Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.
PRINCIPLES FOR EFFECTIVE ORGANISATIONAL CHANGE: A QUALITATIVE CASE STUDY OF A CROSS-SECTOR TERTIARY MERGER

A thesis presented in partial fulfilment of

the requirements for the degree of

Doctor of Philosophy

in Education at

Massey University
Palmerston North
New Zealand

Rex Stewart Dalzell

2000
ABSTRACT

Using a qualitative case study, the merger of the Palmerston North College of Education with Massey University, this research had two main goals.

Goal One: To provide an objective, analytical account of the merger.

Goal Two: To generate a substantive theory of change.

To achieve these goals, two sets of specific questions were formulated, focusing on aspects of the merger and the change principles that could be used to guide organisational change.

The research data were obtained, over a period of twelve months, during 1997 and 1998, from four main sources: organisational change literature, official merger records, key players' recollections and views, and staff recollection and views. Responses from key players and staff were obtained through structured interviews and questionnaires.

The focus of the research was on the period from 25 October 1989, when merger negotiations were formally initiated with a letter to the Principal of the Palmerston North College of Education from the Vice-Chancellor of Massey University, until 1 June 1996, when the negotiations were formally completed.

The research methodology involved the use of a qualitative case study design with a modified grounded theory approach to the collection and analysis of data.

The research is presented in three parts.

Part One: Setting the Scene, the writer outlines the research project, reviews the change literature relating to organisational change generally, and mergers in particular, and describes the grounded theory methodology used to collect the data.
Part Two: Collecting the Data, summarises the merger discussions as revealed by official records, by key players and by staff of the merged institution, the Massey University College of Education.

Part Three: Telling the Stories contains the researcher's report of the merger negotiations, the presentation of a principle-based theory for facilitating organisational change, a summary of the research and suggestions for further research.

The theory presented argues for a principle-based approach to organisational change and provides ten principles for consideration: the Trust, Timing, Vision, Valuing, Communication, Consultation, Culture, Compromise, Commitment, Change and Serendipity principles.

In providing a detailed examination of one significant organisational change, and by presenting a principle-based theory of changing, the study claims to have added further to our knowledge of the change process.
ACKNOWLEDGEMENTS

To all those persons who, in special, and often quite different ways, have assisted me in this research, I extend my grateful thanks. In particular I wish to acknowledge the special help and encouragement (awhina), provided by the following people:

• All those staff and key players who willingly gave of their time to be interviewed, to complete the research questionnaires and to be generally harassed by an intrusive researcher.

• My four supervisors:

  - Professor Emeritus Ivan Snook, my initial Chief Supervisor, who continued to provide valuable help in an unofficial capacity.

  - Associate Professor Wayne Edwards who took over as my Chief Supervisor and whose insightful comments, detailed suggestions and much needed encouragement have been greatly appreciated.

  - Professor John Codd who helped “smooth” some early administrative difficulties and whose many helpful suggestions greatly increased the intellectual rigour of my report.

  - Professor Clive McGee, my Supervisor-at-Distance, who was most diligent in attending to the draft scripts sent to him, and whose valuable suggestions, liberally sprinkled with a variety of much-needed encouraging comments, provided a further very helpful perspective.

• All those who provided technical and general support in a variety of ways.

  - Bob Armitage for his extensive, expert, willing and speedy attention to my numerous computer difficulties.

  - Michael West and Don Webster for their very much appreciated back-up computer assistance.
- Kathy Broadley, Jenny Poskitt and Stuart McCutcheon for their proof-reading activities and helpful suggestions.

- Richard Harker for his help in shaping up the research questionnaires.

- Howard Wills for all the documentation that he assembled and readily made available for me.

- Colin Gibbs for his initial and continued support and encouragement throughout the research period.

- Gavin Jack for his long-suffering forbearance in listening to the trials and tribulations associated with the research project, and for his continued encouragement.

- Nicky Johnson for her splendid graphics, Tina Sheehan for her excellent work in transcribing the recorded interviews and Leanne Robinson for facilitating these activities.

- Pauline Thomas for her willing photocopying assistance and Anneke Visser for her freely provided technical advice and general support.

- Tanya Sadlier for her composure under pressure and for her production of a highly professional final copy of this thesis.

- My family as a whole and my wife Joy in particular for their continued encouragement for the whole project. Without Joy’s initiative this research would never have been commenced and without her total support it would never have been completed. Her herculean editing effort to bring some stylistic and semantic respectability to this thesis was carried out with characteristic dedication and concern for excellence. For this labour of love and for her sustained and unobtrusive encouragement throughout the whole research period I am profoundly grateful. Kia ora Joy.

- Tena koutou katoa mo o koutou awhina me o koutou tautoko.

Thank you all for your help and support.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>ii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>iv</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>vi</td>
</tr>
<tr>
<td>LIST OF APPENDICES</td>
<td>ix</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>x</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xi</td>
</tr>
<tr>
<td>RESEARCHER'S ROLE</td>
<td>xii</td>
</tr>
<tr>
<td><strong>PART ONE: SETTING THE SCENE</strong></td>
<td>1</td>
</tr>
<tr>
<td>CHAPTER ONE</td>
<td>1</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.1 The Research Goals</td>
<td>2</td>
</tr>
<tr>
<td>1.2 The Research Context</td>
<td>3</td>
</tr>
<tr>
<td>1.3 The Research Questions</td>
<td>4</td>
</tr>
<tr>
<td>1.4 The Research Methodology</td>
<td>5</td>
</tr>
<tr>
<td>1.5 The Research Data</td>
<td>5</td>
</tr>
<tr>
<td>1.6 The Research Period</td>
<td>7</td>
</tr>
<tr>
<td>1.7 The Research Definitions</td>
<td>8</td>
</tr>
<tr>
<td>1.8 The Research Presentation</td>
<td>9</td>
</tr>
<tr>
<td>1.9 The Researcher</td>
<td>10</td>
</tr>
<tr>
<td><strong>CHAPTER TWO</strong></td>
<td>11</td>
</tr>
<tr>
<td>Effective Organisational Change: What The Literature Tells Us.</td>
<td>11</td>
</tr>
<tr>
<td>2.1 The Characteristics Of Change</td>
<td>13</td>
</tr>
<tr>
<td>2.2 The Management Of Change</td>
<td>19</td>
</tr>
<tr>
<td>2.3 The Role Of Leadership In The Change Process</td>
<td>44</td>
</tr>
<tr>
<td><strong>CHAPTER THREE</strong></td>
<td>55</td>
</tr>
<tr>
<td>Mergers, Amalgamations, Acquisitions In Tertiary Educational Institutions:</td>
<td></td>
</tr>
<tr>
<td>What The Literature Tells Us</td>
<td>55</td>
</tr>
<tr>
<td>3.1 Problems Of Definition</td>
<td>55</td>
</tr>
<tr>
<td>3.2 The New Zealand Scene</td>
<td>56</td>
</tr>
</tbody>
</table>
LIST OF APPENDICES

Appendix 1: Focus Questions For Key Players ................................................................. 295
Appendix 2: The Key Players ......................................................................................... 296
Appendix 3: Questionnaire: Key Players ........................................................................ 298
Appendix 4: Staff Questionnaire .................................................................................. 301
Appendix 5: Vice-Chancellor’s Letter ............................................................................ 309
Appendix 6: Memorandum Of Understanding ............................................................... 310
Appendix 7: Report For The Councils Of Massey University and Palmerston North College of Education ................................................................. 314
Appendix 8: Vice-Chancellor’s Memorandum ................................................................ 316
Appendix 9: Principles Of Amalgamation ..................................................................... 317
Appendix 10: Programmes Sub-Committee’s Draft Report ........................................... 318
Appendix 11: Critique Of Programme Sub-Committee’s Draft Report ......................... 332
Appendix 12: Vice-Chancellor’s Memorandum .............................................................. 337
Appendix 13: Programmes Sub-Committee’s Report On Submissions Received ........... 338
Appendix 14: Evening Standard Report ......................................................................... 340
Appendix 15: Principal’s Memorandum To All Staff .................................................... 341
Appendix 16: Proposed Brief For Consultants ............................................................... 342
Appendix 17: Joint Steering Committee’s Report For The Councils Of Massey University And Palmerston North College Of Education ................................................................. 345
Appendix 18: Vice-Chancellor’s Memorandum: Proposed Amalgamation .................... 347
Appendix 19: Resolution Of The Palmerston North College Of Education Council ....... 348
Appendix 20: Evening Standard Report Of College Council Meeting .......................... 349
Appendix 21: Media Release Concerning Abandonment Of Merger Plans .................. 350
Appendix 24: Principal’s Memorandum To All College Staff Concerning Resumption Of Merger Consultations ................................................................. 353
Appendix 25: Evening Standard Editorial Commending The Decision To Merge ............ 354
Appendix 26: The Memorandum Of Agreement ............................................................. 355
Appendix 27: Merger Implementation Inaugural Report ................................................. 361
Appendix 28: Merger Newsletter .................................................................................... 362
Appendix 29: Press Statement: College Council Chairman ............................................ 364
Appendix 30: Letter To The Minister Of Education From The College Council Chairman ................................................................. 365
Appendix 31: Letter From The Minister Of Education To The Principal Of The College .... 367
Appendix 32: Summary Position Paper .......................................................................... 368
Appendix 33: Executive Order In Council ...................................................................... 370
Appendix 34: Merger Update ......................................................................................... 372
LIST OF TABLES

Table 1: Most Important Principles: Examples Of Interview Responses ........................................ 99
Table 2: Principles Most Often Neglected: Examples Of Interview Responses .............................. 100
Table 3: Most Important Principles: Questionnaire Responses .................................................. 101
Table 4: Additional Important Principles: Questionnaire Responses ........................................... 101
Table 5: Summary Of Key Events 1989 .................................................................................. 109
Table 6: Summary Of Key Events 1990 .................................................................................. 114
Table 7: Summary Of Key Events 1991 .................................................................................. 119
Table 8: Summary Of Key Events 1992 .................................................................................. 126
Table 9: Summary Of Key Events 1993 .................................................................................. 128
Table 10: Summary Of Key Events 1994 ............................................................................... 130
Table 11: Summary Of Key Events 1995 ............................................................................... 137
Table 12: Summary Of Key Events 1996 ............................................................................... 140
Table 13: Reasons For The 1993 Halt In Negotiations ............................................................... 160
Table 14: Reasons For The Success Of The Resumed Negotiations ............................................. 165
Table 15: Important Principles Of Change .............................................................................. 178
Table 16: Reasons For Failure Of Negotiations ......................................................................... 184
Table 17: Reasons For Success Of Negotiations ....................................................................... 186
Table 18: Most Important Principles ......................................................................................... 187
Table 19: The Three Most Important Principles ........................................................................ 192
Table 20: Principles Most Often Neglected ............................................................................... 199
Table 21: Stated Reasons For The Merger: Strategic-Financial .................................................. 202
Table 22: Stated Reasons For The Merger: Professional-Academic ............................................. 203
Table 23: Unstated Reasons For The Merger: Strategic-Financial .............................................. 205
Table 24: Barriers To Merger Success ...................................................................................... 207
Table 25: Principles Of Change ................................................................................................. 210
Table 26: Criteria For Merger Success – Short Term ................................................................. 214
Table 27: Criteria For Merger Success – Long Term ................................................................. 216
Table 28: Reasons For The Merger ........................................................................................... 220
Table 29: Factors Contributing To The Breakdown Of The Merger Negotiations ................... 229
Table 30: Factors Crucial In The Breakdown Of The Merger Negotiations ................................. 232
Table 31: Precipitating Events ................................................................................................. 234
Table 32: A Rule-Based Approach To Organisational Change ................................................ 251
Table 33: A Principle-Based Approach To Organisational Change ........................................... 253
LIST OF FIGURES

Figure 1: The Role Of Principles .......................................................... 252
Figure 2: A Principled-Based Model .................................................... 256
Figure 3: The Rhetoric Reality Triad .................................................... 259
Figure 4: Criteria For Effective Visions ................................................. 265
Figure 5: The Three Elements Of Communication .............................. 272
Figure 6: A Compromise Of Cultures ................................................... 276
Figure 7: The Three Faces Of Compromise .......................................... 278
Figure 8: The Three Levels Of Commitment ......................................... 280
THE RESEARCHER'S ROLE

As background information to the study reported in this thesis it is important to acknowledge the dual roles that the researcher had as both a participant and as the researcher.

In my role as Vice Principal of the Palmerston North College of Education, I was directly and very closely involved with the merger negotiations at all stages of the process. I was a member of the three main committees that operated throughout the merger period: the Joint Steering Committee, the Working Party and the Merger Implementation Group. As Vice Principal, I was present at the College of Education Council meetings, I was Co-Chairperson of the Programme Sub-Committee and I participated in a wide range of formal and informal meetings concerning the merger with staff and executive officers from both the University and the College of Education.

In my role as the researcher, I sought to distance myself from my Vice Principal participant role and to maintain a researcher's objectivity. During the collection and reporting of the research data, I endeavoured to not let my own personal views obtrude and to report accurately and clearly what the participants had to say. My own analysis of these reports appears in Chapters Eight and Nine and represents my own interpretation of the data that were forthcoming. As the study progressed I became more aware of the different organisational cultural perspectives that existed between the two institutions and the influence that these had on the merger negotiations. I also came to appreciate more clearly the extent to which the affective domain, intruding upon the cognitive domain, at times worked to impair, rather than promote, effective judgement.

The fact that I filled these dual roles brought with it some ethical considerations. With my position as a senior member of the College staff, there was the possibility that this might in some way impose constraints on the responses that staff felt free to make. This issue was considered fully by the University Human Ethics Committee when approval for the research was sought. The Committee satisfied themselves that, in view of the fact that I was shortly to leave the University and that responses to the staff questionnaire were to be made anonymously, this would not be a problem. To clarify the situation, the following statement was included in the Information Sheet which accompanied the questionnaire: (Appendix 3). “While I was directly involved with the Merger negotiations as part of Senior Management, and some of you may have been aware of my views, I am no longer part of the Senior Management team and will be examining the change involved from a research perspective.”

The views to which reference is made in this statement concerned my general disposition towards the merger and the approach that would need to be taken to examine the issues involved in the merger. I was clearly supportive of the view that, if the practical details could be satisfactorily solved, then the synergy resulting from the two institutions working together, rather than in competition, would be beneficial to all concerned. In exploring this possibility, I was of the view that, if a merger was to be effected, a good deal of compromise and commitment would be required and all negotiating parties would
need to establish a solid basis of trust upon which their negotiations could be secured. However, in undertaking the research, I endeavoured to be as open minded as possible, to all views as they were expressed. Similarly I endeavoured to prevent any such predispositions, as that described above, from influencing the direction of my research.

Finally, in presenting this study, I am aware that the world is a highly subjective place and that meaning is largely a social construct. Perhaps put another way, we tend to believe our own perception of events. Beliefs, rather than facts, however, often form the basis of perception and this accounts for much of the variance that occurs in everyday reporting. Aware of the tensions posed by my dual roles as researcher and participant, I have done my best to be faithful to the data I have presented. I have viewed, reported and interpreted events as I perceived them. I acknowledge and accept the fact, that others may see things differently.