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## Models for mergers in higher education

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*References to possible combinations of higher education institutions in the CHE report on the size and shape of higher education (30 June 2000) have spawned a debate on the issue, as well as responses from and internal actions in higher education institutions, that range from aggressive through defensive to strongly resisting. As it is highly unlikely that no combinations whatsoever will be effected, it is valuable to investigate a combination/merger scenario. This article provides some basic information on various models for merging institutions/companies, that has been sourced from the literature regarding the private sector. The appropriateness of each model to the current higher education context must be extrapolated by reconfiguration of the information. A possible model for higher education mergers, based on such extrapolation, is presented against the background of the National Plan for Higher Education, released on 5 March 2001. One of the advantages of this exercise is to contribute to the demystifying of the concept of mergers, i.e. "exorcising the ghost".*

### Introduction

In January 2000 the Minister of Education tasked the Council on Higher Education (CHE) to investigate whether "our higher education system is indeed on the road to the 21<sup>st</sup> century", asking the CHE to provide him with "concrete proposals on the size and shape of the higher education system .... which serve as guidelines for restructuring", because without reaching "finality on institutional restructuring", it would not be possible to "ensure the long-term affordability and sustainability of the higher education system" (Council on Higher Education, 2000b:1-2). To comply with this brief from the Minister, the CHE established a Size and Shape Task Team. This Task Team released a discussion document in early April 2000 (Council on Higher Education, 2000a), engaging key constituencies (including the public) on the matter at hand. A final report (Council on Higher Education, 2000b), dated 30 June 2000, was handed to the Minister on 18 July 2000 (hereafter referred to as the Size and Shape or SS report).

The SS report concludes with a comprehensive list of recommen-

dations to the Minister, inter alia the following on the **shape** of the higher education system:

4. The absolute number of institutions should be reduced through combination.
5. ...., the Minister should investigate the full range of possibilities for combinations.
8. .... to consider the establishment of a single distance education institution ... (CHE, 2000b:44-45).

and on the **size** of the system:

5. There should be no closures of institutions. The absolute number of institutions should be reduced through combination (CHE, 2000b:45).

and on the **procedures and processes**:

- Consultations with stakeholders followed by
- an interactive process resulting in
- a national plan to be followed by
- the combining of institutions (CHE, 2000b:48).

The SS report was followed up by the National Plan for Higher Education (NPHE) (dated February 2001, released on 5 March 2001). The NPHE reiterated the above statements of the SS report, regarding **size and shape**, viz. the reduction of the absolute number of institutions and investigating the full range of possibilities for combinations (NPHE, 2001:section 6.4), the establishment of a single distance education institution (NPHE, 2001:section 4.5) and the non-closure of institutions (NPHE, 2001:section 6.4). The NPHE itself is the third aspect of the **procedures and processes** referred to above.

### Problem statement

On studying the National Plan for Higher Education it becomes clear that the ultimate aim of the reconfiguring of the system is to achieve a new institutional landscape. This aim would be difficult, if not impossible, to achieve without the combining of at least some of the existing higher education institutions.

The majority of the responses to the SS Report of 30 June 2000

did not reflect agreement, but on the contrary there was opposition to the implications and the examples of combinations of institutions. Some selected responses were:

**University of Port Elizabeth (UPE):**

- Unless modified, the proposal would “seriously disadvantage” the Eastern Cape ...
- UPE agrees that the higher education system needs restructuring, but they are not convinced that the merging of institutions is the best way to do this (Eastern Province Herald, 2 August, 2000:5).

**Rhodes University:**

- Although the vice-chancellor, David Woods, recognises the potential advantages of greater co-operation, he believes that the “dynamics and financial implications of any merger are significant and this is exacerbated in the case of institutions separated by large distances” (East Cape Weekend, 19 August, 2000:6).

**Fort Hare University:**

- The vice-chancellor of Fort Hare, Derek Swartz, also cited the financial implications of a merger as a “cause for concern,” saying that overall institutional costs would increase (East Cape Weekend, 19 August, 2000:6).

**South African Universities' Vice-Chancellor's Association:**

- The South African Universities' Vice-Chancellor's Association (SAUVCA) has “strongly criticised and rejected aspects” of the SS Report. The association criticised the examples of mergers as being “superficial” and as having created “a great deal of unnecessary animosity” as well as “damage to those institutions seriously committed to reconstruction and development” (Eastern Province Herald, 29 September 2000:6).

**Vista University:**

- In its response to the Minister regarding the SS Report, Vista expresses its concern that some institutions will effectively disappear owing to combinations, although no institution will be closed. The University also questions the exclusion of several (historically advantaged) institutions from the combination examples (Vista University, 2000:5,6).

**University of South Africa:**

- “The report is rather vague on both the principles and the practicalities of such combinations or mergers.” “A uniform approach to such combinations or mergers cannot be adopted.” “Other types of cooperative ventures must be investigated ...” (University of South Africa, 2000:7).

**Technikon South Africa:**

- “... many of the issues raised relate to future uncertainties and require further investigation and clarification ...”. TSA believes that the merger investigation proposed by the SS Report “should not be confined to a single option”. (Technikon South Africa, 2000:1,5).

When taking into account the brief of the SS task team (see Introduction), the recommendations of the SS Report highlighted on previous pages and the NPHE, it could reasonably be assumed that combinations of higher education institutions will take place in our country, sooner rather than later. [As a matter of fact, this has already occurred where teacher education colleges were merged (combined) with universities.] It could also be reasonably assumed that such combinations will not be enthusiastically embraced by many of the institutions involved. The latter statement is based on the selected responses cited above, existing theory on the phenomenon of resistance to change, the experiences of individuals involved in recent teacher college/univer-

sity mergers as well as similar experiences in private sector mergers.

The NPHE and the establishment of the two working groups, one to investigate mergers (March 2001) and one to facilitate the establishment of a single, dedicated distance institution (May 2001), create a high level of insecurity, instability, discomfort, anger and even despair in many individuals and institutions. Unfortunately, the problem situation cannot be wished away and the (only?) solution is to meet it head on, being as well prepared and informed as possible.

**Purpose and objective**

The objective of this article is to provide some general theoretical information regarding mergers. This information will comprise some basic terminology, types of mergers, the phases of a merger, reasons for mergers, problems encountered during mergers and models for combinations. The purpose of providing this information is to contribute towards alleviating the fear of mergers in higher education, i.e. to assist in “exorcising the ghost.”

**Demarcation and limitations**

The demarcation of this study involves information gathered from recent publications (mainly not older than 10 years) referring to the public and private sector in South Africa and abroad. As the relevant literature is very limited, this literature universe is not as formidable as it seems.

The main limitations of the study are that

- unpublished documents relevant to the topic could not comprehensively be identified and were therefore not consulted; this would exclude possibly crucial information;
- the proposed model at the end of the article will need to be adapted to the unique circumstances of each situation and is not generalisable *per se*; the model can serve as a guideline only;
- this is only the “ears of the hippopotamus”: as this touches on a previously little-researched knowledge field, the available documentation is very limited; much more intensive research in this area is necessary.

**Some theory regarding mergers**

Mergers occur fairly regularly in higher education abroad, but are not a common phenomenon in South Africa. Owing to this situation, very little documented research and academic discourse exists on the topic in our country. In the private sector mergers are common and the ‘merger mania’ of the 1980s resulted in the topic being included in journal articles and some textbooks on management, human resources and, especially, financial management. Most of what follows has its origins in those contexts and some extrapolation and reconfiguring are required from the reader to facilitate its ‘user-friendliness’ in the higher education context, e.g. read “institution” instead of “company”, “firm” or “corporation”; read “student” instead of “customer”, “stakeholder” instead of “shareholders”; contextualise concepts such as “products” and “services”.

Reconfiguring the theory below, to be meaningful in the (higher) education environment, is essential for optimal understanding of and insight into the issue.

**Basic terminology**

Below are some useful definitions, some from literature in the field. Where definitions could not be sourced from such literature, utility definitions are supplied.

*Merger:*

- “The combination of two firms into a single firm.” (Chambers & Lacey, 1994:609).
- “The combination of two or more firms, in which the resulting firm maintains the identity of one of the firms, usually the larger one.” (Gitman, 1991:799).

*Incorporation:*

- The same as the above Gitman definition of *merger*.

*Consolidation:*

- “The combination of two or more firms to form a completely new corporation” (Gitman, 1991:799).

*Acquiring company:*

- “The firm in a merger transaction that attempts to acquire another firm” (Gitman, 1991:799).

*Target company:*

- “The firm in a merger transaction that the acquiring company is pursuing” (Gitman, 1991:799).

*Takeover:*

- A hostile merger (see Types of mergers).

*Acquisition:*

- The target company will be an acquisition of the acquiring company after a merger is completed.

*Collaboration/co-operation:*

- Working together on a specific project over a limited period of time.

*Combination:*

- “... the notion of combination ... to include a variety of arrangements, including not only mergers but also programme and infra-structural collaboration ...” (NPHE, 2001:section 6.4).

**Types of mergers**

Mergers can be categorised in various ways, depending on the criteria applied. Some of these categories with definitions/descriptions of the types of mergers appear below.

*Friendly vs hostile mergers*

A *friendly merger* results from the agreement between the management of two firms to be combined into one. Consensus exists that the two firms “are worth more together than the sum of the two firms held separately” and by “merging, the combined firm benefits from the synergy of the merger” (Chambers & Lacey, 1994:611, 612). A friendly merger is defined by Gitman (1991:800) as a “merger transaction endorsed by the target firm’s management, approved by its stockholders, and easily consummated.” In the higher education context “stockholders” could be substituted with the word “stakeholders”. An example from the current S A higher education context is the merger of the Natal Technikon and M L Sultan Technikon (see NPHE, 2001: section 6.5.2).

In a *hostile merger* management may not agree to the combination and control of each other becomes the issue. The acquiring company will then try to gain control of the target company by making an offer to buy (some of) the shares of the latter in the marketplace (Chambers & Lacey, 1994 :612; Gitman, 1991:800). The unbundling of Vista University (NPHE, 2001:section 6.4.2) was opposed by its management, labelled as “short-sighted” by the chairman of its council (Eastern Province Herald, 27 April 2001:2). If such unbundling took place and the Vista University management did not change its viewpoint, these would be examples of hostile mergers.

*Strategic vs financial mergers.*

Gitman (1991:800) also uses motive for merging as a criterion to categorise mergers as being either *financial* (“undertaken with the goal of restructuring the acquired company in order to improve its cash flow and unlock its hidden value”) or *strategic* (“undertaken to achieve economies of scale”). A possible example is the merger of the Univer-

sity of South Africa (UNISA), Technikon South Africa (TSA) and the Vista University Distance Education Campus (VUDEC).

*Vertical, horizontal, concentric, conglomerate and congeneric mergers*

Walter (1985:311) and Gitman (1991:804,805) identify useful categories of mergers when organisation issues are of interest, these being:

- *Vertical merger* (both Walter and Gitman): When a buyer-seller relationship exists/could exist between companies; such a merger requires that the target company management “shift from serving the market to linking with the acquiring or parent firm.”
- *Horizontal merger* (both Walter and Gitman): This describes a merger between companies with “identical products operating in the same or different markets”; this means a company would acquire a supplier or a customer.
- *Concentric merger* (Walter): A merger between companies with very similar production or distribution technology.
- *Conglomerate merger* (both Walter and Gitman): A merger between firms with no buyer-seller relationship, technical and distributional relationship or identical products, i.e. unrelated businesses.
- *Congeneric merger* (Gitman): When one company acquires another in “the same general industry, but neither in the same line of business nor a supplier or customer.”

**Stages (phases) of a merger**

Below are the phases or stages of a merger as identified by a few authors. Their ideas do not match perfectly, but are overlapping and complementary.

Brews (1993:1) refers to three stages, viz. formulating the merger strategy, screening and evaluating potential candidates and implementing and integrating the merger. Price (1999:40,42) identifies four phases, labelling these as the start-up phase (3 – 9 months in duration), transitional phase (3 – 6 months after the actual merging has taken place), integration phase (7 months to 2 years after the merger) and the closure phase. Somers and Bird (1990:38) indicate three stages: pre-merger evaluation, post merger period (1– 3 months) and transition period (18 – 24 months). The three phases mentioned by O’Flaherty and Conway (1990:25, 26) are labelled the same as those of Somers and Bird (1990) but the labels for the second and third phase are changed around, viz. phase 1: pre-merger; phase 2: merger transition, and phase 3: post-merger. All these are captured in my interpretation in Figure 1.

**Reasons for mergers**

The literature cites various reasons for the merging of companies in the private sector. Traditionally these could all be categorised as either financial or strategic in nature, but more recently the joining of diverse organisational cultures has become an increasingly popular reason for merging (Bezuidenhout & Hofmeyr, 2000:23).

Using these three categories as an organising tool, reasons for merging can be summarised as follows:

*Financial reasons*

- To achieve synergy/economies of scale/cut costs (Chambers & Lacey, 1994:616; Du Toit, 1998; Gitman, 1991:802; Greengard, 1997:53; Price, 1999:39)
- Tax reasons (Chambers & Lacey, 1994:617; Gitman, 1991:802)
- To increase shareholder value (Price, 1999:39)
- Fund raising (Gitman, 1991:802)

*Strategic reasons*

- Competitive advantage (Chambers & Lacey, 1994:617; Greengard, 1997:53)
- Increasing management skills (Gitman, 1991:802) / replacement of inefficient managers (Chambers & Lacey, 1994:627)

| START      | BREWS   | PRICE                                  | SOMERS                           | O'FLAHERTY        |
|------------|---|--|----------------------------------|-------------------|
| COMPLETION | Formulating the merger strategy               | Start-up phase (3-9 months)            | Pre-merger                       | Pre-merger        |
|            | Screening and evaluating potential candidates |  |                                  |                   |
|            | Implementing and integrating the merger       | Transitional phase (3-6 months)        | Post-merger (1-3 months)         | Merger transition |
|            |   | Integration phase (7 months - 2 years) | Transition period (18-24 months) | Post-merger       |
|            |   | Closure phase                          |                                  |                   |

Figure 1 Phases of a merger

*Diversification* (Chambers & Lacey, 1994:627; Gitman, 1991:801)

- Penetrate/dominate new markets (Price, 1999:39)
- Develop new products and services (Price, 1999:39)
- Acquire new capabilities and resources (Price, 1999:39).

Economic survival is mentioned as the major motivation for mergers, specifically in education institutions (Pereira, 1999:22), whilst Pocarobba (1999:309) indicates that such mergers enable the new institution to embark on expensive technology products (e.g. UNISA/TSA/VUDEC merger), acquire new facilities and develop new programmes.

**Problems encountered when merging**

The literature identifies a number of typical problem areas that could result in the failure of a merger if they are not carefully managed. These problem areas are grouped together as follows:

- the choice of a merger partner;
- enabling legislation as well as internal policy;
- timing of the merger;
- a clearly defined merger plan and process and the managing of this plan and dynamic process;
- people issues.

A brief discussion of each problem area follows below, with reference to the SA higher education context in some cases.

*The choice of a merger partner*

When choosing a merger partner, one of the key criteria would be the compatibility of the cultures of the partners (MacNeil, 2000:7; Marks, 1997:267; Price, 1999:39; Veldsman, 1997:27). Culture clashes could nullify all the potential benefits of a merger. Such clashes could derail the drafting of a merger plan and could prevent a joint culture and identity to develop in the postmerger stage. O'Flaherty and Conway (1990:24) warn about the danger of not knowing enough about the intended partner, as this would contribute to the merger not being successful. The working group established in March 2001 by our Minister of Education would do well to heed this warning.

*Enabling legislation and internal policy*

Having enabling legislation in place is another crucial aspect towards

facilitating a successful merger (MacNeil, 2000:6). This ties up with establishing enabling internal policy, mechanisms and procedures. The Minister of Education has put such legislation in place (Higher Education Act of 1997), but higher education institutions that become involved will need to develop the necessary internal policy, mechanisms and procedures prior to actual merging.

*Timing of the merger*

Marks (1997:267) refers to the correct timing of a merger as an imperative for merger success. Favourable market forces, the current circumstances and nature of the intended merger partners and product compatibility are all determining factors for appropriate timing. In the context of SA higher education, the external timing is correct historically-politically and economically; however, internally many institutions are historically and politically not ready for merging. This aspect will need a lot of attention to facilitate successful mergers.

*Merger plan and process and the management thereof*

The lack of a clearly defined transformation process is cited by Price (1999:39) as one of the most common problems in mergers. She also contends that the "role, behaviour and aptitude of management often distract from how well employees cope with change."

Similar problems are mentioned by Marks (1997:267), namely, not "managing the post-merger integration process appropriately" and Veldsman (1997:27), namely, "poor management of the dynamic process of bringing the partners together," "inexperience in managing mergers and acquisitions" and "an inappropriate pace of integration."

The brief of the working group regarding the establishment of a single, dedicated distance education institution gives rise to some hope that this problem will not have serious implications in the SA higher education context, as it covers all the main aspects, viz. a framework and implementation plan; a mission and vision; an administrative, management and government structure; an academic and personnel structure; a financial framework; service of pipeline students; financial implications and the role of this new institution in the higher education landscape (see <http://education.pwv.gov.za>).

*People issues*

This problem area is highlighted by the majority of authors as the most important aspect of the merging exercise. Price (1999:39) states that executives involved in mergers and acquisitions "ignore the people issues at their peril" and that "issues of culture, values, behaviour and working styles should be carefully managed from the very beginning of the process." Greengard (1997:53) believes that the cultivation of a new culture, effective communication and cohesion are some of the key people issues during a merger; Price (1999:39) also cites poor communication as a major problem. The importance of people issues are indicated by many other authors, e.g. Brousseau (1989:72), Crouch and Wirth (1991:3,4), Galosy (1990:90), MacNeil (2000:6), Marks (1997:267), O'Flaherty and Conway (1990:24) (they also warn against the over-reliance on financial information), Somers and Bird (1990:38) and Veldsman (1997:27). Some of the words used to describe the impact of mergers on staff are traumatic, disruptive, distressing, painful, uncertainty, loss in commitment, dampening in work motivation, shock, anger, disbelief, depression, anxiety, disappointment, disillusionment, withdrawal (Crouch & Wirth, 1991:3,4); emotionally exhausting (Brousseau, 1989:72); loss, betrayal (Galosy, 1990:90); turmoil, confusion, low morale, low productivity, absenteeism (Greengard, 1997: 53,55). These statements are indeed a reflection of the need to have a comprehensive people strategy in place and that this must be well-managed before, during and after a merger. The Ministry of Education will need to pay special attention to this potential problem area when realising the NPHE.

In the South African context one of the major stumbling blocks to successful mergers in higher education is undoubtedly the histo-

rical-political aspect. The merging of a historically white institution (HWI) with a historically black institution (HBI) has the potential for clashes of culture (in its broadest sense), political importance (Rhodes University/Fort Hare/University of Transkei?) and “big brother” syndrome (TSA/UNISA/VUDEC?). Language is also an issue, e.g. when considering the possibility of merging Rand Afrikaans University (RAU) and University of the Witwatersrand (WITS) or Stellenbosch University and University of Cape Town (UCT). These would need a very careful balancing act.

**Models and mergers**

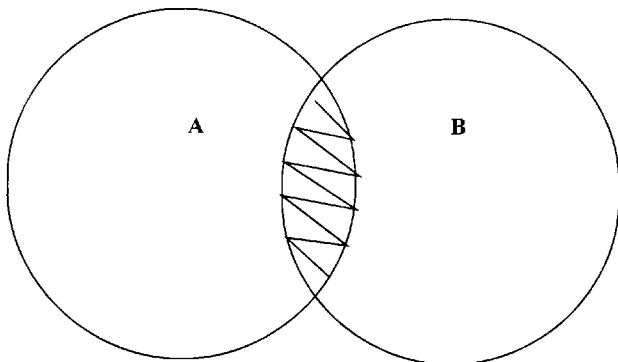
When considering a merger, both a structural and a process model will need to be selected. Examples of both types are presented.

**Structural models**

The structural models below have all been adapted from a document drafted by the Consortium of Open Learning Institutions of South Africa (COLISA, 2000:25-37).

*The confederal structure* (see Figure 2)

A confederation is a formalised and fairly permanent union in which the constituent elements retain full autonomy. Mutual consent to collaborate and co-operate on issues of mutual interest and a contract between the parties that describes the obligations and rights of each party regarding the collaboration, are characteristic of a confederal structure. No one party will be able to dictate to the other regarding matters outside the cooperation agreement.



**Two autonomous bodies that collaborate on issues of mutual interest**

**Figure 2** The confederal structure

**Advantages:**

- Enhancing of cost-effectiveness, efficiency and economies of scales
- Broadening of base of expertise
- Opportunities for small successes, which could inform future collaboration areas
- Limited impact on staff

**Disadvantages:**

- Possible eroding of institutional identity
- Perceived threat to local interests
- Perceived threat to income levels of individual parties

*The federal structure* (see Figure 3)

The federal structure can take a variety of forms, the two main variants being:

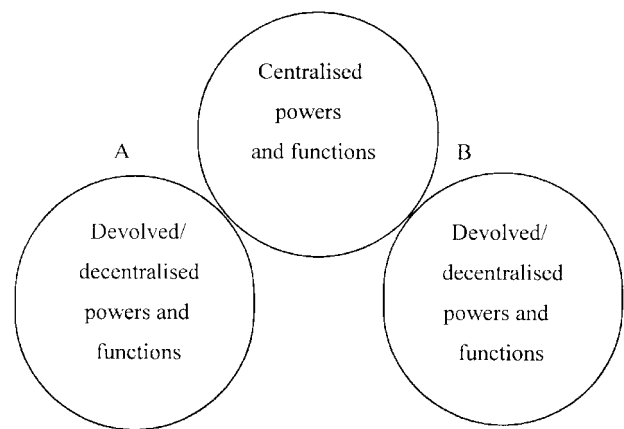
- Centralised powers and functions are specified while the decentralised powers and functions (i.e. the rest) remain with the individual members of the federation.
- Devolved powers and functions are specified, while everything else is centralised.

**Advantages:**

- Distinct niches can be preserved
- Greater economies of scale
- Greater unity in the sector

**Disadvantages:**

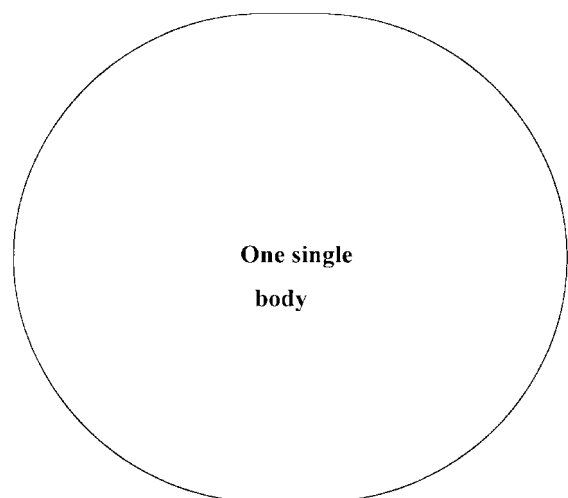
- More difficult to establish than a confederation
- Initially detrimental to morale
- Staff implications



**Figure 3** The federal structure

*The unitary structure* (see Figure 4)

The existing parties merge into a single body with one central administration. Certain functions and powers could be decentralised if necessary, but a single identity would be essential.



**Figure 4** The unitary structure

**Advantages:**

- Greater economies of scale
- Elimination of duplication and overlap
- Greater exchange of expertise

**Disadvantages:**

- Different missions and cultures would confound the merger
- Total loss of own identity and culture
- Enormous impact on staff

**Process models**

The process “models” in the literature consist of hints, short lists of steps or checklists of issues to be considered during a merger exercise. Some of these are presented below, in random sequence.

Littler and Leverick (1995:61) categorised a large number of factors that were identified by comparing successful and unsuccessful mergers, and devised six key areas that need special attention when planning and executing a merger exercise:

- Selecting a partner
- Establishing the ground rules
- Setting up a task force
- Managing the process
- Ensuring quality
- Maintaining an external focus.

Hayd Shaughnessy (1995:11-17) focuses on skills required to facilitate successful mergers, these being

- Matching of goals and objectives
- Establishing a partnership philosophy, including at least
  - communication goals
  - performance goals
  - dispute resolution strategies
  - evaluation mechanisms
  - a commitment agreement
- Putting a human resource plan in place
- Creating a merger contract that includes
  - the possibility of backing out
  - management inputs from each partner
  - fair and equitable control mechanisms
  - gain and rewards agreements
  - agreement to avoid exploitation
  - integrating the partnership into normal communication structures
  - shared evaluation procedures
  - realistic expectations
  - an effort to imagine the future.

Another checklist is provided by Samuel Greengard (1997:57), these being that adequate due diligence is ensured, a well-developed rationale is established, possible synergies are understood, goals are communicated and that it is essential to move quickly through the transition.

Much of the literature focuses on one issue or a few selected issues of a merger, with no comprehensive model for merging readily available. This is very likely owing to the uniqueness of each case: a blueprint for procedure would then be very difficult to design.

In spite of the previous statement, what follows is a basic model that could be adapted for a merger procedure in various circumstances.

**A model for mergers in higher education**

The model presented below is based on the assumption that the envisaged merger is not a forced one, but a merger of choice (e.g. Natal Technikon and M L Sultan Technikon). If an instruction to merge is given from, say, the Ministry of Education, some of the steps (below) of the model will be redundant and must be omitted [e.g. steps 1 (first sentence), 3, 5], whilst other steps will need adaptation [e.g. 7]. What follows is a step-by-step process model.

1. Top management (TM) decides whether the possibility of a merger is to be investigated. If so, an internal investigating committee (IC) is established.
2. The IC assesses the institution, determining its strengths, weaknesses, opportunities and threats (SWOT analysis or something similar).
3. The IC makes recommendations to top management on whether a merger would be to the advantage of the institution, informed by the previous assessment.
4. Communication to the constituency of the institution is imperative at this stage; inputs must be invited and considered.
5. If a merger is a viable option, the IC identifies a number of potential merger partners, arranged in priority order.
6. The IC drafts a basic proposal document, with variations tailored to each potential partner, as a merger scenario with anyone of them would be unique.
7. A merger negotiating delegation (MND) approaches the institution that appears at the top of the priority list; if they are not receptive, the next one is approached.
8. Once a potential partner has responded positively, set up a joint task team (JTT) under the leadership of a project manager (PM).
9. Communication with the constituencies of both institutions must take place at this stage.
10. The JTT conducts a process of due diligence, identifies the synergies of the partners and the goals of the merger.
11. Constituencies comment on the synergies and goals.
12. The JTT identifies all relevant issues and sets up joint subteams (JST) to deal with each issue. The issues would include at least institutional culture, academic programmes, personnel, structure, governance, finance, facilities, support services and client base.
13. The JSTs report to the JTT and a roll-out plan, with time frames, is created, informed by the JSTs' reports.
14. Constituencies comment on the roll-out plan.
15. Once the roll-out plan is finalised, the merger is announced and the plan is set in motion.
16. The progress and efficiency of the plan is continuously monitored by the project manager and the JTT; adaptations are made if and when necessary; quality assurance forms parts of this monitoring.
17. Regular feedback is provided to constituencies.
18. Post-merger integration is continuously facilitated.
19. Sound change management principles are adhered to throughout.
20. Closure is reached and communicated.

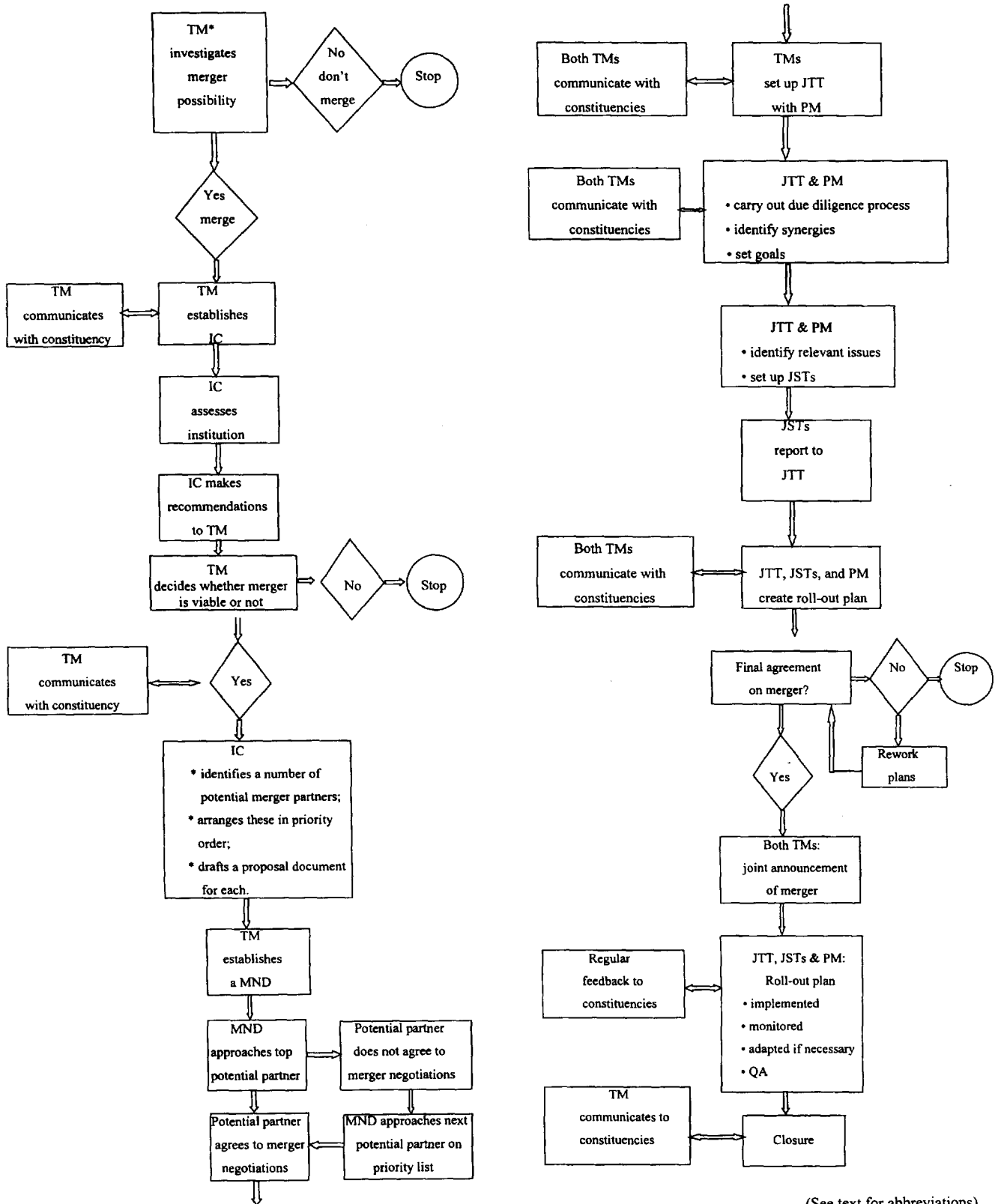
Although the above model is presented as a series of steps, these are not necessarily chronological: depending on the unique set of circumstances of each case, they could be cyclical. Some of them are also dialectical in nature, requiring some to-and-fro activity. An aspect that cannot be built into this representation of the model is the time spent on each “step”; this would be co-determined by whether the outcome of the “step” satisfies the need.

Most of the elements of the model have their own set of criteria, e.g. the criteria used by top management to decide whether a merger is desirable or not; the criteria used by the IC to identify potential merger partners and to arrange them in priority order. Each one of the elements of the model needs to be teased out further. This model is also presented in Figure 5.

**Conclusion**

The previous pages provided some basic, general theory on mergers, which shows that merging is a complex process with much opportunity for failure. In spite of this, it is quite possible to make a resounding success of a merger if it is planned properly in advance and managed effectively throughout.

Although most higher education institutions in SA will have little choice (however, not **no** choice) regarding their merger partners, the need for collaboration to serve regional needs will greatly facilitate



(See text for abbreviations)

Figure 5 A model for a merger in higher education

such a process. Additional resources, guidance and assistance would be required, as the merging activity uses so much of the time and energy of those involved, that the quality of the core business would otherwise undoubtedly suffer. This is recognised by the Ministry of Education as stated in NPHE (2001:section 7), referring to funding of investigations, institutional restructuring and re-engineering; also detailed cost analyses of financial implications and "ensuring that the necessary resources, both financial and human, are mobilised" in support of the NPHE.

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## Gemeenskapsbetrokkenheid ter bevordering van onderwys in skole

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**Community involvement in the promotion of education in schools.** *Community involvement in education is an issue that has gained greater momentum in recent decades and is regarded as a big asset in promoting education in schools. It ranks very high on the South African education agenda, as is clearly illustrated by the prominence it is given in the media. The modern school in the new South Africa finds itself in an educational milieu characterized by rapid changes. It is clear that schools are facing major challenges and can no longer handle the education of learners without the support of the wider community. In the light of the school's need for support from the community, this research was undertaken with the primary aim of determining the perceptions of role players from the community regarding their involvement in the school. A quantitative research method was applied in the investigation and only an experimental investigation group was involved in the random sample, comprising 446 respondents (teachers, learners, and community members). The research results were analysed statistically by computer and thereafter interpreted. On the basis of these interpretations conclusions could be*

*drawn. A global perspective indicates that community involvement in schools is considered extremely important, but that it is not taking place satisfactorily at the moment. It was furthermore possible to refine the global perspective on community involvement in schools into a more differentiated picture, indicating clearly which facets of involvement should receive attention and be improved. Recommendations can therefore be made for meaningful, innovative and accountable community involvement in the promotion of education in schools.*

### Inleidende oriëntering

Gemeenskapsbetrokkenheid by onderwys in skole word prominent in die media as hoë prioriteit vir suksesvolle onderwys uitgelig (Mona, 1997:3; Bjork & Senkhane, 1992:59; Garson, 1997:3). Die emosie wat met hierdie oproepe gepaard gaan, is klaarblyklik 'n gevolg van die uiteindelijke besef dat die Staat met sy verklaarde beleid van rekonstruksie, gelykberegtiging en gepaardgaande regstellende aksie nie oor die nodige kapitaal en infrastruktuur beskik om uitnemendheid in