulting in an increase in the number of students and increased efficiency in education relative to expenditure, but still deficiencies in terms of research capacity and critical mass of researchers. This raises questions as to whether mergers are less conducive to improving research performance in (regional) small and resource constrained HEIs.

Gummett in Chap. 5 identifies three main phases in the restructuring of the Welsh higher education, starting with a phase, from 2002 to 2006, when the Higher Education Funding Council (HEFCW) acted as facilitator of change, followed by its more interventionist phase, from 2006 to 2009, in driving the restructuring process; and finally a phase from 2010 onwards marked by a more explicit ‘blueprint’ for change. He highlights the key role of institutional and political leadership in these processes, and the challenges involved in securing change in a context of high institutional autonomy. Although the mergers were proposed by the institutions themselves, this was not a guarantee of a successful outcome as in the case of southeast Wales. The main lessons to be drawn relate to the need to properly address legal requirements during merger negotiations, the concept of a higher education system as particularly important in a small country and leveraging

change by providing funding for merger costs. The restructuring was prompted by the fact that despite the strengths of individual institutions, the higher education system as a whole was not delivering up to expectations. He highlights the tension between the institutional governing bodies' role of overseeing the university interests and pursuing the required institutional change. Finally, he underscores the tension, perhaps particularly evident in small countries, between responsibility for governance of individual institutions, and for securing the best possible overall higher education system.

In Chap. 6 Harkin and Hazelkorn examine alliance and merger developments in Ireland over a 15-year period. The framing of the merger policy drive in Ireland in response to a dynamic economic and global environment is based on a number of competing drivers, namely the rise of the knowledge society on the national agenda, a growing demand for higher education coupled with reduced public funding, a stronger emphasis on the economic imperative of higher education and public sector reform. From 2000, global and national economic circumstances began to encourage inter-institutional collaboration and alliances across the HE sector in Ireland, however the National Strategy for Higher Education to 2030 marked the launch of policy-led restructuring and system-wide reorganisation. The Strategy which made a case for greater system level coherence introduced three significant structural policy developments relating to the reform of Institutes of Technology sector through mergers, absorption of smaller institutions into the university sector; and setting up of regional clusters of collaborating institutions within a geographical area. The Strategy with its shift from *laissez-faire* to a more systematized, directed and regulated approach and measurable outcomes, walks a tightrope between institutional autonomy and system governance. This together with the introduction of strategic dialogues with publicly funded HEIs to ensure alignment with national objectives has resulted in an effective restructuring of higher education. The impact of these policies has also been significant in terms of how higher education is viewed in terms of its contribution to nation-building.

Yang in Chap. 7 analyses the reform of higher education in China in a global and national context, identifying five major rationales for the nationwide restructuring process undertaken from 1992 onwards, namely joint construction, cooperative administration of institutions, institutional amalgamation, transfer of jurisdiction, and participation of other social sectors in institutional operation. The restructuring process lasting over a decade, had three broad waves, with an initial phase in 1992, of mergers of small regional institutions, followed by a period from 1993 to 1997, marked by an increase in university mergers as part of a national drive, and culminating in the period up to 2000 when mergers became linked to China's bid to achieve world-class status for its universities. Three key features of the process relate to its national scale, complexity and innovation. The chapter raises a number of issues of concern relating to integration, costs and regional and territorial disparities. China's recent university mergers have produced significant results in transforming and benchmarking the higher education system at international level as well as some evident achievements in higher education governance. The reform process has effectively dismantled the separation by regions, sectors and

professions, and established a more coherent higher education governance system with provincial governments playing an important role. However, the long-term effects will take much more time and effort to materialise.

In the first of two chapters on mergers and alliances in South Africa, Hall explores the institutional culture. He notes that an extensive merger drive was implemented between 2002 and 2005, aimed at introducing major restructuring in the higher education system. The particular context of the racial segregation and the legacy of the apartheid era, calling for radical reforms, placed particular pressures on the merger drive. The studies and audits undertaken, including the study on governance of mergers, provide important insights on the process at key stages of design and implementation. The outcome of the merger process was three types of institution: “traditional” universities, universities of technology (previously technikons, offering vocationally-oriented qualifications) and “comprehensive” universities (intended to offer a combination of academic and vocational qualifications). In effect the merger drive resulted in mixed institutional outcomes with well-functioning new institutions, failed mergers, and a set of new universities that are still responding to the consequences of merger. The impact at the systemic level is marginal and irrelevant in terms of inequality and the long-term process of recovery from apartheid, with trends prior to the merger drive remaining in place. The merger drive has also had minimal sustained effect on institutional forms and structures, in terms of distinguishing between technical and comprehensive universities and their traditional counterparts, with long-established structures remaining dominant. The current National Development Plan has minimised the emphasis on mergers, focusing on earlier challenges of recovery from the apartheid years.

Badat, in Chap. 9, presents an alternative outlook on the higher education landscape in South Africa. He concludes in his analysis of institutional change in higher education, that it is characterised by ruptures and discontinuities with the past, resulting in the emergence of a new institutional landscape and new configuration of public universities as well as the conservation and reconstruction of institutional types and institutions. In this sense the government higher education goals, strategies and policies post-apartheid reflect successes in terms of policy analysis, design and adoption and significant shortcomings and failures in terms of the actual rollout and implementation of policies. The shortcomings relate to the inadequate factoring in of the dynamics and management of change in strategy and policy design, and related changes in cooperative governance and the roles of the state, universities and other higher education institutions in a post-apartheid democracy, and in defining the appropriate balance of institutional self-regulation and central coordination. The weaknesses extend to the institutional mechanisms for on-going engagement and consensus-building among key actors with differing perspectives and needs and the limited specialist expertise and experience for managing dynamic, complex, participatory systems, where different parts require simultaneous steering and coordination. In analysing the successful outcomes relating to a differentiated higher education system and universities with specific

missions, profiles and structures, a complex of different factors can be identified, including state-led restructuring initiatives, university leadership and engagement, and institutional culture, capabilities and capacities.

Part II begins with Chap. 10 by Georghiou who describes the motives and process that led to the formation of the University of Manchester and its progress against the post-merger strategy. The merger of the Victoria University of Manchester (VUM) and the University of Manchester Institute of Science and Technology (UMIST) was driven primarily by a motivation to create a world-class university and less by more typical efforts to achieve scale. The merger was based on internal rationales relating to favourable conditions for change and external pressures and challenges, including the globalisation of higher education dictating reforms in provision and delivery. The careful design and implementation of the merger process led to its unqualified success in process terms, in line with the set timeline. The key success factors included agreement on a clear strategic rationale and forward strategy, the 2015 Agenda, and on garnering external and internal support and resources through an effective communications strategy. The merger has to date recorded a number of achievements, notably against the goal of achieving high international standing with a shift in the university's position in the world rankings from 78 to 41 in 2013. Other positive outcomes relate to the increase in the research budget and the iconic appointments and widening student participation while maintaining high admission standards. A number of post-merger challenges have emerged particularly at the level of the underpinning goals, related to a large operating deficit and an increasing salary bill, which were addressed by stricter financial management and voluntary severance schemes. In improving productivity a careful balance has been struck between relieving academic staff from administrative work without creating an expensive bureaucracy. The University continues to evolve in an effort to improve its operation and to prepare to revisit goals and the targets set in the 2015 Agenda.

In Chap. 11 Finance et al. assess the experience of creating the University of Lorraine by merging four institutions. They argue that the context for the continuing increase in the number of mergers in France relates to a core rationale for higher education and research policies in past decades, namely reducing the excessive centralisation and fragmentation of the system. A number of government initiatives were launched in 2004, starting with the Pôles de recherche et d'enseignement supérieur (PRES) in 2004, aimed at boosting regional partnerships, and similar regional initiatives including the Réseaux thématiques de recherche avancée (RTRA) and the Centres thématiques de recherche et de soins (CTRS), aimed at decentralising power to regional and local actors. The quick succession of these and related initiatives resulted in pulling the system in different directions. In addition, while the PRES targets universities and other HEIs (*grandes écoles*, etc.), the mergers have only been taking place between universities. The main rationale for university reform relates to the need to increase interdisciplinarity and rationalise the educational offer building on a particular niche and specific research strengths. The mergers and alliances provide the means for triggering such a strategic change

process, although it may not prove the most effective and/or least painful. The process has met with a level of resistance from Universities due to concerns over losing their independence. As a result, different shades of mergers or merger-like processes have emerged, with some universities deciding to strengthen their cooperation without undergoing a merger, and others opting for a smaller scale merger, linking only some of their units. Academia has insisted on a sufficiently flexible legal framework to support these types of institutional solutions. The merger drive has produced a shift of power from central to regional government and towards stronger institutional leadership. The challenge remains how to maintain the current status quo and the progress achieved in a dynamic and fragile political and economic climate and how to sustain the motivation of the key players (not least staff and students) to accept the drive in favour of change.

Chapter 12 by Delgado and León assesses the strategic aggregation of universities in Spain. The merger process in that country formed part of the Spanish Strategy University 2015 (SU 2015), launched in 2008 to foster the modernization and internationalization of the Spanish university system, allowing universities to exploit their potential in the knowledge-based economy and society. The chapter reviews the experiences generated in 2009–2011 through the International Campus of Excellence (CEI) Programme, launched as an integral part of the SU2015, with the aim of improving the positioning of Spanish Universities at European level. An in-depth case study of the CEI-driven process at the Technical University of Madrid geared to user-driven open technology innovation, highlights positive results including more than 50 patents granted in 2012, with 17 spin-offs created and 12 licenses contracts, with CEI Montegancedo as a key catalyser. A major drawback has been the financial dimension with the impact of the financial crisis and the fact that the regional governments have largely not accepted to the commitments linked to the long-term loans imposing a burden on the universities. Despite the fact that the funding provided is in soft loans, the programme has succeeded in supporting the strategic modernisation process at universities. The authors conclude that the programme is having significant impact, attracting the participation of all public universities and more than half the private universities, despite the fact that private universities are not eligible to receive loans through the autonomous communities. The impact relates to enhancing international attractiveness, the internationalisation of teaching and research activities and the creation of new teaching and research posts, enhanced strategic processes, promoting the role of universities in contributing to economic recovery, the development of creative cities and smart territories and building knowledge ecosystems in specific thematic fields related with the social challenges.

Munteanu and Peter in Chap. 13 present the process of merging two Romanian universities, the Technical University of Cluj-Napoca and the North University of Baia Mare. In recent years new types of educational institutions in the tertiary field have emerged worldwide, increasing the competition for attracting students and driving traditional institutions to re-think their mode of operating and supplying quality educational services, using new technologies and business models. In this

context, mergers provide the opportunity for pooling sets of capabilities and expertise, shared among several actors capable of projecting a joint vision and strategy. The merger of the North University of Baia Mare (NUBM), and the Technical University of Cluj-Napoca (TUC-N) responded to the need to introduce an enabling structure to support the development of higher education in Baia Mare in the light of major sustainability challenges. The main rationale of the merger was to exploit synergies in concentrating material and human resources to increase didactic and scientific performance and the efficiency of the educational system as a whole. The main outcomes of the merger relate to the strengthening of the regional network of higher education in Transylvania, providing the basis for it to emerge as an important player in the educational politics of the region. It is too early to assess the complete results of the merger since it is a long-lasting process and complete integration will entail at least a cycle of study, during which common curricula and regulations will be developed. However, the merger drive is significant in the Romanian context as representing a passage from hierarchies to university networks, leading in turn to another passage, leading from an exclusive development option to the possibility to explore and embark on multiple options. It also provides the means for addressing important objectives of increasing quality in the education and research and enhancing the university's national and international visibility as a whole.

In the final case, in Chap. 14, Hawkins documents the experience of the University of Western Sydney in Australia. This merger was spurred by a combination of external and internal factors, primarily the changing dynamics in higher education (locally, nationally and internationally) and the strained and dysfunctional UWS federation forcing an overdue institutional reform process. This had its origins in the initial federated structural form of the University, its legislative charter, the nature and aspirations of its founders and the experiences and expectations of its communities, students and staff. The merger brought together three federation Member institutions to form a unified multi-campus University with a single administration and academic structure. The rationale for the merger related to the costs of the federation (labelled by Government as a financial risk) and the University's reduced productivity and diminishing ability to take advantage of the potential for sector-wide growth. A project management framework was set up to drive the process, designing the structure and processes, which had to be iterative and adaptive. The process was marked by significant student engagement in the process and in general communication strategies with stakeholders while intense were not always considered sufficiently effective and meaningful. A number of lessons for managing the merger process more effectively are outlined including projecting a well-articulated vision covering all areas of change process, focus on academic structure, manage change, garnering appropriate level of resources and benchmark costs, a comprehensive communications strategy. The main impacts of the merger are the continuing and comprehensive organisational and cultural change, to produce a revitalised and unified institution geared for change.

1.7 A Way Forward

The experiences presented here show that despite the very different circumstances present in universities around the world, there is a core commonality to their structures and missions which means that when mergers are contemplated similar issues are encountered. On that basis, it is to be hoped that by marshalling experiences from authors who are typically at the heart of the system or else long-term observers, it will be possible for those contemplating moves in this direction to move a little faster than they otherwise might have done and to avoid some of the pitfalls which others have encountered. Even for those included in this collection, this stocktake reflects a particular point in their history. The rapidly changing environment for higher education means that change is a constant. It is likely to become more frequent that responding to external pressures means changing the boundaries of an institution in response. New frontiers may mean that such mergers will take place with entities outside the academic world altogether in the name of private provision. As with other endeavours higher education needs to employ both hindsight through evaluation and foresight to ensure that it is prepared to defend and enhance its core mission in society.

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