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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

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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.

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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.

CHAPTER ONE

Introduction

**Reformers have the idea that change can be achieved by brute sanity.
(George Bernard Shaw)**

Change has been endemic to the world since time began. Great civilisations have come and gone, nations have risen and fallen and humanity's ability to come to terms with its environment has fluctuated violently. However, it was not until Alvin Toffler (1971), introduced into our lexicon the term "future shock" that the magnitude and accelerating rapidity of the change that is occurring in our own time began to be realised. Now, some three decades later, the full impact of Toffler's message has taken hold and, quite literally, the race is on for finding ways of meeting the challenge that this presents.

Eleven years ago Connor and Hughes (1988) highlighted the situation when they observed that:

We are living in the midst of what is probably the most dynamic epoch in the history of the human race. Throughout the world we are transforming the basic paradigms in science, technology, government, politics, business and human behaviour, that have provided the structure for civilisation. Educational institutions sit squarely in the midst of this change... Change will be rampant and endemic to our academic culture. Managing that change process will be one of our top priorities. (*ibid*:15-16)

More recently, Davis (1995) made similar observations and suggested that, while there has never been a time when so many organisations are engaged in change, the majority of these changes have been singularly unsuccessful. While this assessment may be pessimistic, it is a useful reminder of the difficulty of the task faced by all sectors of society in adapting to today's changing world. Brute sanity alone, as Shaw suggested, may be inadequate for such a task. The study reported here addresses this issue and represents one response to the challenge of change. In researching the principles that can be followed to facilitate effective organisational change, it seeks to add to our knowledge of the change process.

1.1 The Research Goals

This research had two main goals.

Goal One: To provide an objective, analytical, account of a specific and significant organisational change, namely: the merger of the Palmerston North College Of Education with Massey University.

Goal Two: To generate a substantive theory of change.

In the first goal, the focus was on attempting to provide an accurate account and assessment of the discussions and negotiations that preceded and culminated in the formal merger of the Palmerston North College of Education with Massey University on 1 June 1996. It was hoped that, as well as providing the basis for the generation of a useful grounded theory, this report would also provide what would probably be the first comprehensive “inside” account of events during the seven years (1989 to 1996) of formal merger negotiations.

In pursuing the second goal, the focus was on identifying and describing major principles that could be followed in order for organisational change to be successfully implemented. By focusing on principles, it is argued, maximum mileage can be obtained from the theory which is generated. While strategies, tactics and techniques are situationally specific, principles, by their very nature, are general and have the virtue of being universally applicable in a broad range of diverse situations.

In much of the literature which is reviewed in this study (*e.g.* Havelock, 1973; Bately, 1989; Scott & Jaffe, 1989; Brown, 1990; Plant, 1991; Connor & Lake, 1994), many of the prescriptions for the successful implementation of organisational change have a distinct “recipe” or “blueprint” flavour about them, carrying the implication that, if the directions are followed carefully, then all will be well. Unfortunately, the business of organisational change is more complicated and more varied for this to be the case. A much more “situationally sensitive” approach is required. The goal of this research is to provide such an approach through the considered application of a number of basic change principles.

To use a culinary metaphor, the goal is not to produce a recipe that can be followed step by step with assured results, but, rather, to suggest the basic ingredients that are necessary to create the desired product and to leave to the wisdom, skill and experience of the “master cooks” (*i.e.* change leaders) decisions about how these ingredients should be balanced and processed.

In the change literature, support for this “cook book” approach is considerable. Fullan (1997), in commenting on the complexity of change, declares that there is no “magic bullet” that will provide the answer to effecting change. He emphasises the fact that change is not a fully predictable process and argues that we need to better understand the processes involved in change. The answer, he claims, is not found by seeking ready-made solutions but by “struggling to understand and modify events and processes that are intrinsically complicated, difficult to pin down, and ever changing” (*ibid*:213).

Kanter (1992), presents a similar view when she suggests that:

The appropriate way of thinking about change implementation has less to do with obeying “commandments” and more to do with responding to the “voices” within the organisations, to the requirements of a particular situation, and to the reality that change may never be a discrete phenomenon or a closed book. (*ibid*:391)

Jick (1993), also points up the complexity of the change process and the limitations of any “recipe” approach:

There are no sure-fire instructions which, when scrupulously followed, make change succeed, much less eliminate or solve problems accompanying any change process. Changing is inherently messy, confusing and loaded with unpredictability, and no one escapes this fact. (*ibid*:xiv)

The Price Waterhouse Change Integration Team (1995) give support for a “principle” approach to change management. They point out that each change situation is unique and from their experience with hundreds of client assignments there is, they declare, a “finite set of principles to which one can securely look to achieve a better change.” (*ibid*:4).

It is the formulation of such a set of principles that the present research has as its second goal.

1.2 The Research Context

The Palmerston North College of Education opened in 1956 as the Palmerston North Teachers College, a stand alone institution offering a two year non-university programme for prospective primary school teachers. In 1969, it expanded to a three year programme and the following year entered into a conjoint relationship with Massey University whereby its students were able to study for the new Bachelor of Education degree instituted by Massey University in 1969.

Palmerston North is a small provincial city with a current population of around seventy thousand. The College was located on the west side of the Manawatu River, approximately two kilometres from the centre of the city.

Massey University, formerly a small agricultural college, is situated on the east side of the Manawatu River. The former Manawatu University College became a full university in 1964. It is now organised into four Colleges (Business Studies, Education, Humanities and Science) which provide both internal and extramural programmes. In 1964, the University had a roll of just under two thousand. Its present roll, in equivalent full time students (EFTS), is just under seventeen thousand. It has three main campuses; two in Palmerston North, Turitea and Hokowhitu, and one in the Auckland suburb of Albany. In 1996 it merged with the Palmerston North College of Education, in 1999 it merged with the Wellington Polytechnic, and is currently in the process of merging with the Auckland College of Education.

Following an initiative from the Vice-Chancellor of Massey University, in October 1989, the University and the College entered into discussions to explore a merger between the two institutions. On 1 June 1996, with the disestablishment of the Palmerston North College of Education, the merger was effected and the Massey University College of Education came into existence. At the time of the merger, the former College had a roll of just under a thousand equivalent full-time students.

1.3 The Research Questions

In order to address the research goals, specific research questions were formulated.

To achieve the first goal, the provision of an objective, analytical account of the merger of the Palmerston North College of Education with Massey University, the following questions were constructed:

1. What were the reasons for the merger?
2. What caused the breakdown of negotiations in 1993?
3. Why were the resumed negotiations successful?
4. What criteria should be used to judge the effectiveness of the merger?
5. What are the barriers to the success of the merger?

To achieve the second goal, the generation of a substantive theory of change, the following question was asked:

- What are the important change principles that should guide effective organisational change?

The responses to these two sets of questions provided the foundation for the design of this research.

1.4 The Research Methodology

The methodology used in this research involved the use of a qualitative case study design with a modified grounded theory approach to the collection and analysis of data. In Chapter 4 this methodology is described in detail.

Using this approach, the researcher had no preconceived hypothesis to test, but entered the field with an open mind (as much as this is humanly possible) seeking to induce from the data a set of principles that would facilitate effective organisational change. Through a series of progressive steps, the data were examined, coded and synthesised into a comprehensive theory.

1.5 The Research Data

The data for the study were obtained from four sources over a period of twelve months during 1997 and 1998. Each source is presented in summary form.

1.5.1 Literature Review

As a basis for the research, an extensive review of the literature relating to organisational change was undertaken. For ease of access, the viewed material was arranged into two broad groupings:

- (a) organisational change in general; and
- (b) mergers, acquisitions and amalgamation.

Three hundred publications were read and summarised on a database for later reference.

1.5.2 Official Records

Relevant excerpts from the records of the Palmerston North College of Education Council, the Massey University Council, the Joint Steering Committee, the Working Party and the Merger

Implementation Group provided the main source of the “official” details of the merger deliberations and negotiations.

1.5.3 Key Players’ Recollections

During 1997 and 1998, in-depth structured interviews (Appendix 1) were conducted with thirty-one of the “key players” who were involved in the merger negotiations. Each interview was tape recorded, transcribed and returned to the interviewees for the deletion of any statements which they did not wish to remain on record.

The key players comprised the people who were members of the three major groups involved in the negotiations, (the Joint Steering Committee, the Working Party and the Merger Implementation Group) together with the following who had been closely associated with the merger:

- the Chancellor, Pro-Chancellor, Assistant to the Vice-Chancellor and Registrar of Massey University during the period of the merger negotiations;
- the Vice-Chancellor during the major period of the merger negotiations;
- the Vice-Chancellor during the latter period of the negotiations;
- the Principal of the University Albany Campus;
- the Deputy Chairperson of the College of Education’s Council during the period of the merger negotiations;
- a member of the University Council during the period of the negotiations;
- a member of the College of Education Council during the period of the negotiations;
- a staff representative of the University’s Education Faculty;
- two staff representatives of the College’s academic staff;
- a former Principal of the College of Education.

(A complete list of all those interviewed is contained in Appendix 2).

A year after the interviews, a follow-up questionnaire was administered to the key players (Appendix 3).

In addition, correspondence was exchanged with two former principals of the College of Education, the two Members of Parliament in whose electorates sections of the University were located, and the Minister of Education at the time of the negotiations.

1.5.4 Staff Views And Recollections

During 1997, and as a preliminary to the main data gathering exercise, 81 staff from the newly constituted Massey University College of Education were interviewed and asked two questions relating to organisational change, in general:

1. What are the three most important principles change managers should follow in implementing any change in an institution or organisation?
2. What one important principle is most often violated?

The responses to these questions were hand recorded and subsequently ordered and analysed.

Towards the end of the 1997 academic year, all 205 (equivalent full-time) academic and general staff of the Massey University College of Education, were invited to complete a questionnaire concerning some aspects of the merger (Appendix 4). Fifty-nine of the 135 academic staff (44%), and eighteen of the 70 general staff (26%) responded to the invitation, giving an overall response rate of 38%.

1.6 The Research Period

On 25 October 1989, the Vice-Chancellor of Massey University formally initiated merger discussions with a letter to the Principal of Palmerston North College of Education. In this letter (Appendix 5) the Vice-Chancellor indicated that, subsequent to their recent meeting, where they had discussed generally the future relationship between the University and the College, he had concluded that the matter should be pursued. Accordingly, he invited the College to consider the establishment of a Joint Committee, "to get down to details forthwith... If we cannot then make progress by about the end of the first term next year we will know that our goals and perceptions are not the same and that a combined approach probably will not work." (25 October 1989).

On 1 June 1996, after a period of negotiations lasting almost seven years, the Palmerston North College of Education was formally disestablished and the Massey University College of Education began existence.

The period between these two significant events is the focus of this research.

1.7 The Research Definitions

A number of terms require specific definition in terms of their use in the context of this thesis.

1.7.1 Principles

The word “principle” refers to a guiding idea that informs judgement and action. Expressed in these terms, “Principles for Effective Organisational Change” can be viewed as “basic building blocks” upon which productive organisational change can be built.

1.7.2 Effective

Effective, in the context of organisational change, is defined as that which achieves the goal or goals it was designed to achieve.

The agreed and publicly stated goal of the discussions between the College and the University was to effect a merger of the two institutions. With the disestablishment of the College on 1 June 1996 and the establishment of the Massey University College of Education on the same date this goal was achieved. In terms of effectiveness, as defined in this research, the organisational change involved can be said to be effective. However, it is important to note here that this judgement of effectiveness applies only to the research period under discussion, *i.e.* 1989-1996. Any question of effectiveness of the merger as it occurs in subsequent years, is a much more extended matter which is outside the scope of this research.

1.7.3 The Merger

In defining the word “merger”, it needs to be acknowledged that the word refers not just to a single event but to a series of events; also, “merger” is perceived as a process as well as a product.

The term “merger” is used in this research to refer to those events and activities of the College and the University that led up to and concluded with the 1 June 1996 disestablishment of the Palmerston North College of Education and the establishment of the new identity, Massey University College of Education.

1.8 The Research Presentation

The research report is presented as follows:

1.8.1 Part One: Setting The Scene

Chapter One: Introduction: An outline of the thesis research.

Chapter Two: Effective Organisational Change: What The Literature Tells Us. A synthesis of relevant change literature.

Chapter Three: Mergers, Acquisitions and Amalgamations: What the Literature Tells Us. A synthesis of the literature on these three forms of organisational change.

Chapter Four: The Research Methodology. A Grounded Theory Model: A description of the methodology used in the research.

1.8.2 Part Two: Collecting The Data

Chapter Five: The Merger: What The Official Records Tell us. A summary and analysis of the merger discussions and negotiations as revealed by the official records of the Councils of Palmerston North College of Education and Massey University, the Joint Steering Committee, the Working Party and the Merger Implementation Group.

Chapter Six: The Merger: As The Key Players Saw It. A report on the merger process as perceived by the key players.

Chapter Seven: The Merger: As The Staff Saw It. The responses of Massey University College of Education staff to an initial interview about organisational change in general and to a subsequent written questionnaire about the merger.

1.8.3 Part Three: Telling The Stories

Chapter Eight: The Merger Story: As Analysis Reveals It. The researcher's overall report of the merger negotiations.

Chapter Nine: The Wider Story: As A Theory Informs it. Presentation of a principle-based theory for facilitating organisational change.

Chapter Ten: Conclusion. A summary of the research project, the methodology revisited and suggestions for future research.

1.9 The Researcher

When the merger was formalised in June 1996, the researcher had been a member of the Palmerston North College of Education staff for 24 years, the last fourteen years as the Vice Principal of the College. In this capacity he was directly and closely involved in the discussions and negotiations associated with the merger process. He was a member of the three major merger working parties, the Joint Steering Committee, the Working Party and the Merger Implementation Group. He was the Co-Chairperson of the Programmes Sub-Committee. He was present at the meetings of the Palmerston North College of Education's Council and participated in a range of College-wide discussions and fora on the merger proceedings.

In the next chapter a synthesis of relevant change literature is presented.

CHAPTER TWO

Effective Organisational Change: What The Literature Tells Us

In this chapter a synthesis of change literature is presented using the framework of three questions suggested by the present study:

- What are the important characteristics of change?
- How best can the process of change be managed?
- What is the role of leadership in this process?

Oliver (1992), in her investigation into the process of change as it related to aspects of the amalgamation between the University of Waikato and the Hamilton Teachers College, the first such institutional merger in New Zealand, noted the abundance of literature in this field. “There appears to be” she observed, “about as many theories of the change process as there are writers on the subject.” (*ibid*:10). However, she noted, “Despite the extensive range of literature there are some broad areas of agreement.” (*loc. cit.*). Oliver described two broad types of change theory that appear in the literature: implementation theory and change process theory.

Marks (1996), in her qualitative study of New Zealand pre-service primary education in a climate of change, notes the large body of literature currently available on change theory and suggests that a further category of change theory, that of “change management theory”, be considered.

Accepting the validity of these observations, the present writer was faced with two problems: selection and presentation.

First, from this extremely extensive and diverse field of available literature (in the writer’s first database search, using the keywords “organisational change”, some five thousand entries arose) a sensible selection had to be made of the writings.

Second, in view of the wide range of items, a strategy for grouping and presenting this material had to be found.

Careful reflection and a consideration of the range of possibilities suggested the first problem could be addressed by the employment of three criteria.

Relevance: the selected literature should be relevant to the area of change under investigation. A considerable amount of the literature was general in its focus and was only peripherally related to the present study.

Robustness: the selected literature had to be robust. That is, being of sufficient substance to warrant serious consideration. Much of the literature failed to meet this criterion, often being insubstantial and frequently being repetitive.

Recency: the selected literature had to be relatively recent in the sense that it represented the most advanced understanding of the organisational change process. For the most part the period of relative recency was taken as the last twenty years, although there were a number of important exceptions to this judgement (*e.g.* the works of Lewin, 1952; Halpin, 1967; Beeby, 1968; Toffler, 1971). These criteria provided a manageable way of solving the selection problem.

The second problem, presentation, though not of equal significance, nevertheless also required resolution. Rather than attempt to contain the presentation of the literature within the parameters of broad families of change theory, the literature has been grouped in order to answer three pertinent questions related to, and suggested by, this particular study:

- What are the important characteristics of change?
- How best can the process of change be managed?
- What is the role of leadership in this process?

In response to each of these questions the relevant change theories are presented. By adopting this method of presentation, it is argued, relevant theories are not forced into artificial or misleading categories. Such theories can be viewed where they more naturally fit.

2.1 The Characteristics Of Change

2.1.1 Change Is Inevitable, Pervasive And Powerful

Some of the first observations that can be made about change are that it is inevitable, powerful and occurs everywhere. The history of mankind is the history of change. “Nothing is permanent but change.” (Heraclitus).

The influence of change is universal. Nothing, least of all human organisations, is immune to its power. Fullan (1993) expresses this characteristic well when he observes, “Change is ubiquitous and relentless, forcing itself on us at every turn.” (*ibid*:vii). Given this situation, the imperative to contend with the forces of change is very strong. Fullan, in his influential work “Change Forces” (*loc. cit.*), provides useful insights into how best this imperative might best be actioned.

2.1.2 Change Is Self-Perpetuating

Change also appears to have a momentum of its own. Change begets more change and at an ever increasing rate, in spite of the homeostatic pull towards maintaining the status quo. The world wide “merger movement”, both in the corporate and educational sectors, provides an example of this. The following fable illustrates this feature graphically.

The Lily and the Farmer

A farmer had a big pond for fish and ducks. On the pond was a tiny lily. The lily was growing. It was doubling its size every day.

“Look” said the people to the farmer, “you’d better cut that lily. One day it’ll be so big it’ll kill all your fish and ducks.”

“All right, all right,” said the farmer, “but there’s no hurry. It’s only growing very slowly.”

The lily carried on doubling its size every day. “Look” said the farmer several days later, “the lily is still only half the size of the pond. No need to worry yet.”

The next day the farmer was very surprised! (Whitaker, 1993:19).

The influence of Toffler (1971) in alerting us to this characteristic of change has already been acknowledged (Chapter One, p. 1). More recently, Bainbridge (1997) makes the point with reference to formal organisations by observing, “Change is moving to the top of the corporate agenda. Our organisations are being bombarded from every side by pressures for change, be they social or political, economic or technological.” (*ibid*:i).

Providing appropriate responses to these pressures poses one of the most important challenges of our contemporary society.

2.1.3 Change Is Complex

Change is also very complex. Numerous writers attest to this fact.

From his vast experience, Beeby (1986) declared he had learned that, "Change is a slow and ragged process that does not proceed uniformly on all fronts." (*ibid*:37) and Conner (1998) also highlights this characteristic when he notes:

Human transformation is too complex to be described by a rigid set of laws. Change is not a discrete event that occurs by linear progression; rather it unfolds on many different levels simultaneously. Instead of relying on hard and fast rules that can get you into trouble, acknowledge the complexity of change by focusing on... patterns and principles for your direction. (*ibid*:10)

Everard and Morris (1990) also point to the complexity of change and contend that, "Few individuals in organisations appreciate how multi-dimensional change really is; we tend to espouse a comfortably simplistic notion of it." (*ibid*:233).

A similar view is expressed by Williams (1996:237) when he says that change is difficult and fraught with conflict and uncertainty. Jick (1993) reinforces this view when he declares:

There are no sure-fire instructions which, when scrupulously followed, make change succeed, much less eliminate or solve problems accompanying any change process. Changing is inherently messy, confusing, and loaded with unpredictability, and no one escapes this fact. (*ibid*:xiv)

Handy (1991), in *The Age of Unreason*, also highlights the complexity of change when he emphasises its discontinuous nature. He argues that discontinuous change is all around us and that we need to realise that there are opportunities as well as problems with this state of affairs.

Gibson (1997) supports this view and contends that, "As our world becomes more complex and interdependent, change becomes increasingly non-linear, discontinuous and unpredictable." (*ibid*:6). This complexity of change is illustrated by Fullan (1993) when, speaking of educational change in particular, he declares:

Productive educational change roams somewhere between over control and chaos. There are fundamental reasons why controlling strategies don't work. The

underlying one is that the change process is uncontrollably complex, and in many circumstances “unknowable” (*ibid*:19)

2.1.4 Change Provokes Resistance

Another very obvious characteristic of change is that, wherever it occurs, it almost inevitably creates some form of resistance. Elliott-Kemp (1982) highlights this feature when, speaking of the adaptability of humankind, he notes:

Yet paradoxically, despite the undoubted adaptive characteristics of the human species in a wide variety of problematic situations and environments from a long term biological or historical perspective, resistance to change appears to be an endemic feature of human life: the status quo seems to possess an obvious rationality which needs no justification - it is change which must be justified, and justified well. (*ibid*:1)

This aspect of change, as it relates specifically to organisations, was noted by Schon in the 1971 Reith Lecture. He pointed out that:

Organisations are dynamically conservative: that is to say, they fight like mad to remain the same. Only when an organisation cannot repel, ignore, contain or transform the threat, it responds to it. But the characteristic is that of least change: nominal or token change. (Everard & Morris, 1990:229)

Plant (1987), makes a helpful observation when he points out that resistance to change essentially comes in two forms, systemic and behavioural. Systemic resistance, he explains, arises from a lack of appropriate knowledge or information about the change or from the lack of the appropriate skills to deal with it. Behavioural resistance, on the other hand, describes resistance as resulting from the reactions, perceptions and assumptions that individuals or groups make about the proposed change. This distinction, which he describes as cognitive versus emotional, is useful in that it allows for efforts to deal with change resistance to be more appropriately directed to the causative factors.

Levels of systemic resistance, Plant notes, will be less if systemic aspects such as information and communication flows are well attended to in a period of change. Likewise, levels of emotionally based behavioural resistance will be considerably lower if an atmosphere of trust pervades the change activity. The crucial importance of creating this atmosphere of trust is highlighted in the present study (Chapters 8 and 9).

Within this general resistance rubric, writers have itemised specific trigger points for change resistant behaviour.

Yukl (1998), in emphasising the fact that change is a common phenomenon for individuals and organisations, provides a valuable summary of what many have written on this topic. "There are", he declares, "at least nine reasons for resisting major change." (*ibid*:439). Lack of trust, he suggests, is the first.

A basic reason for resistance to change is distrust of the people who propose it. Distrust can magnify the effect of other sources of resistance. Even when there is no obvious threat, a change may be resisted if people imagine there are hidden, ominous implications that will only become obvious at a later time. (*loc. cit.*)

Reasons two and three relate to beliefs that change is both unnecessary and is not feasible. If people are not convinced that change is necessary or is likely to succeed, then they are likely to oppose it. Economic threats and the overall personal cost to those concerned are cited as reasons four and five. "Regardless of how change would benefit an organisation, it is likely to be resisted by people who would suffer personal loss of income, benefits, or job security." (*loc. cit.*). Reasons six to nine touch on people's belief in themselves and their place in the overall scheme of things. They resist change through fear of personal failure in the new situation, through fear of a loss of status and power, through threat to their values and their ideals and resentment that the change is an encroachment on their own autonomy.

Yukl concludes his analysis with the comment that:

Resistance to change is not merely the result of ignorance or inflexibility, it is a natural reaction by people who want to protect their self-interests and sense of self-determination. Rather than seeing resistance as just another obstacle to batter down or circumvent, it is more realistic and helpful to view it as energy that can be redirected to improve change. (*ibid*:440)

Another feature of change resistance is exemplified by the phases that individuals experience in reacting to change. Whitaker (1993) outlines the phases that individuals frequently go through when faced with this intrusion into their lives.

In the first instance there is a reaction of shock; mild in some cases but traumatic in others. There is disbelief that change is taking place and fear that the individual's familiar world is falling apart. When the implications of change begin to emerge the next reaction is one of withdrawal. "In an attempt to keep the familiar world intact, people search for ways of avoiding

the consequences of change and struggle to maintain the status quo. At this stage, counter-arguments will be rehearsed and resistance rationales developed.” (*ibid*:64).

The third stage is one of acknowledgement; an acceptance of the inevitability of the change. There comes the realisation that the change is a reality and that the energy required to resist it will be much greater than that required to “go with it”. The fourth and final stage is that of adaptation. This adaptation can take many forms. At one end of the adaptation continuum, a wholehearted acceptance of the new situation can result while, at the other end, departure from the situation altogether is the response. Most reaction lies somewhere towards the mid-point of these extremes.

In outlining these phases, however, Whitaker (1993) makes the relevant observation that:

There is nothing systematic or predictable about this model. In some circumstances we can move through the phases in a matter of minutes, in other more traumatic situations the stages can take years to work through and may never be fully resolved. (*ibid*:65)

A further related and useful point he makes with respect to change resistance is that change in itself does not bring with it an imperative for it to be feared and avoided. Rather, as he suggests, “Change can present new opportunities and exciting prospects. It can focus thinking and concentrate ambitions. It is through change that some wilder dreams can be realised.” (*ibid*:68).

Another way of describing this phased response of individuals to change is offered by Morrish (1976) who sees the adoption of change as best represented by a cumulative S-curve. In this representation about ten per cent of the given population are seen as “early adopters”, forty per cent as the “early majority”, forty per cent as the “late majority” and ten per cent as the “laggards”.

2.1.5 Change Occurs In Defined Stages

Organisations, it is claimed, also react to a change in a series of phases. One of the characteristics of change that it is important to recognise in this regard is that change “is a journey not a blueprint” (Fullan, 1997:2), a process not an event, and this process, this journey, proceeds through a number of definable, characteristic stages.

One of the first to advance this notion was Kurt Lewin (1952) whose force-field model had, and continues to have, a remarkable influence on all those endeavouring to understand the

complexities of the change process. In essence, and expressed in very simple terms, Lewin's theory consisted of a three-stage concept of change involving the processes of "unfreezing, restructuring and refreezing".

In the first stage, the unfreezing stage, for change to occur, existing patterns and structures have to be loosened and broken down (*i.e.* they would be unfrozen) so that conditions for change become favourable. In the next stage, that of restructuring, with the environment now suitably receptive, the actual envisaged changes take place. Finally, in the third stage, the refreezing stage, the changes become established.

While there is a very large body of unquestioned support for this model (*e.g.* Lippitt, Watson & Westley, 1958; Gross, Giacquinta & Bernstein, 1971; Huse, 1985; Kilmann, 1989; Miller, 1990; Plant, 1991; Schein, 1992; Connor & Lake, 1994; Owens, 1995; Yukl, 1998), and it does have a beguiling, if deceptive, simplicity, it needs to be noted that such unqualified support is not necessarily warranted.

Rosabeth Kanter (1992), the noted American authority on corporate organisational change, is one writer who is perceptive and brave enough to say so.

Lewin's model was a simple one with organisational change involving three stages: unfreezing, changing, and refreezing. This quaintly linear and static conception - the organisation as an ice cube - is so wildly inappropriate that it is difficult to see why it has not only survived but prospered, except for one thing. It offers managers a very straight forward way of planning their actions by simplifying an extraordinary complex process into a child's formula. (*ibid*:10)

Kanter explains:

Suffice it to say here, first, that organisations are never frozen, much less refrozen, but are fluid entities with many "personalities". Second, to the extent that there are stages, they overlap and interpenetrate one another in important ways. Instead, it is more appropriate to view organisational motion as ubiquitous and multidirectional. Deliberate change is a matter of grabbing hold of some aspect of the motion and steering it in a particular direction that will be perceived by key players as a new method of operating or as a reason to reorient one's relationship and responsibility to the organisation itself, while creating conditions that facilitate and assist that reorientation. (*loc. cit.*)

Notwithstanding this well directed criticism, Lewin's work on change has been tremendously influential and is of undoubted value in highlighting this particular characteristic of change.

2.1.6 Change Can Be Promoted By Various Means

One final characteristic of change is that it can be effected by a variety of basic strategies. The classical exposition of this characteristic was presented by Chin & Benne (1971) and still provides a useful, albeit very general, description of such strategies.

In this model, three approaches to effecting change are postulated. The first, the Rational - Empirical approach, involves the appeal to the rational nature of the projected change with its foundation firmly anchored in a sound empirical base. The second, the Normative-Re-Educative approach, relies on an educative process whereby the majority of those affected by the change are convinced of its merit. The third, the Power-Coercive approach, as its name suggests, resorts to the application of power to coerce an acceptance of the projected change.

While this model provides a useful, overall picture of the approaches to effecting change, it needs to be realised that it over simplifies the situation. The complexity of the change process, as already noted, defies any such clear cut categorisation and, in actual practice, a blend of these approaches is more usually what occurs.

2.2 The Management Of Change

Notwithstanding the extensive literature relating to the management of change, it is possible to identify some commonality in the elements that are the focus of most attention. Six broad areas seem to identify themselves and the separate consideration of each of these suggests a viable way of sampling the literature in this field.

The areas identified are grouped under the headings of: vision, culture, value, trust, communication and consultation.

2.2.1 Vision: The Necessity To Establish A Clear Direction For The Proposed Change

The place of vision in the management of change receives considerable attention in most change literature. It receives similar attention in the present study. The necessity to establish a vision for any planned change, is something that all change theorists and change practitioners agree is essential if the change is likely to have any real chance of success. This is eminently logical. As Pfeffer (1992), when speaking of vision, colourfully observes:

The first step is to decide on our goals. It is, for instance, easier to drive from Albany, New York to Austin, Texas if you know your destination, than if you just get in your car in Albany and drive randomly. Although this point is apparently obvious, it is something that is often overlooked in the business context. (*ibid*:29)

Jick (1993) makes a similar point, “‘visions’, ‘visionaries’, ‘envisioning’, are concepts everyone agrees to be essential to change; indeed common sense indicates that a change must be ‘seen’, its direction in some way charted, before anything happens.” (Jick, 1993:75).

However, while there is general agreement that, in the change process, visions are an essential ingredient, this agreement is not as evident when it comes to delineating the specific nature of this ingredient. A variety of views are espoused about the key elements of useful visions, how they are best developed and the specific benefits they can bring to those who have them. The following review presents some of these views.

2.2.1.1 Visions: What are they? What are their key elements?

When considering the key elements of useful visions, all commentators appear to agree that, for a vision to be useful, it must be stated clearly and in terms that can be readily understood. Unless it is expressed in such terms and can be clearly understood by all those involved in the change activity, then its effectiveness will be severely limited. Somewhat trite, though this observation may at first appear, its importance should not be underestimated. Many change enterprises have failed to gain momentum through the failure to explicate what the change was seeking to obtain.

Further, it is generally agreed that, to facilitate this objective of clarity, visions should be expressed as simply as possible. Yukl (1998), in acknowledging that, “Vision is a term used with many different meanings, and there is widespread confusion about it.” (*ibid*:443) declares:

A vision should be simple and idealistic, a picture of a desirable future, not a complex plan with quantitative objectives and detailed action steps... Finally, a successful vision should be simple enough to be communicated clearly in five minutes. (*loc. cit.*)

While not all would agree with this rather restricted and specific time frame, the general sentiment of simplicity seems to have widespread acceptance. To be effective, a vision needs to meet the dual criteria of clarity and simplicity.

As well as being clear and simple, useful visions also have to strike a balance between being so general that they are no more than a pious hope and so specific that they prove to be an unworkable strait-jacket. About what this balance should be there is much less agreement. Some writers argue that visions should be very specific and give detailed indications of what is being envisaged and how it is to be obtained. Hensey (1995) takes this view. The vision, he claims, “needs to be shared and supported by the vision community. The vision will be most useful when it’s specific and detailed.” (*ibid*:26).

Others, however, suggest that visions should be less like blueprints and more like general travel guides, documents which inspire travellers and lay before them a whole range of exciting possibilities. Newton and Tarrant (1992) take this view. Visionary objectives, they claim, are frequently looked upon as too theoretical, unattainable or abstract but, they declare:

They have led individuals and organisations to some remarkable accomplishments. They have the power to inspire and spur by providing a vivid picture of what a team is trying to achieve, an image of what it stands for, challenge and excitement as well as a common direction for its activities. (*ibid*:81)

A number of others present more “middle-of-the road” views. Kotter (1990) provides a fair representation of such views when he says that:

A vision is not something mystical or intangible but is simply a description of something (an organisation, a corporate culture, a business, a technology, an activity) in the future, often the distant future, in terms of what, in essence, it should become. Typically, a vision should be specific enough to provide real guidance to people, yet vague enough to encourage initiative and to remain relevant under a variety of conditions (*ibid*:36).

This seems sensible advice although it is the striking of this balance that is the difficult task.

As well as being sufficiently specific, clear and simply expressed, visions, according to some writers, need also to be flexible. Fullan (1992) emphasises this aspect. He makes the point that visions should always be provisional and that, should circumstances indicate that they need to be modified then, this modification should happen. Sometimes visions, “maps of change”, are faulty, in which case they need to be modified or discarded. As he succinctly observes, “It’s hard to get to a destination when your map doesn’t accurately represent the territory you traverse” (*ibid*:745). The critical question, he suggests, is not whether visions are important but, how can they be shaped and reshaped given the complexity of change.

Visions die prematurely when they are mere paper products churned out by leadership teams, when they are static or even wrong and when they attempt to impose a false consensus suppressing rather than enabling personal visions to flourish. (Fullan, 1993:30)

To Fullan and others, visions, to be useful, must retain their flexibility. Just as it is important to have visions, so is it important not to be blinded by them. The retention of flexibility guards against this possibility.

Another generally agreed key element of visions is their ability to inspire. Reference to this property occurs in various terms. Senge (1994), speaking of visions, says, "Visions are exhilarating. They create the spark, the excitement that lifts an organisation out of the mundane." (*ibid*:208). Yukl (1998) says they should be challenging and Whitaker (1993) declares that, "A vision, needs to be seen as a calling rather than simply a good idea. Shared visions can uplift people's aspirations, create sparks of excitement, compel experimentation and risk taking and increase the courage to succeed." (*ibid*:70).

This inspirational property of visions is far more likely to become a reality if the vision is shared. All writers seem agreed on this point. Senge (1994) suggests that, "A shared vision is the first step in allowing people who mistrusted each other to begin to work together. It creates a common identity." (*loc. cit.*) He points out that a shared vision fosters genuine commitment rather than compliance and this occurs when individual "pictures of the future" are unearthed and translated into one collective vision.

Kanter (1992) expresses similar sentiments when she declares that, "One of the first steps in engineering change is to unite an organisation behind a central vision." (*ibid*:306). Fullan (1993), likewise, stresses the importance of having shared visions but notes that such visions, "must evolve through the dynamic interaction of organisational members and leaders" (*ibid*:28). When this happens, and this takes time, a powerful synergy for successful change is created. As Nanus (1992) expresses it, "There is no more powerful engine driving an organisation toward excellence and long-range success than an attractive, worthwhile, and achievable vision of the future, widely shared." (*ibid*:3).

Finally, as well as being clear and simple, balanced between specificity and generality, flexible, inspirational and shared, effective visions need to be realistic. Useful visions have to be more than utopian dreams. They have to be based on reality with a "reasonable" chance of coming to fruition. Most writers accept this requirement.

The vision should be challenging but realistic. To be meaningful and credible, it should not be a wishful fantasy, but rather an attainable future grounded in the present reality. The vision should address basic assumptions about what is important for the organisation, how it should relate to the environment, and how people should be treated. (Yukl, *loc. cit.*)

Nanus (1992), "Quite simply, a vision is a realistic, credible, attractive future for your organisation" (*ibid*:8) and Kanter (1983), similarly declares that, in addition to being inspirational, visions that drive change must be realistic, based on an assessment of the particular circumstances that prevail at the time.

2.2.1.2 Visions: How are they best developed?

An examination of the literature on this question reveals a polarisation of views. On one hand, those writers favouring a more traditional approach suggest that the responsibility for vision generation rests solely with the leaders of the change whose task it is to formulate the vision and to work to ensure that as many people as possible accept it. On the other hand, there are those who advocate a different approach. This view says that, essentially, the vision for change should largely come from those who are going to implement it and be affected by it, with the leaders acting more in the role of catalysts and co-ordinators.

The former view is expressed by Newton and Tarrant (1992) who argue that if changes are going to be successful in an organisation, then whoever is driving them needs a clear vision of where they are going and this involves having a clear plan of attainable and short term or intermediate objectives which are worked out in some detail against a clear time span (*ibid*:86).

This position also finds favour with Nanus (1992) who is quite clear about the role leaders have to play in this matter. The responsibility for establishing a vision for an organisation clearly rests with them.

There is no mystery about this. Effective leaders have agendas; they are totally results oriented. They adopt challenging new visions of what is both possible and desirable, communicate their visions, persuade others to become so committed to these new directions that they are eager to lend their resources and energies to make them happen. (*ibid*:4)

Morton (1991) expresses a similar view when he declares that it is the responsibility of top management to provide a clear vision for the organisation and to delineate the steps to the realisation of that vision.

The contrary view is that, while leaders have an important part to play in helping build visions, their role is more that of facilitators than directors. Visions need to arise from the collective enterprise of all those involved in the change. In this respect, the views of Senge (1990) are broadly representative of those holding to this position.

Senge maintains that collective vision-building is a reinforcing and essential process. If people are not allowed to have their own vision and contribute to a shared vision, then “all they can do is to ‘sign up’ for someone else’s.” (*ibid*:211). He points out that:

Today, “vision” is a familiar concept in corporate leadership. But when you look carefully you find that most “visions” are one person’s (or one group’s) vision imposed on an organisation. Such visions, at best, command compliance - not commitment. A shared vision is a vision that many people are truly committed to, because it reflects their own personal vision. (*ibid*:206)

Whitaker (1993) strongly supports this stand and makes the point that the generation of visions is not a uni-directional process. Rather it is a two-way top-down and bottom-up activity with input coming both from the leaders and the led. As he puts it, “Shared vision can never be ‘official’, it needs both to bubble up the organisation as well as to filter down, connecting personal vision in an elaborate tracery of ambition and purpose.” (*ibid*:70).

Further support for this approach comes from Fullan (1993) who, while supporting the notion that visions need to be collaboratively developed and not imposed unilaterally, puts forward the interesting proposition that visions should not lead the change process but, rather, should develop later. He claims that in place of the usual “Ready, aim, fire” sequence for planned change the command should read “Ready, fire, aim” with the aim, the vision, following, rather than preceding, much of the change process activity. As he puts it:

Visions come later for two reasons. First, under conditions of dynamic complexity one needs a good deal of reflective experience before one can form a plausible vision. Vision emerges from, more than it precedes, action. Even then it is always provisional. Second, shared vision, which is essential for success, must evolve through dynamic interaction of organisational members and leaders. This takes time and will not succeed unless the vision-building process is somewhat open-ended. Visions coming later does not mean they are not worked on. Just the opposite. They are pursued more authentically while avoiding premature formalisation. (*ibid*:28)

Although at first glance such a stand may appear a little overstated, (in the literal sense firing before one aims usually does not result in a high level of accuracy) the point is well made. In

developing visions collaboratively, a certain caution against premature closure is well warranted.

2.2.1.3 *Visions: What benefits do they have?*

Clearly the major benefit that visions have is that they provide some direction for the change which is sought. As Millett (1977) observed some time ago, "One cannot draw a road map without knowing in advance where one is going." (*ibid*:47).

In addition to providing the direction for change, visions have a number of other benefits. Nanus (1992), in pointing out that effective visions inspire and encourage commitment, highlights the motivational aspects of visions. The right vision, he declares, "is an idea so energising that in effect it jump-starts the future by calling forth the skills, talents, and resources to make it happen". (*ibid*:8).

He proceeds to point out that, not only do good visions have energising value, but they also give valuable focus to the change activities. Good visions, he says, prevent people being overwhelmed by immediate problems because they help distinguish what is truly important from what is merely interesting. By acting in this way, they greatly assist in bringing attention to things that really matter and not to matters that are essentially peripheral. (*ibid*:30).

Similarly, Covey (1994) notes that the passion of a shared vision enables people to transcend the petty, negative interactions that inevitably arise with change and which consume so much time and energy. Other writers make similar comments. Land and Jarman (1992) note that, "a forceful vision focuses the energies of the entire organisation." (*ibid*:25) and Huse and Cummings (1985) point to the value of vision as a means of energising commitment.

Finally, effective visions not only provide the inspiration and direction for a change but they also, and very importantly, plot some of the steps that need to be taken in order to ensure that the desired destination will be reached.

Pfeffer (1994), in reiterating the obvious point that "It's hard to get any where if you don't know where you are going" (*ibid*:57) strongly suggests that, for successful change, visions need to, "guide the tactical decisions and provide a framework for the organisation as it proceeds." (*loc. cit.*).

This role of visions, in providing guidance for the process as well as the product of the change, is highlighted also by Prahalad (1997). Companies in a state of change, he declares, need to work on their vision and in the process, “identify the migration path that will take them to that future and then start to follow it.” (*ibid*:65).

2.2.2 Organisational Culture: A Recognition Of The Vital Role Played By The Culture Of An Organisation When Any Change Is Contemplated

2.2.2.1 Recent Recognition Of The Importance Of Culture

The recognition that the culture of an organisation has a vital role to play in the process of change is relatively recent. Change literature deals extensively with this element but this was not the case one or more decades ago. In 1984 Peters and Waterman (1984) in their influential publication, *In Search Of Excellence* observed that, “The business press, starting sometime in 1980, has increasingly used culture as a metaphor of its own” (*ibid*:105). They went on to say that, “Now the word seems to pop up more and more frequently in business journalism.” (*loc. cit.*). Pritchard (1986) also noted the increasing attention being paid to the role of culture in the change process, pointing out that:

This move into exploring the “softer” areas of organisation such as style or culture, and regarding them as important mediators of organisational effectiveness is, of course, a current debate with many of the traditionally “harder” oriented management consultants, and there have been numerous writings on the subject. (*ibid*:135)

Hassard and Sharifi (1989) made a similar observation several years later. They noted that, “In recent years management theory has discovered a new buzz-word, culture.” (*ibid*:4) and they suggested that this concept was, for the 1980’s, what “strategic planning” was for the 1970’s. Farmer (1990) also observed that organisational culture had only recently emerged as an important field of study. (*ibid*:8).

Now, however, culture is no longer a buzz-word. Its importance as a crucial element in the change process is firmly established, although, it must be noted, that, while this importance is acknowledged, the response to it does not always do justice to this acknowledgement.

2.2.2.2 What Is This Thing Called Culture?

While the importance of the concept of culture, as it relates to organisational change, is now well recognised and agreed, just what the term means and how it is best handled, receives far

less agreement. Bainbridge (1997) suggested that, “Culture tends to be one of the most misunderstood areas of change, with as many different opinions offered as there are organisations where cultural change has been attempted.” (*ibid*:129).

He highlights this variety of opinions by comparing on the one hand those who talk rather glibly about culture, as if it is a distinct task that can be outlined, specified, planned and then carried through until a particular end point is reached with, on the other hand, those who believe that all that is required is a slight change in thinking and the adoption of a few new slogans or corporate values. (*loc. cit.*).

Covey (1995) expresses similar sentiments when he declares that most executives don’t really understand the true nature of organisational culture and, consequently, have no appropriate way of changing it. This picture is developed by Stoll and Fink (1996) who agree that culture, because of its largely implicit nature, is elusive and hard to define. (*ibid*:81).

Although these commentators rather overstate the case, and although there are many elements in common, there is undoubtedly quite a wide range of views on the meaning of the term “organisational culture”. (In this review of the literature, 48 writers proffered different definitions of the term and made suggestions as to how the matter should best be addressed, *e.g.* Bennis, 1997; Plant, 1991; Jenlink, 1996; Connor, 1998; Fullan, 1997; Kashner, 1990; Wilkins, 1989; Peters & Waterman, 1984). At one end of the definition spectrum, simple, one line definitions are offered, while, at the other end, much more detailed descriptions are given.

Reasonably representative of the simple end of this continuum is the definition by Corbett and Rossman (1989). For them culture is simply, “the way things are done around here: how people define their work, roles, and relationships.” (*ibid*:182). Hensey (1995) defines culture in a very similar way and says it represents how people behave, feel, decide and respond to events almost automatically. The definition offered by Evans (1998) goes further and suggests that culture is the shared norms and expectations that govern the way people approach their work and interact with each other.

While these definitions are acceptable in that they point to some of the important elements of culture, (that culture is reflected by what people do and the way they react to events and that it involves the customary beliefs and shared values that are at work) they are quite limited in providing a clear and detailed picture of what is involved. Definitions towards the other end of the spectrum overcome this deficit. That advanced by Huse and Cummings (1985) comes into this category:

Corporate culture is the pattern of values, beliefs and expectations shared by organisation members. It represents the taken-for-granted and shared assumptions that people make about how work is to be done and evaluated and how employees relate to each other and significant others. (*ibid*:350)

Schein (1992) adds to this definition by listing ten elements of culture: language, group norms, espoused values, formal philosophy, rules of the game, climate, embedded skills, habits of thinking, mental modes, shared meanings and root metaphors. He also provides a very useful way of viewing culture by suggesting three levels (the artefacts, the espoused values and the basic underlying assumptions) which make their distinctive contribution to the overall picture. (*ibid*). This much more detailed exposition is very helpful in providing the definitional precision Bainbridge (*op. cit.*) and others complain is lacking in this area.

Other writers contribute to finer definitions. Connor and Lake (1994) consider that culture represents the unwritten, feeling part of an organisation and provides members with a sense of organisational identity. Through this identity comes commitment to a common set of values and beliefs.

The informal nature of an organisation's culture is stressed by Burnes (1992) who notes that informal rules, patterns of behaviour and communication, status, norms and friendships are created by people to meet their own emotional needs and these together exert a powerful influence over all those involved. He suggests that ultimately these informal elements of culture are more significant than the formal structure and procedures of the organisation.

A similar observation is made by Deal and Kennedy (1988) who assert that values are the bedrock of any corporate culture. Paradoxically, however, they are not "hard", like organisational structures, policies and procedures, but "soft" in the sense that they are normally unwritten and not subject to formal approval or publication.

Kilmann and Kilmann (1989) provide further support for this view of organisational culture when they describe it as, "The invisible force behind the tangibles and observables in an organisation, a social energy that moves people into action." (*ibid*:49) and they make an interesting comparison between culture and personality, suggesting that the former is to the organisation as the latter is to the individual, "a hidden yet unifying theme that provides meaning, direction and mobilisation" (*loc. cit.*). This is a very useful reminder of the nature and power of this often elusive force.

2.2.2.3 Implications For Change Management

The literature on this aspect of organisational culture is extensive and focuses on three main areas: the need to discover the existing culture of an organisation, the need to distinguish those aspects that need to be retained and, most importantly, the need to decide how to change that which needs to be changed. This is a task of considerable magnitude; a task which is not easy and one which needs to be handled with considerable sensitivity.

Marsh and Beardsmore (1985) note that changing a strong culture to meet new circumstances is a major undertaking but is essential if positive change is to be effected. They liken culture to a flywheel that stores up enormous amounts of corporate energy. To change the direction of this flywheel requires overcoming the wheel's inertia and this, they point out, is an expensive and energy-sapping exercise. (*ibid*:69).

Deal (1986) points to the necessity of first understanding the depth of an organisation's culture as a prerequisite for learning how to action any move from the status quo. From this learning comes an understanding of what is, and what is not, susceptible to change. (*ibid*:33). A similar view is presented by Connor and Hughes (1988). They suggest that those who are successful in implementing change are those who understand the importance of managing an organisation's culture as a strategic resource. By doing this, the desired change can be positioned, "so that it is driven, not impeded, by the beliefs, behaviours and assumptions of the people affected." (*ibid*:17).

The difficulty of changing the culture of an organisation is highlighted by Huse and Cummings (1985) who explain that, "Corporate culture tends to be so pervasive and taken for granted that it is extremely difficult to change." (*op.cit*:356). They note that people hold tightly to their values and beliefs and find difficulty in questioning them or considering the possibility that they may have to relinquish them. Because corporate culture tends to remain outside of conscious awareness, it is extremely difficult to access. Kotter (1997) makes the same point when, speaking of dealing with an organisation's culture, he observes, "The thing that makes all this so tricky, of course, is that values and norms are invisible, and actions to reinforce them occur subconsciously." (*ibid*:166).

In attempting to bring about change, it is essential, as Hensey (1995) points out, (*op.cit*:29) to recognise that culture is the phenomenon, or conceptual glue, that holds organisations in their current modes. The solution is to look for ways to temporarily reduce the adhesive power of this glue so that it can be re-applied just as effectively in the changed circumstances.

When trying to do this, however, when trying to loosen the power of this “cultural glue”, many of those responsible for bringing about organisational change unfortunately fail to recognise the power that culture exerts over an organisation and, as a result, they frequently bring about quite disastrous consequences. As Wilkins (1989) noted a decade ago, “Too many managers have tried to change their organisation’s culture and have succeeded only in destroying the character of their organisation”. (*ibid*:xi). In such cases quite clearly it is not only the bath water that has gone down the proverbial plughole but the organisation as well!

Managing an organisation’s culture, Deal and Kennedy (1988) affirm, is difficult and requires a great deal of skill, commitment and courage. However, they say, “The difficulty of managing culture pales, ...by comparison with the problems of changing culture.” (*ibid*:155.). Change, they point out, always threatens the culture of an organisation. Members of the organisation form strong attachments to the organisational rituals, the shared values and beliefs and the unwritten social networks of the organisation. Change challenges these attachments and strips them bare, leaving those involved, “confused, insecure and often angry.” (*ibid*:157).

This difficulty in changing an organisation’s culture, and the associated distress that invariably accompanies the attempts to do so, is also highlighted by Schein (1986). He points out that, once a shared set of basic assumptions is formed and acted upon in an organisation, this can serve as a cognitive defence mechanism both for the individual members of the organisation and for the organisation as a whole. As a result of this, he declares, culture change, “is therefore, difficult, time consuming and highly anxiety provoking.” (*ibid*:27). This fact, he stresses, is particularly relevant to those who set out to change the culture of an organisation.

Almost inevitably the difficulty in addressing the anxiety and distress that accompanies a change in an organisation’s culture will be compounded by the resistance that members of the organisation will mount to stall or subvert such an occurrence. A number of writers offer some useful commentaries on how this problem can be addressed.

Fullan (1992) makes the telling comment that a negative culture will always overcome individual enthusiasm. He stresses the point that it is necessary to work through the discomfort of change before any real change is possible. He observes that things hardly ever go easily during change efforts and it is necessary to recognise this. Rather than ride over the resistance that individuals have to any changes to their culture, it is much more productive to acknowledge its legitimacy and work with it, rather than against it. Failure to do this will simply convert such resistance into subversion and drive it underground where it is much more difficult to handle. Sensibly, he notes that, “It is usually unproductive to label an attitude or action ‘resistance’. It

diverts attention from real problems of implementation, such as diffuse objectives, lack of technical skill, or insufficient resources for change.” (Fullan & Miles, 1992:748).

Farmer (1990) adds to this picture by noting that meaningful change is neither superficial nor cosmetic but it is something which impinges deeply on the lives of all those concerned. It involves redefining the corporately held values and beliefs of the organisation and transforming the whole organisational culture. He suggests that, in dealing with this situation, it is necessary to understand the nature of the resistance that invariably arises with any “attack” on an organisation’s culture. The effective leader, he notes, “understands that much of the resistance to an innovation usually arises more as a result of a perceived threat to the organisation’s culture than as a reaction to the substance of the change.” (*ibid*:8)

Kotter (1997) makes the telling observation that you cannot ignore an organisation’s culture, it is there anyway. What needs to be done is to, “Create a culture that will facilitate change, rather than act as an anchor.” (*ibid*:167).

In addition to being difficult, upsetting and resistance provoking, attempts to change an organisation’s culture are also usually time consuming. Numerous writers attest to this fact.

Wilkins (1989) observes that, “Unfortunately, organisational culture usually takes some time to change. Hence, hard lessons about failure and success have been slow to come clear.” (*ibid*:xi). Hopkins *et al.* (1997), much more recently, make the same point and declare that, “The process of cultural change is also not a ‘one-off’ as implied by the notation, but evolves and unfolds over time.” (*ibid*:269). Dealing with the same issue, Conner and Hughes (1988) make a relevant observation concerning the time required to change the culture that operates in educational institutions of higher learning, “The higher education culture is particularly strong and steeped in a rich historical tradition. Change tends to come slowly because of the traditional committee structures and consensus building process inherent in the culture.” (*ibid*:17).

The challenge, they point out, is for the relevant administrators to find ways of maintaining the values that underlie the structures and process of the institutions at the same time as bringing about the desired changes. This again is a task of some magnitude.

Morgan (1993) has some pertinent observations to make about organisational culture in general and he speaks of it as “the culture metaphor”. This metaphor, he argues, has considerable value in that it “directs attention to the symbolic or even ‘magical’ significance of even the most rational aspects of organisational life.” (*ibid*:39). This metaphor also points to the function of

culture as the “corporate glue” holding organisations together and, “it opens the way to a reinterpretation of many traditional managerial concepts and processes.” (*ibid*:40). Finally, the metaphor highlights the need to treat all organisational cultures individually as, “Attitudes and values that provide a recipe for success in one situation can prove a positive hindrance in another.” (*ibid*:41).

Too often, Morgan (1993) argues, management theorists view culture as a distinct entity with clearly defined attributes. Such a view, he asserts, is unduly mechanistic, giving rise to the mistaken belief that culture can be manipulated in an instrumental way. He concludes his insightful analysis with the warning. “An understanding of organisations as cultures opens our eyes to many crucial insights that elude other metaphors, but it is unlikely that these insights will provide the easy recipe for solving managerial problems that many writers hope for.” (*ibid*:43).

2.2.3 Value: An Awareness Of The Importance Of Valuing, Respecting And Attending To The Human Face Of Change

Change literature dealing with the culture of organisations has its focus on the network of interrelationships that pervade the organisation as a whole. The literature dealing with the “human faces of change”, the valuing aspect of change, focuses, on the other hand, on the individuals in the organisation. They are part of the total organisational culture but are viewed as people in their own right.

As the term is used in this study, “valuing” refers to the importance and attention given to placing value on all the individuals in an organisation and attending genuinely to their multifarious desires, needs and potential contributions. It refers to all those actions that accord due respect to each individual whatever their circumstance, values or beliefs. This aspect of change management finds various but frequent forms of expression in the change literature and there is almost total agreement about its crucial role in the change process.

Speaking of people in an organisation, Covey (1997) points out that they are in fact the most valuable asset an organisation can have. To make use of this asset, it is necessary to encourage them to believe in themselves, to feel that they are valued and to accept that what they do really counts. In a period of change, people don’t want to be regarded by the organisation as faceless units, they want to feel that they have a meaningful and appreciated part to play in the process:

They don't want to be "used" by the organisation like victims or pawns. They want to have stewardship over their own resources. They want to feel that they are making a personal contribution to something meaningful and that's when you get real motivation and fulfilment. (*ibid*:37)

Failure to do this, failure to value people for what they are and for what they individually represent, leads to what Covey (*ibid*) describes as a "vertical organisation"; an organisation that fuels elitism and arrogance and fails to capitalise on the most valuable resource that it has available at its organisational doorstep. He is not alone in highlighting the crucial importance of nurturing and placing high value on the people who individually and collectively comprise any organisation's corporate body.

Marks (1998) points to the need for change leaders to be sensitive to the needs of their human resources and to the importance of human resources management and development in any change process (*ibid*:13) and Farmer (1990) declares that, "The ability to understand and respond to the human dimension of change is ultimately the determining factor in implementing and sustaining successful change." (*ibid*:7). Similarly Kriegel and Brandt (1997) declare that people are the "gatekeepers of change" with the power to breathe life into a new programme or to kill it. From their experience, they believe that, "Management consultants who deal with companies in transition know that the 'people' part of change is critical and that it is most often overlooked and undervalued." (*ibid*:5). Kanter (1983) also acknowledges the importance of people and the talents and contributions of individuals to a company's success and notes, somewhat wryly, that in times of change, "People seem to matter in direct proportion to an awareness of corporate crisis." (*ibid*:1).

The respect that individuals in an organisation receive as an outward manifestation of the value in which they are held is the subject of considerable comment in the literature. In their influential study of 75 leading American business enterprises, Peters and Waterman (1984) quoted IBM's chief, Thomas Watson, as saying, "IBM's philosophy is largely contained in three simple beliefs. I want to begin with what I think is the most important: our respect for the individual. This a simple concept, but in IBM it occupies a major portion of management time." (*ibid*:15).

These writers observed that the message that came through most strongly in all the studies that they reviewed was that people like to be respected, to think of themselves as winners, as being valued for whatever contributions they could make. They concluded that there was, "no reason why we can't design systems that continually reinforce this notion." (*ibid*:57).

Harrison and MacIntosh (1989) add to this picture by pointing out the responsibility management has to accord respect to those whom they are managing and to be sensitive to the needs and concerns of all those involved. They declare that management, “does not and should not imply the naked exercise of power, nor the subservience of anyone managed.” (*ibid*:49) but rather requires a sensitivity to individual needs and the respect for human values.

This view is strongly reinforced by Fullan and Miles (1982). They are unforgiving in their criticism of those who disregard the human face of change and fail to respect the dignity and worth of those most directly affected. Quite categorically, they declare:

When those who have power to manipulate changes act as if they have only to explain and when their explanations are not at once accepted, shrug off opposition as ignorance or prejudice, they express a profound contempt for the meaning of lives other than their own. (*ibid*:749)

In speaking of organisational change, Burnes (1992) notes that, in the new forms of organisations that are emerging, the message being transmitted is that, for organisations to survive, they will need to treat their employees in a more responsible and human fashion than has been the case in the past. Employees will need to be respected and seen as capable of making substantial contributions to the growth of the organisation. This, he observes, is in fact what successful organisations already do.

A cherished principle of the excellent companies is that they treat their workers with respect and dignity; they refer to them as partners. This is because people, rather than systems or machines, are seen as the primary source of quality and productivity gains. (*ibid*:61)

Directly related to the need to value and show respect for those undergoing the anxieties and upheavals invariably associated with organisational change, is the need to demonstrate that, as individuals, they are genuinely cared for. Again, a number of writers highlight this point.

Peters and Austin (1985) maintain that caring is not a footnote to any organisation’s success, but is at the very heart of it. In their observations of organisations across the United States, they found that caring, manifest in a host of different ways, was central to all positive outcomes. Marshall (1985), when asked what was the essential element any successful leader of an organisation must have, replied, “I think it can be reduced to one word and a rather simple one at that: caring.” (*ibid*:59). He observed that, when people believe that those leading an organisation are emotionally committed to them then they will go to great lengths, even extremes, to get done what is necessary. Also stressing the importance of all people in an

organisation feeling that they are cared about, and for, is Kotter (1997). In considering the core characteristics of healthy organisational cultures, he declares that the management group must, "deeply, honestly, and sincerely value the various players in the corporate drama." (*ibid*:167) and this value must find expression in the care that is extended to all of the players, not just those at the top.

Apart from the ethical imperatives to consider the human dimensions of organisational change, there are also very strong instrumental and pragmatic reasons for doing so. Argyris (1971), some time ago, recognised this fact and pointed out that, if little attention is paid to the human beings in an organisation, then there is a high cost to be paid in practical terms. (*ibid*:138). More recently, Blanchard and Johnson (1989) make the same point. They declare, from a simply pragmatic point of view, it pays to treat people well. To value them, to catch them doing something right and to reward them ensures their maximum co-operation. Quite simply, they say, "People who feel good about themselves produce good results." (*ibid*:19). A similar observation is made by Strazewski (1997). He notes that people generally crave personal recognition and a sense of achievement. If they are valued and their contributions appropriately acknowledged then, not only the person themselves, but the organisation as well, benefit considerably (*ibid*:115). Fullan (1985) adds to this with the telling observation that, "Nothing is more enticing than the feeling of being needed, which is the magic that produces high expectations." (*ibid*:240).

Jick (1993) makes a pertinent observation concerning the importance of placing high regard on the personal well-being of all those involved in any organisational change. He notes that introducing change in an organisation is both an exciting and formidable adventure and that the lives of many are deeply affected. Unfortunately, however, he observes, very frequently the psychological effects on those closely involved are not taken into account and the results are often very difficult to deal with, and are certainly counter-productive to the organisation's desire to bring about positive change. (*ibid*:6). A similar observation is made by Kanter (1990). She refers to the "emotional leakage" that occurs during a period of change and the undesirable consequences, some quite bizarre, that frequently accompany this leakage. She rightly comments that any change consumes emotional energy, especially if the change is perceived negatively, and notes that often little is done to deal with this situation, "Managers are so focused on the tasks to be done and decisions to be made that they neglect or ignore the emotional reactions engendered by the change. But the reactions leak out anyway, sometimes in unusual behaviour." (*ibid*:63).

The overall message from the literature on this aspect of change is clear and unequivocal. A sensitive understanding of the human face of change is essential for the success of any organisational change. Organisations which ignore this “truth” do so at their peril.

2.2.4 Trust: The Imperative To Establish A Sound Basis Of Trust To Underpin Any Change Activities

Of all the elements focused on in the change literature under review that of trust would be the one about which there is the greatest agreement. Although stated in a variety of ways, all writers speak of the imperative to establish a sound basis of trust to underpin any organisational change.

Bennis and Nanus (1985), who have a great deal to say about trust, point to its crucial importance, suggest that, like leadership, it is hard to describe, and even harder to define:

We know when it is present and we know when it is not, and we cannot say much more about it except for its essentiality and that it is based on predictability. The truth is that we trust people who are predictable, whose positions are known and who keep at it. (*ibid*:44)

Nevertheless, definitions of trust are attempted and do provide useful baselines from which to operate. Handy (1993), who also has much of value to say about trust, and about change in general, explains that by trust he means consistency and integrity, the feeling that a person and an organisation can be relied upon to do what they say, come what may (*ibid*:116). While this definition touches on some elements of what the term can be taken to mean it is somewhat skeletal. A more comprehensive definition is offered by Codd (1998) who sees trust as:

a term that refers to a relational condition existing between people in a given social context. It is an attitude or disposition from which people will act towards each other in particular ways. These ways of acting and relating will presuppose principles such as fairness and respect for persons and will entail virtues such as honesty (or veracity), friendliness and care. (*ibid*:11)

One of the features of organisational change is that, at the point of change, it is quite common for a loss of this “relational condition” to occur. The writers from the Manchester Open Learning Team (1993) observe that, “It is not unusual for staff to exhibit a lack of trust when changes are being introduced.” (*ibid*:49) and that the factors leading to this mistrust might include the belief that management are up to something; that something is being planned which is going to adversely affect them and they are deliberately being kept in the dark about it. The importance of trust, they affirm, can never be overstated.

Covey (1992) is one of many who give full support to this affirmation. For him, trust is, “the emotional bank account between two people” (*ibid*:31); the foundation principle that holds all relationships together. It is this relationship that enables people to have what he describes as a, “win-win performance agreement” (*loc. cit.*). He makes the useful point that trustworthiness precedes trust, and this precedes empowerment, which, in turn, leads to quality. It is this trust, or lack of it, he maintains, which is at the root of success or failure in business, industry, education, government, or whatever. Again, organisations which ignore this “fact” do so at their peril.

He also highlights the very important relationship that exists between trust and control in an organisation by asking, “How are you going to get people empowered if you don’t have high trust?” (*ibid*:37). When there is low trust in an organisation a great deal of control has to be exercised. The less trust, the more control required. The more trust, the less control and the greater likelihood of genuine empowerment of all those engaging in the change process.

Further, trust is something which is never given unreservedly and can never be taken for granted. Bennis and Townsend (1997) observe that trust, especially today, does not come easily and is something that is not given but must be earned. “CEOs who believe that trust comes automatically, along with the perks, salary and power, are in for some rude surprises.” (*ibid*:155). They assert, “Trust binds leaders and followers together, and cannot be bought or mandated.” (*ibid*:61). Greenleaf makes a similar point when he suggests that leaders need to elicit the trust of their followers and this doesn’t happen unless the followers have confidence in the leaders’ values and competence (Greenleaf, 1991:16). Likewise, Marshall (1985) declares that, “Leadership is not a granted privilege. It is rather a specific trust with continuing obligations and responsibilities.” (*ibid*:62) while Mant (1997) notes that people authorise their leaders to get on with things because they have come to trust them. He suggests that, during the 1990’s, there has been a “rediscovery of trust”, a widespread and overdue recognition that human enterprise depends greatly on this element. One of the reasons, he suggests, why some kinds of Asian businesses perform so well is that all that they do is underpinned by trust.

The effects of a lack of, or loss of, this trust, are extremely difficult to deal with. This was well exemplified during phase one of the College-Massey merger negotiations when the erosion of trust between several key players was a crucial factor in bringing about the eventual collapse of the negotiations. A number of writers stress this point. Yukl (1998) lists the lack of trust as the first of nine reasons he gives for people resisting change and Plant (1991) declares that, “an emotionally based resistance, such as low trust, is much more difficult to handle than a lack of information or misunderstanding of facts.” (*ibid*:19.). The same point is made by Whitaker

(1993), and by Handy (1985), who highlights the damaging effects of what he graphically speaks of as, “the spiral of distrust.” (*ibid*:91)

Given the importance of trust in an organisation, questions naturally arise as to how best this trust can be developed and sustained in a time of change. Gibson (1997), speaking of principles that will guide successful organisations in the future, notes the importance of building a “high trust” culture by decentralising power and involving a variety of people at all levels. Through such involvement and collaboration, he asserts, vital trust will be established and all members of the organisation will be in a position to move forward into the change together.

Kotter (1990) makes the excellent point that trust is built up in an organisation largely through consistency and a total congruence between words and action. He suggests that a major challenge that leaders face in an organisation relates to their ability to get their followers to trust, to believe, the messages they are being given. He observes, “Whether delivered with many words or a few carefully chosen symbols, messages are not necessarily accepted just because they are understood.” (*ibid*:57). It is imperative, as Dick Nicolosi, the Procter and Gamble executive, first suggested, that leaders “walk the talk” and earn the trust of those they have responsibility for leading.

Adding to this picture, Wilkins (1989) notes the very crucial tension that often exists for leaders of change in their attempts to build up trust at the same time as they try to lead their followers into new and unfamiliar directions. Using the term “social capital” as the outcome of established trust, he notes that if this capital is squandered, then resistance sets in and change becomes increasingly difficult. On the other hand, he suggests, if trust is established, “If people believe that they will be treated fairly and have confidence that the organisation can become competent, then they are willing to co-operate on developing shared vision and appropriate execution skills.” (*ibid*:25).

Once established, however, trust must be maintained. Unlike some other matters it cannot, once established, be left to its own devices and to proceed unattended. Like a delicate plant, it has to be “watered and carefully nurtured.” Harrison and MacIntosh (1989) make this point well when they assert:

It is a mistake to think that you can establish an atmosphere of trust and then forget it. I have learned that such an atmosphere is remarkably fragile and can be shattered by careless words, failure to communicate properly, forgetting to consult. Perhaps not shattered but temporarily cracked at least. (*ibid*:106)

2.2.5 Communication: The Need To Establish Workable Protocols For Promoting Effective Communication

Communication, as a core element in effective organisational change, features prominently in all change literature. Its importance is widely acknowledged and much is written about its nature and the means whereby it can be best facilitated.

Bainbridge (1997) declares, “communication is at the hub of successful change.” (*ibid*:32) and Bennis and Nanus (1985) suggest that without communication you have nothing. They point out that communication creates meaning for people and that the management of meaning and the mastery of communication is inseparable from effective leadership. Of communication they declare, “It’s the only way any group, small or large, can become aligned behind the overarching goals of an organisation. Getting the message across unequivocally at every level is an absolute key.” (*ibid*:43).

The New Zealand State Services Commission (1988) supports this view: “Good communication is absolutely vital to the management of change.” (*ibid*:18). Brown (1990) expresses the same point when he says that, “Communication is to an organisation what paper is to a book.” (*ibid*:19).

Peters and Waterman (1984), in their widely reported study of American companies, noted that communication was the “bugaboo” of all large companies and that the nature and use of communication in the excellent companies was remarkably different from that found in their non-excellent peers. (*ibid*:121). It was the intensity of communication in the excellent companies that marked them out from their less successful competitors.

A number of writers emphasise the vital role that listening skills play in the creation of effective communication networks. Greenleaf (1991) suggests that most of us would like to communicate at a significant level of meaning and the best test of whether we are in fact communicating at this depth is to first ask ourselves the question: Are we really listening? This is a timely reminder of the two-way nature of true communication and the vital importance of “receiving” as well as “broadcasting”. The Price Waterhouse Change Integration Team (1995) have similar concerns and suggest that, in achieving the open and frank communication necessary for effective change management, “What is needed here is better listening skills, not necessarily better directive or control skills.” (*ibid*:13). Good listening skills, observes Bately (1989), are not as common as many people believe and these skills include the ability to understand what is being said and being able to organise and analyse the message in order to retain it for

subsequent use, “Many people are so absorbed in themselves that listening to someone else becomes boring and painful. They cannot wait for the other person to pause so that they can start talking and expound their own more important opinions.” (*ibid*:105)

Covey (1992) shares this view and suggests that the root cause of almost all “people” problems is a basic communication problem, the fact that people don’t listen with empathy. People fail to communicate effectively, he declares, because they, “Listen from within their autobiography”. (*ibid*:45) and, as a result, don’t hear what is being said to them from the biography of others. He makes the distinction between the language of logic and the language of emotion and affirms the latter is far more motivational and powerful. This, he says, is, “why it is so important to listen primarily with our eyes and heart and secondly with our ears.” (*ibid*:116). An appreciation of this fact is of considerable significance for those charged with the responsibility for bringing about change in an organisation. Halpin (1967), quite some time ago, made a very similar and important point:

Communication embraces a broader terrain than most of us attribute to it. Since language is, phylogenetically, one of man’s most distinctive characteristics, we sometimes slip into the error of thinking that all communication must be verbal communication. To persist in this narrow view of communication is folly. Yet few executive training programs escape such folly; they ignore the entire range of non-verbal communication, the “muted language” in which human beings speak to each other more eloquently than with words. (*ibid*:253)

A number of other writers add to this overall picture of the place and nature of communication in the change process.

Marshall (1985), in highlighting the importance of communication, makes the interesting observation that communication is not a one- or two-way process; rather, “Communication demands four-way conversations-up, down and across in all directions. Such communication demands as much listening as it does talking.” (*ibid*:62). Hensey (1995) too, in acknowledging the important role that effective communication plays in any organisational change, makes a useful contribution by describing four barriers to effective communication that need to be addressed. First, some problems are what he terms, “undiscussable” and need to be dealt with very sensitively. Second, often “triangulation” occurs. By this, he means those directly involved are not communicated with directly but through a third or fourth person, with a consequential loss of meaning or accuracy. Third, communication is uni-directional and no feedback occurs. Fourth, and finally, for whatever reasons, there is a distortion of what was intended to be the communicated message, and this needs to receive attention.

Finally, in all this affirmation of the importance of communication for the organisational change process, one concluding comment from Kotter (1979) is timely, “Some people would argue that managers can get control of their jobs if only they would communicate more. But a careful examination of managerial work shows that good communication, while clearly helpful, has its limitations.” (*ibid*:15).

Notwithstanding the crucial importance of communication, it must be recognised that, while it is a necessary condition for effective planned change to occur, communication in itself is not sufficient. Much more is required. Kotter’s comment is helpful in reminding us of this fact:

2.2.6 Consultation: The Necessity To Engage In Consultative Activities That Are Perceived To Be Genuine And Meaningful

In a strict sense, consultation is actually a sub-set of the larger communication set but it receives so much attention in the change literature, and is so important in the organisational change process, that it warrants separate consideration.

Although almost all writers today attest to the crucial importance of consultation in the change process, this wasn’t the case several decades ago. With a greater understanding of the “people-power” aspect of organisational change, the role of effective consultation, in overcoming resistance and finding better ways of doing things, is now widely realised and commented upon.

Bennis (1993) suggests that today’s leaders must create a culture of trust and openness and that, through consultation, people will come to feel that they are at the centre of things rather than on the periphery:

Today the laurel will go to the leader who encourages healthy dissent, and values those followers brave enough to say no. The successful leader will have not the loudest voice, but the readiest ear. His or her real genius may well lie not in personal achievements, but in unleashing other people’s talents. (*ibid*:107)

Genuine consultation is the means whereby this can be made possible.

In an earlier publication, Bennis (1972), made the excellent point that change is most successful when those who are affected are involved in the planning and he noted that, “This is a platitude of planning theory, and it is as true as it is trite.” (*ibid*:338). He suggested that nothing makes persons so resistant to change as the feeling that change is being imposed on them. Effective consultation helps reduce any legitimate grounds for such a feeling. Bennis was directly

involved in a major restructuring of the State University of New York at Buffalo in the early seventies and, from his involvement in that “transformation”, made the observation that members of a university, “are unusually sensitive to individual prerogatives and to the administration’s utter dependence on their support.” (*loc. cit.*). This observation is particularly germane to the study being reported here.

Cummings and Huse (1985) provide further support for Bennis’s insistence on the importance of consultation. They note that people tend to resist change when they are uncertain about its consequences and they suggest that:

One of the oldest and most effective strategies for overcoming resistance is to involve organisational members directly in planning and implementing change. Participation can lead both to designing high quality changes and to overcoming resistance to implementing them. (*ibid*:112)

Through this consultation at the action level, they declare, the likelihood that the interests of those most directly involved in the change will be taken into account is greatly increased. As a consequence of this consultation, support for implementation of the proposed changes is likely to be considerably enhanced.

Fullan (1993) is another to emphasise the value of consultation and its importance as a means of ensuring ownership of a change. He suggests that ownership is a process as well as a state and that, “Deep ownership comes through the learning that arises from full engagement in solving problems” (*ibid*:31). Appropriate consultation provides the opportunity for this problem solving to occur.

In acknowledging the importance of consultation in the change process Hamel (1997) suggests that this entails giving a disproportionate share of voice to the people who, until now, have been disenfranchised from the strategy-making process. By doing this, he argues, the “hierarchy of experience” that exists in most organisations can be supplemented by the “hierarchy of imagination” which, he claims, exists toward the periphery of any organisation and which, far too often, is omitted from the consultation process. (*ibid*:91). While this view perhaps gives too much credence to the location of imagination on the periphery of an organisation, it is nevertheless helpful in pointing to the need to spread the net widely in all consultative activities.

A valuable contribution to this discussion is made by Kilmann and Kilmann (1989), who point out the instrumental, or pragmatic justification, for engaging in the process of consultation. They declare, “Participative management, therefore, is advocated not because of some social

value or ethical imperative, but because it is the only way to solve a complex problem.” (*ibid*:15). Leaving aside any ethical consideration, they say, consultation should be engaged in because it works. Pfeffer (1994) makes the same point at some length. He stresses participation and empowerment as activities and outcomes of the consultative approach and observes that not only does this result in increased employee satisfaction, but also in, what is for the business world the “bottom line”, “increased employee productivity.” (*ibid*:42).

In terms of how best to go about the consultation process, the Manchester Open Learning writers (1993) make an excellent point concerning the timing of consultation activities. If organisations are serious about wanting their people to be committed to change and to be supportive, rather than merely compliant, then, they suggest, there are obvious benefits in entering the consultation process and getting people involved as soon as possible. One of the practical benefits of this is that people are able to make their own individual contributions to the new developments with the likely consequence that they, “will own it and make sure that it works.” (*ibid*:71). The downside of failure to engage in consultation at an early stage is that there is a strong likelihood that, when presented with a change plan which has reached an advanced stage of preparation and into which they have had no input, people will examine it very closely and, rather than be positive about it, will look for ways in which it will not work. As the writers warn, “What might have been a helpful suggestion, if it could have been made in time, becomes a distinctly unhelpful complaint when it is produced too late to affect the issue.” (*ibid*:77). The New Zealand State Services Commission (1988) writers make the same point and state that ideally all interested parties to a change should be consulted as early as possible and be enabled to participate in the change process from the time it begins. (*ibid*:13).

As well as being appropriately timed, consultation, Marshall (1985) declares, must be both genuine and seen to be genuine. In participative management, he notes, leaders must be trusted. Nothing disaffects those involved in change more quickly than to feel that the “consultation” that they have been required to participate in is nothing more than a token gesture, a face-saving sham.

Owens (1995) makes the useful observation that, where there is a shift in an organisation to engage in the process of consultation, where there is a shift from the more traditional hierarchical model of management to a more participative one, then this, “requires administrators to develop a new understanding of power, a new sense of administrative wisdom.” (*ibid*:201). He notes that traditionally it was believed there was only so much power in an organisation and it was the task of the leader to garner and husband all the power available. The modern realisation, however, refutes this view and has come to the understanding

that, “one gains power by sharing it with others because in collaborative effort the power available to the group multiplies.” (*loc. cit.*). In this context, genuine consultation becomes a very high priority.

Brief reference to two case studies attests to the value of genuine consultation and involvement in the process of change.

Ramsay (1993) and his team, in their study of a range of New Zealand schools as they planned and implemented change, defined five levels of consultation and concluded that:

Where people were able to discuss matters in non-threatening environments, where they genuinely valued and supported other people’s ideas, where novel ideas were fostered and nurtured, where a climate of respect existed between all involved (parents, teacher and students), rapid change became a strong likelihood. (*ibid*:156)

Teubner and Prideaux (1997), in their recent report on the restructuring of an Australian Medical School, provided an example where consultation with those most closely involved as recipients of a change had very positive results. At the conclusion of their study, the writers were able to report that, “We are confident that the involvement of students in helping to determine the direction of change has contributed in part to the overall student satisfaction with the quality of the medical course.” (*ibid*:22)

As a final comment on the importance of consultation in the change process, Whitaker (1993) speaks of “resistance voltage” and makes the interesting and very telling observation that:

The less I know about plans to change, the more I assume, the more suspicious I become, and the more I direct my energy into counter-productive “resister games”. Once I feel manipulated, or uninvolved, I will inevitably tend to veer towards a negative view of the change and its effect on me. (*ibid*:63)

2.3 The Role Of Leadership In The Change Process

The role of leadership in the management of change is absolutely critical. In very large measure the outcome of any organisational change is heavily reliant on the manner in which the process is led. Much has been written on this subject and debate continues on such matters as: “Are leaders born or can they be made?” “What are the characteristics of good leaders?” “Do all leaders have to be charismatic?” The focus in this literature review, however, is not on these matters but rather on the more pragmatic question of, “What, in broad principle, do leaders need to do to be effective in managing change?”

In the literature already reviewed, six areas of change management have been the centre of attention (vision, culture, value, trust, communication and consultation). Reference has been made to the role of leaders in each of these areas and indications have been given as to the actions that leaders need to take to be effective.

In creating a **vision** for an organisational change, writers have stressed the need for leaders to be both leaders and followers and to engage all members of their organisation in the vision building process. Fullan (1993), in particular, stresses the point that vision building is a collaborative effort between leader and those being led and that it is something that very much grows out of the change process rather than precedes it. (*op. cit.*).

In dealing with the **culture** of an organisation, leaders are enjoined to act very sensitively, to recognise the culture of an organisation as the “corporate glue” (Morgan, 1993: *op. cit.*) that binds together the organisation and its people. They are reminded that, “The difficulty of managing culture pales, however, by comparison with the problems of changing culture.” (Deal & Kennedy, *op. cit.*) and they are warned that the process of cultural change is not a “one-off activity” but that it evolves and unfolds over time (Hopkins *et al.*, 1997: *op. cit.*).

The importance of **valuing** the people in their organisation and showing respect for what they have to offer is something of which leaders are reminded by numerous writers. Covey (1997: *op. cit.*) and many others explain to leaders that people are, in fact, the most valuable asset they have to help them in an organisation and that it is imperative that they value this resource and treat it with all the respect that it is due.

The leader’s role in building up **trust** in an organisation has also been highlighted and writers like Kotter (1990: *op. cit.*) point out that this trust is built up over time largely through a total congruence between words and action and that a major challenge that leaders face in an organisation is that of getting their people to trust and believe the messages they are giving them.

The twin responsibilities that leaders have for communicating and consulting efficiently and genuinely have also received much attention. Bainbridge (1997: *op. cit.*) and others have pointed out that communication is at the hub of successful change and without communication leaders have nothing. With reference to the importance of consultation, writers like the Kilmanns (1989: *op. cit.*), Pfeffer (1994: *op. cit.*) and others point to the necessity for leaders to engage in real consultation, if not for ethical reasons, then certainly for pragmatic ones, in that such consultation actually has very observable practical pay-offs.

In addition, however, leaders have a number of other roles to which they need attend.

Two major concerns for leaders in any organisational change are centred on how to overcome any resistance to change that may arise, and how to gain the commitment of all those concerned to enthusiastically implement the change. To do this effectively, there are a number of strategies they need to adopt.

2.3.1 Resistance To Change

Concerning the role of leaders in dealing with resistance to change within an organisation, much has been written. Confrontational and consensual approaches to the problem are considered, with the latter nowadays receiving much greater approbation as the clearly superior approach to take.

Reasons for resisting change have already been briefly reviewed (Chapter Two, pp. 30). A number of other writers add to this picture.

Farmer (1990) noted that change invites resistance because it always carries with it a sense of violation. He points out that effective leaders understand that much of the resistance to change usually arises more as a result of a perceived threat to the culture of the organisation than as a resistance to the substance of the change. He also makes the observation that, "Resistance to change is particularly intense in higher education because faculty members are instinctively hyper-conservative about educational matters" (*ibid*:7). A provoking thought!

In any organisation there are many hidden barriers to change. For example, as Deal and Kennedy (1988) observe, new leaders frequently overlook some of the important values that have guided an organisation for many years and, in the process, they "topple heroes" who have been revered and valued in the organisation for a long time. They make the pertinent observation that, unless these leaders take action to reduce this perceived "devaluation", then, "The force of the old culture can neutralise and emasculate any change that is proposed." (*ibid*:158).

A similar claim is made by Johnson *et al.* (1986) who suggest that it is an over simplification of the problem of resistance to change to say that, "We resist change per se." (*ibid*:191). Rather, they suggest, resistance comes from the disturbance of the interpersonal equilibrium within the environment in which both the individuals and the social groups operate.

The writers from the Manchester Open Learning group (1993) list five particular reasons why change is resisted. These reasons are, they claim: the fear of the unknown, the lack of perceived benefits resulting from the change, the disruption of normal routines, a lack of trust of those leading the change and parochial self interest (*ibid*:27). A somewhat, but not entirely different, set of four reasons are advanced by Kotter and Schlesinger (1986). Change is resisted, they believe, because of: a desire not to lose something of value, a misunderstanding of the change and its implications, a belief that the change does not make sense for the organisation and a low tolerance for change (*ibid*:161).

A very important consideration, highlighted by a number of writers, is the often overlooked fact that not all resistance is unwarranted. In practice, there are often very good reasons for resisting change. To be carried along unthinkingly on the wave of change is, at the best of times, a very risky pastime and can have quite disastrous effects. Stoll and Fink (1996) make the point well when they observe, "There are many valid reasons why people do not implement change; it is not just resistance to all change." (*ibid*:46). They suggest that even where there are good reasons for change to occur some people may still resist. In these cases, they advise rather picturesquely, "Don't water the rocks." (*loc. cit.*).

Bennis *et al.* (1976:118) also suggest that not all resistance to change should be considered irrational and Whitaker (1993) reminds leaders that resisting change is usually very purposeful behaviour. Such behaviour should be carefully considered and not lightly dismissed as mindless opposition. (*ibid*:61).

The approach to meeting the problem of resistance to change, whatever its cause, has recently undergone what some writers refer to as "a paradigm shift." Instead of regarding resistance as something that has to be subdued, something to be repressed at all costs, it is increasingly being regarded as something that needs to be worked with, rather than against, so that its energy can be directed to positive rather than negative outcomes.

An early sign of this is found in the writings of Heriot and Gross (1979) who attacked the traditional response to change resistance (called by them the "Overcoming Resistance Model to Change" - the ORC model), by advocating a much more conciliatory approach whereby "power equalisation" was sought, involving a much greater sharing of decision making power between leaders and their followers. (*ibid*:31).

A little later, Cummings and Huse (1985) also commented on this development:

Traditionally, change management has focused on identifying sources of resistance to change and offering ways to overcome them. Recent contributions have been aimed at creating visions of desired futures, gaining political support for them, and managing the transition of the organisation toward them. (*ibid*:108)

Recently, Fullan (1993) added valuable insights in this area. Commenting on the invariable reaction of people to change, he makes the salient observation that, “If there is one cardinal rule of change in human condition, it is that you cannot make people change.” (*ibid*:23). You have to work with people, not against them. He declares that problems need to be taken seriously and not simply be attributed to resistance or the wrong-headedness of others. He speaks of the need to regard problems as being “our friends”, as a way of acknowledging that conflict is essential to any successful change effort. Resistance, whatever forms it takes, needs to be taken seriously and efforts made to use positively the energy that drives and sustains it. He makes the telling comment that effective leaders learn most from those who oppose them and, quite unequivocally, he asserts that, if resistance is not acknowledged and managed, then it will almost certainly go underground and be much more inaccessible and difficult to handle. It is a continuing surprise that so many leaders of organisational change fail to grasp this relatively simple concept.

Connor and Lake (1994) express a similar viewpoint. They declare that viewing resistance only as a negative or malicious act puts a leader in a defensive position and leads to a strengthening of the resistance, rather than a reduction. A more constructive approach, they advocate, is to, “acknowledge the validity of the class of responses as a whole and respond from a position of understanding and respect.” (*ibid*:133). Leaders who fail to do this, who ignore resistance or declare war on it, they warn, are likely to end with more problems than they started.

A number of other writers make similar comments. Kanter (1983) stresses the fact that, while change may well create uncertainty, not all of it is negative (*ibid*:63). Pugh (1986), in outlining one of six rules for managing change in an organisation, enjoins leaders to encourage those concerned about the change to bring their objections out into the open where they can be addressed. (*ibid*:144). Yukl (1998) suggests to leaders that, “Rather than seeing resistance as just another obstacle to batter down or circumvent, it is more realistic and helpful to view it as energy that can be redirected to improve change.” (*ibid*:440).

2.3.2 Commitment To Change

For leaders to gain their followers’ commitment to a change, the literature suggests there are a number of matters to which they must carefully attend.

2.3.2.1 Leadership Commitment

A strong commitment from top leadership is indispensable. As Farmer (1990) observes, “without it change will simply not occur.” (*ibid*:11). Huse and Cummings (1985) express similar views when they say, “Senior managers and administrators need to be strongly committed to the new values and create constant pressures for change.” (*ibid*:357). The absence of this level of commitment during the first phase of the College-Massey merger negotiations was a crucial factor in leading to their failure.

Kanter (1990) highlights the difficulty faced by leaders in sustaining this commitment. She observes that any restructuring activity produces “a window of vulnerability” (*ibid*:62) which leads to an increase in exposure to disease, “at precisely the same time as the corporate body is temporarily weakened.” (*loc. cit.*). The consequence of this is a crisis of commitment and the necessity for its reaffirmation. It is particularly ironic, she notes, that, at the point of change, when more commitment than ever is needed, “the basis for commitment itself is temporally weakened.” (*loc. cit.*). Leaders need to carefully address this problem.

Without leadership, commitment to change projects will ultimately fail. Using the metaphor that a number of other writers use to illustrate different claims, Conner (1998) speaks of commitment as being, “The glue that provides the vital bond between people and change goals.” (*ibid*:147). He observes that building commitment to change is not easy and is something for which many people are not prepared. Providing an example of this commitment, and encouraging others to share it, is something at which leaders have to work assiduously.

Other writers (Millett, 1977; Bennis, 1984; McLaughlin, 1985; Hersey & Blanchard, 1988; Limerick & Cunnington, 1993; Cummings & Worley, 1997) also highlight the importance of commitment to any projected change and note the necessity for leaders to model a high level of commitment for others to follow.

2.3.2.2 Leadership Courage

Closely allied to the “commitment to change” role of leaders is their role in demonstrating the perseverance or courage that is necessary to see the change through to successful completion. Commitment can be at a number of levels but if it merely remains at the conceptual or emotional level, and does not progress to the action level, then very little is achieved.

Bennis and Nanus (1985) indicate that leaders need to be reliable and tirelessly persistent (*ibid*:45) and Conner (1998) warns that they must, “Stand fast in the face of adversity, remaining determined and focused in the quest for the desired goal.” (*ibid*:147). Covey (1995) suggests that to act out new scripts during a time of change requires courage (*ibid*:9), and Miller (1990) indicates that a certain toughness is required of a leader (*ibid*:187). Harrison and MacIntosh, (1989) also, are quite clear that on this matter. To be effective, they declare, leaders need to have courage and display, “a readiness to grasp nettles and to take unpalatable decisions from time to time.” (*ibid*:49).

Numerous other writers concur with this view (*e.g.* Connor & Lake, 1994; Fullan & Stiegelbauer, 1992; Peters & Austin, 1985; Schein, 1992). They suggest that, if leaders are to be effective, then they must have the courage of their convictions and have sufficient fortitude to convert into action what they have portrayed as their commitment. The Price Waterhouse Change Integration Team (1995) puts this well. When speaking of opposition that often comes from those members of an organisation who seek to cling tenaciously to practices of the past, they enjoin leaders to be courageous and, “Slay a sacred cow today.” (*ibid*:59).

2.3.2.3 Leadership Consistency

As part of their role in building up the trust that is necessary in order to obtain the preparedness of organisational members to commit themselves willingly to a significant change, leaders, as well as being committed themselves and having the courage to demonstrate their commitment, need also to be consistent in all they say and do.

One of the themes that Peters and Waterman (1984) developed in their writings was the importance of leaders being consistent in all their words and actions. They believe that actions speak louder than words and that people watch for patterns in the actions of a leader and can readily detect any mismatch that may be present. If inconsistencies are revealed, then this inevitably leads to a serious erosion of trust; something that leaders can ill afford to let happen.

Kotter and Schlesinger (1986) note that, in approaching organisational change, leaders have many decisions to make. It is very important, they argue, that, in making these decisions, leaders take great care to be consistent both within the organisation and when responding to events outside the organisation. From their observations, they conclude that successful change operations are those where the decisions made are both, “internally consistent and fit some of the key situational variables.” (*ibid*:169).

The need for leaders to display consistency in all that they do is also highlighted by West and Hughes (1986). They point to a natural tendency, bordering on cynicism, of most people to take a “wait-and-see” attitude towards new approaches; to be suspicious that initial leadership moves may not be all that they seem to be. To ensure that such an attitude has no grounds for survival, leaders need to be meticulous in their efforts to ensure a high level of consistency in all that they do. The authors quote Pat Lowry, a prominent American industry leader, as saying:

I am convinced that a cornerstone of good industrial relations is management consistency - knowledge that whatever the circumstances and pressures the management will so far as it is possible react in the same way to a particular situation whenever it arises. The knowledge that management always responds consistently and fairly as well is an even more essential ingredient to industrial relations than a well-drafted grievance procedure or an equitable pay system. (*ibid*:21)

If, in the opinion of those closely involved, the importance of consistency takes precedence over such important matters as salary and conditions of employment, then it behoves leaders of change to regard this matter very seriously.

2.3.2.4 *Leadership Compromise*

Another very important matter to which leaders must attend, if they wish to gain genuine commitment from their followers, is the matter of compromise. Inevitably, in almost all significant organisational change, some form of compromise is not only likely but is also often highly desirable. A number of writers present some useful guidelines on this subject. Handy (1994) makes some pertinent observations about the nature of compromise and its importance in facilitating organisational change. He speaks of the importance of compromise as a prerequisite for making progress and, in this action, both sides have to concede for both to win. For Handy, “Compromise is essential to democracy. It is also essential to leaders who want willing and able followers, not sycophants.” (*ibid*:84). He makes the interesting observation that the morality of compromise sounds contradictory, as compromise is usually taken as a sign of weakness, or an admission of defeat. Strong people, it is often thought, don’t compromise. But Handy argues, very convincingly, that, in fact, they do. More important, they know when to compromise.

Speaking of those people who don’t compromise, who are so certain that they are always right, he makes the insightful comment, “There is, however, a seductive power in certainty. If you have no doubt, then you never see the need to compromise.” (*loc.cit.*) For these people, Handy says, compromise is a “weasel word” which signifies capitulation and is something they steadfastly refuse to contemplate. Effective leaders know better than this. The certainty and self

assurance of good leaders, Handy asserts, must be tempered with the spirit of compromise if others are not to be excluded and productive change is to result. Notwithstanding all that he has to say of the importance of engaging in compromise, Handy offers a cautionary comment that effective leaders would do well to carefully heed. "On the other hand, excessive compromise can give away too much. It can be seen as weakness, not as consensus building. The wrong compromise can block progress, not promote it." (*ibid*:85). The skill in this case, as in most other cases, is to be able distinguish the wrong from the right.

Newton and Tarrant (1992) make useful observations about the place and process of compromise. They point out that, "Negotiation is often a key process in the mobilisation of change" (*ibid*:102) and that an essential part of this negotiating activity is the engagement in compromise. Most emphatically, they declare:

Negotiators should not start by seeing the process in adversarial terms; rather they should search for the principles each party to the negotiations wishes to uphold. When these have been drawn out, the negotiations begin as a joint endeavour to find the positions that will work to mutual advantage. (*ibid*:103)

This appears very sensible advice for leaders to follow.

Another useful commentary on the place of compromise in the change process comes from Mant (1997) who develops the interesting notion of binary and ternary modes of operation, with the former leading inevitably to a win-lose situation and the latter to a win-win outcome. The central question in the binary mode is, "Will I win?" whereas the ternary mode asks, "What is it for?" In the binary mode of thought, Mant points out, somebody always comes out on top. In the ternary mode, the product or purpose comes out on top. (*ibid*:6). Applied to the compromise situation, the ternary mode of operation is clearly the one which leaders need to employ if they wish to be effective.

2.3.2.5 Leadership Timing

Leaders need to consider the issue of timing when seeking support and commitment for an intended organisational change. This involves such considerations as when to initiate a change, the rate at which it should be pursued and when it should be suspended or brought to a conclusion. Getting these matters right has a large bearing on the extent to which commitment to the change can be secured. Good leaders are well aware that change, badly timed or pursued at an unacceptable pace, is most unlikely to obtain, from those involved, the level of

commitment necessary to ensure its success. A number of writers examine this matter and signal the crucial role that timing plays in any organisational change.

Pfeffer (1992), speaking of change, declares, "Timing is (almost) everything." (*ibid*:176) He points out that it is not only important to determine what to do in terms of a projected change, but also when to do it. He suggests that the dimension of timing in the change process is often neglected and makes the obvious, but relevant, observation that, "Actions that are well-timed may succeed, while the same actions, undertaken at a less opportune moment, may have no chance of success." (*ibid*:227).

Likewise, Conner (1998) suggests that "timing is everything" and notes that the timing of a commitment to a change is a key factor to its eventual success. If such commitment forms too early then it won't be sustained. If it is formed too late then it won't matter. The crucial variable, he asserts, is "the timing of the resolve." (*loc. cit.*). Marks (1998) supports this view and declares that, "Time and the timing of events are critical in instituting change" (*ibid*:14).

Other writers refer to the time that change takes. (Harvey-Jones, 1988; Hassard & Sharifi, 1989; Baldrige & Deal, 1995). Most writers share the view that effective organisational change takes a considerable time to achieve and considerable patience is required to see it to completion.

Fullan (1997) is broadly representative of such views. He suggests that leaders of change should assume that effective change takes time and that unrealistic or undefined timelines fail to recognise that implementation of change proceeds developmentally. He has a salutary warning for leaders who fail to make this assumption and who are looking for change to take place very rapidly. From his experience, he concludes that, "Significant change in the form of implementing specific innovations can be expected to take a minimum of two to three years; bringing about institutional reforms can take five or more years." (*ibid*:212).

One writer, who takes a contrary view, is Carr (1997). He offers the following advice:

The first requirement for large change is speed over the ice. Do not try to advance a step at a time. Define your objectives clearly and move towards them in quantum leaps; otherwise interest groups will have time to mobilise and drag you down. (*ibid*:180)

He declares that speed is essential and that it is almost impossible to go too fast. He suggests that vested interests seeking to preserve past privileges will always argue strongly for a slower pace of change. He advises that, once the change programme has commenced, "Don't stop until

you have implemented it. The fire of opponents is much less accurate if they have to shoot at a moving target.” (*loc. cit.*).

Although the general tenor of his writing suggests that Carr may not be entirely serious and that what he has to say is designed more for entertainment than for serious debate, there are some elements in his view that are worthy of consideration. It may be that, in some circumstances, speed of change is of the essence and that the strategy that he is advocating is, in fact, the most appropriate one for dealing with truly intransigent opposition.

The overall message from all the literature on the timing element of change is that change leaders need to pay very careful attention to this element if they wish their efforts to be rewarded with success. They need to realise that there is no single recipe for success in this matter. What is required of them all, as a number of writers point out, is for them to be able to develop, “a sense of timing” (Havelock, 1978:xi). They need to know, “when to push and when to ease back” (Connor & Lake, 1994:130) and to be adaptable enough to be able to respond quickly to the temporal circumstances of their own particular change situation.

In this chapter, a broad sample of the literature on organisational change has been reviewed. The criteria of relevance, robustness and recency have been used as a basis for the literature selected for review and the literature thus selected has been presented as a response to three specific questions: What are the important characteristics of change? How best can the process of change be managed? What is the role of leadership in this process?

In the next chapter a review is presented of the literature related to the change process involved in mergers, amalgamations and acquisitions in tertiary educational institutions.

CHAPTER THREE

Mergers, Amalgamations, Acquisitions In Tertiary Educational Institutions: What The Literature Tells Us

In this chapter, New Zealand and overseas literature concerning mergers, amalgamations and acquisitions in tertiary educational institutions is reviewed. A general overview of the merger process is followed by a more specific focus on the reasons for which mergers succeed or fail.

3.1 Problems Of Definition

In presenting a review of the literature relating to mergers, amalgamations and acquisitions within the tertiary educational sector, it is apparent that there is a great divergence of opinion as to the meaning of these terms. In some cases, the terms “merger” and “amalgamation” are used synonymously and sometimes they are seen distinctively while the term “acquisition” sometimes covers both terms and sometimes is perceived differently and is referred to as a “takeover”.

Smithells (1992), in her study of the change in relationship between Hamilton Teachers College and the University of Waikato, makes it clear that the term “merger” in her study can be used interchangeably with “amalgamation” and this is very helpful for the reader. Meek and O’Neill (1988) also use the terms interchangeably and add the term “consolidation”. They make a useful distinction between “merger” and “integration” declaring that, “Basically, a merger is the combination of two or more organisations to form one entity, while integration is the process following merger when components of the two organisations are combined... The process of integration takes years.” (*ibid*:137).

Usually the terms “merger” and “amalgamation” are used interchangeably but, at times, some distinction seems to be made.

The College of Education-Massey University merger exemplifies this point. When formal negotiations began in 1990, neither term was used to describe the objective of the negotiations.

Instead the term “Closer Educational Relationships” (CER) was used as it was felt that the term “amalgamation” could be counter productive (JSC minutes, 13/2/90). Official records show, however, that, by the end of 1990, the term “amalgamation” was being used while the term “merger” also gained currency. By the time the “Memorandum of Agreement” was signed on 15 May 1995, the term “merger” had gained ascendancy.

It is evident from the records, that while these terms were often used interchangeably, there were times when they appeared to have different meanings, although what these meanings were was never explicitly resolved. The term “merger” seemed simply to “emerge” as the best descriptor of the final outcome of the CER negotiations.

Attempting to determine the meaning of the term “acquisition” is somewhat less problematic but again there is some equivocation as to what constitutes a “friendly acquisition”, (for some a contradiction in itself) and what are more clearly “hostile acquisitions”.

For some, “friendly acquisition” is a synonym for “merger” or “amalgamation”, for others it is a “takeover”. “Hostile acquisition” seems to escape this ambiguity and is almost universally recognised for what it is: the complete take-over of one institution’s control and assets by another with its consequential loss of power and identity.

The review of the literature which follows acknowledges this definitional difficulty and takes care to minimise the possible ambiguity that may arise in the usage of the terms in question.

3.2 The New Zealand Scene

At the time when the present study began, (1989-1996) only one “merger” of tertiary educational institutions in New Zealand had occurred: Hamilton Teachers’ College and the University of Waikato and was effective from 1 January 1991. To date, the literature covering this merger has not been extensive but the two studies and two paper presentations reviewed here provide very useful commentaries on what occurred during the merging process and they offer valuable insights into the organisational change process generally.

The first study, “Amalgamation” (Smithells *op. cit.*), covers an investigation of the perceptions of staff, a chronology of events and an historical overview of the amalgamation of the University of Waikato and Hamilton Teachers’ College. Here, Smithells points out that, by the 1980s, the merging of two or more tertiary institutions had become prevalent overseas but had not been possible in New Zealand because of the restrictive nature of the legislation existing at

that time. However, with the educational reforms of the late eighties, and the passing of the Education Amendment Act 1990, this changed. Hamilton Teachers' College and the University of Waikato were the first institutions to take advantage of the new possibilities and, on 1 January 1991, after some eighteen months of negotiations, the two institutions amalgamated and became the University of Waikato School of Education.

Smithells (1992) presents a review of the literature relating to amalgamations and mergers and notes that, "Due to the amalgamation of cross-sectoral institutions not being possible until recently there has not been any New Zealand literature available on this subject" (*ibid*:26). Reference is made to earlier unsuccessful explorations of merger possibilities between the University and the Teachers' College carried out in 1974 and 1975 by Professor Freyberg, and to predictions by Taylor and Renwick that, in the future, institutions such as the University of Waikato and the Hamilton Teachers' College, would eventually amalgamate. (*op. cit*:21-23).

Following a brief review of the state of the then current institutional relationships between other universities and colleges of education in New Zealand, and a short history of the University of Waikato and Hamilton Teachers' College, the author provides a chronology of events and decisions that led to the amalgamation on 1 January 1991. This raises the important question, "What is the optimum length of time that negotiations for a merger be engaged in before resolution, is, or is not, achieved?" At the same time it provides an empirical baseline for others engaged in a similar exercise to consider. It is very interesting to note here that, while the Waikato University-Hamilton Teachers' College amalgamation was completed (finalised) after only eighteen months of negotiations, the Massey University-Palmerston North College of Education merger took almost seven years to achieve. In Chapter Eight, an explanation is offered for the considerable time taken for the Massey-College merger to be effected.

Smithells' study concludes with the presentation of the author's findings from her analysis of responses to the questionnaire she used to gather data. A number of relevant points relating to the process of change emerge at this stage.

Effecting mergers is neither easy nor instantaneous and the question of how long to proceed with the relevant negotiations, and at what speed, is highly problematic. Smithells (1992) found that, "Many staff had become alienated due to the frustrations and the numerous changes which they had been expected to cope with during a short period of time." (*ibid*:81) Some felt that while the amalgamation was the right move, "It had been too rushed." (*ibid*:65).

Another finding highlighted by Smithells' data relates to the importance of paying full attention to the need to communicate and consult effectively throughout any process involving significant change. When asked for the advice they would offer to similar institutions which were exploring the path of amalgamations, a number of staff referred to the importance of these two activities. One said, "Good communication and dissemination of information" was important. (*ibid*:73). Another advised, "Let staff know how it effects them" (*loc. cit.*) and yet another said, "Extensive consultation with all staff before an amalgamation decision is reached. More accurate information on the possibilities needs to be proposed at the consultation stage rather than vague generalisations." (*loc. cit.*).

A further important point brought into focus by Smithells' findings concerns the vital importance for each party to any merger trying to fully appreciate the culture of the institution with which they are merging. This is no easy task and some of the comments by the respondents in her study show that this was seen as a problem.

Smithells notes that general staff of the Teachers' College felt that they did not know enough about the University administrative systems and that the University staff did not know sufficient about theirs. Some staff suggested that, "University seems unaware or unconcerned about what people do in the School of Ed... School of Education also need to know more about counterparts in the university." (*ibid*:68). Another comment was, "The corporate culture/bureaucratic process of both institutions felt their way was the best." (*loc. cit.*). This being the case, and with what Smithells saw as familiarisation in one direction only, it was hardly surprising, she believed, "that this amalgamation was perceived by some, more as a takeover or a merger-acquisition than a true amalgamation." (*ibid*:80).

The second study reviewed here was undertaken by Oliver (1992) who examined the University of Waikato Bachelor of Education and Diploma of Teaching programmes following the merger of the University with Hamilton Teachers' College. Sub-titled, "An investigation into the Process of Change", this study had a more detailed focus on the process of change than the Smithells' study and Oliver has insights to offer.

After providing a brief summary of both the legislative changes in New Zealand that allowed amalgamations to take place and of the discussions that led up to the amalgamation, Oliver provides a useful review of overseas literature relating to amalgamations of tertiary educational institutions.

The author noted three common themes apparent in the overseas literature.

First, the research was mainly concerned with portraying an overall picture of institutional amalgamations rather than focusing on one particular aspect.

Second, the studies pointed out that there is no one formula which can be followed to produce a successful merger and, as a result, care has to be taken in generalising across different situations.

Third, the dominant methodologies employed, in examining mergers, have been qualitative techniques through case studies and cross-sectoral comparisons.

A number of other issues appearing in the literature were then briefly discussed. It was observed that the merger process does not readily transcend organisational conflicts and politics, with fear and anxiety by staff members over job security and institutional governance being the most significant problem. The time factor in the merger process was given much attention and shown to be very important as was the value of adopting an inclusive rather than an exclusive approach to the process.

After noting that, "There appear to be about as many theories of the change process as there are writers on the subject", (*ibid*:10) Oliver suggests that there are some broad areas of agreement and she refers to Bennis's (1985) two broad types of theory: theory of change and theory of changing. She makes reference to the work of Deal (1990) and to that of Hopkins and Wideen (1984) who make the distinction between "adoptive" and "adaptive" models of change. The former is essentially a top-down model, with the emphasis on getting those involved to simply adopt the change, whereas the latter is more a bottom-up approach, where the emphasis is on developing a capacity for change from within the organisation itself. Oliver also makes reference to "drift theory" as advanced by Giacuinta (1971), where considerable "drift" often occurs between the initiation of a change and its institutionalisation.

Oliver's review of the change literature is valuable for at least two reasons. First, it highlights the tremendous range of theories that abound in literature on the change process and, second, it draws attention to the useful "theory of change" and "theory of changing" distinction first proposed by Bennis (1966) three decades ago. Theories of change focus on the dynamics of the change process whereas theories of changing concern themselves with what needs to be done to induce change and insure that it is successful. The theory presented in this thesis (Chapter Nine) would fit into this latter category.

Following a summary of the literature concerning the characteristics of effective change agents Oliver presented details of her study and a final report, "Summary and Conclusions". In this section, a number of insightful observations were made. Oliver concluded, as many researchers have done, (*e.g.* Covey, (1997); Marks, (1998); Kanter, (1983); Peters & Waterman, (1984)) that the human factor in the change process is absolutely crucial. The commitment of those people involved in the change is a key element. She notes:

One of the most significant themes to emerge from this study would have to be that people, and not organisations, bring about change. The process of change resulting from the amalgamation involved people's abilities, their foresight and, of course their idiosyncrasies, that is, the human factor. (*ibid*:42)

A second factor of great importance, was what she described as, "The culture differential". This manifested itself in the development of mutual suspicion between the staff of the former College and the staff of the University. The culture of the former group rested heavily on commitment to the development of teacher education whereas that of the latter group, "Placed a great deal of emphasis on research and publications." (*ibid*:43).

This "culture divide" appears to be an endemic threat to the success of all tertiary institutional mergers. Oliver observes that, in the case of the institutions she was studying, attempts were being made to bridge this divide by widening the definition of "research" to allow for the inclusion of more former College staff and by placing increased academic value on teaching experience and professional supervision. With respect to the "culture divide" as it existed at the time of the amalgamation, Oliver observed, "There was a measure of fusion but it will take time, and many tea breaks in the Common Room for it to become complete." (*loc. cit.*).

Oliver also highlighted the resistance that, almost inevitably, accompanies any efforts to change the status quo. "Particular individuals and groups within the School continued to attempt to maintain their positions of power." (*loc. cit.*). The fear and anxiety of the staff about their place in the new order of things was a very real concern and, while this is both understandable and reasonable, it presents a considerable challenge for those whose task it is to bring about the change as expeditiously as possible.

Important, again, was time. A very compressed timing schedule for implementing the post-amalgamation changes was put in place, forcing considerable constraints on the change facilitator. Speaking of the facilitator's approach, Oliver explained, "His major goal in facilitating the change was to allow people time to come to own the changes rather than to feel

that they had been imposed on them. However, the planning cycle of the University did not allow for this to occur.” (*ibid*:44).

In the endeavour to keep staff fully informed and genuinely involved in the change process, the change facilitator was greatly constrained by the time available. Considerable commitment was required of staff to keep pace with all the developments that were occurring and this exerted extreme pressure on staff morale. As Oliver discovered, “For some, the change process seemed like an administrative ‘black hole’, consuming the goodwill of staff in continuous meetings, negotiations, and conflict resolutions” (*loc. cit.*).

Clearly, the desire to communicate and consult with those directly involved in any change must be tempered by the circumstances that currently prevail, time itself being one such circumstance. As Oliver observed, “Too much information, especially if at times contradictory, can be self-defeating.” (*loc. cit.*).

These observations highlight the crucial role that timing plays in any organisational change activity. There can never be any “recipe” or “universal timetable” that will cover all situations but there need to be certain principles, or guidelines, that should be considered if the proposed change is to be effectively implemented.

Oliver noted that the initial unstable environment resulting from the amalgamation posed the greatest problem facing the change facilitator and she suggested that the issue of change facilitator “style” be further investigated. She concluded her report by highlighting the need to understand the process of change and the role of change agents, declaring:

In the past we have tended to learn as we go, based on our own experiences. As change continues to occur, and particularly in the amalgamation of tertiary institutions, it is essential that we continue to reinforce the need for an awareness of the dimensions of the change process, and acknowledgement of the best use of change facilitators. (*ibid*:46).

Two papers by Ramsay (1992), the change facilitator in Oliver’s study, provide further insight into the change process. The first paper, “Achieving Change: The Amalgamation of Hamilton Teachers College And The University Of Waikato”, was delivered at the New Zealand Teachers Colleges Association 1992 annual conference in Auckland. The paper examined some of the literature on change theory, described some of the accounts of amalgamation overseas, suggested some reasons for the Waikato merger, detailed some of the subsequent events, examined some of the problems and looked towards the future.

When speaking of change theory, Ramsay referred to Oliver's review of the change literature and her suggestion that the literature revealed two broad types of change theory: "implementation theory" and "change process theory". While these are useful conceptual classifications to consider as a way of dealing with the intimidating amount of writing in the area, it is important to remember that there is a certain degree of arbitrariness in such a classification, demanding some caution in its use. Ramsay makes the excellent point that, "Of course the two fields are closely related and one would expect the latter to inform the former." (*ibid*:1). Indeed, and there may be yet other groupings, as Marks (1996) later suggested, which provide an even better picture.

Commenting on work done by researchers of the change process, Ramsay cites four key conditions necessary for successful change to occur. First, the implementers of change need to own the change and this involves the existence of a clear vision and an inclusive, rather than an exclusive, approach to the change. Second, a repertoire of strategies is required. Third, there needs to be provision for what Ramsay refers to as "quality reflection time". Fourth, considerable attention needs to be paid to the culture of the institutions within which change will occur. Ramsay attests to the usefulness of these theories when he declares that, "These theories, which we found empirically in our research to be accurate, are very important in the merging of two institutions with differing cultures." (*ibid*:2). His declaration that, "Time is perhaps the greatest asset in any innovation and is also the rarest commodity", (*loc. cit.*) is particularly apposite in this context.

Looking at overseas change literature specifically focused on amalgamations of tertiary institutions, Ramsay covers much of the ground already covered by Oliver. He provides a five point summary of some of the major themes that emerge from the extensive collection of literature on this particular field of change. First, there is no one formula that can be followed to produce a successful merger. Second, the achievement of successful mergers requires skilful leaders committed to the idea of change. Third, the roles of all those involved in the change need to be spelled out very clearly. Fourth, shared decision making seems to be preferable to an hierarchical approach. Fifth, a considerable period of time is required for the successful accomplishment of an amalgamation.

While these points are worthy of careful consideration, the first is of overwhelming importance. There is no magic prescription that leads to success. Change research experience, over and over again, bears truth to this claim and gives substantial support to the position argued in this thesis: for change to be effective, there are certain principles that must be followed but the strategies,

tactics and techniques that need to be employed to enact these principles is essentially a situationally specific matter.

Using the culinary metaphor referred to earlier (Chapter One, p. 2), the principles to be followed can be viewed as the essential ingredients for the change “cake” that is to be “baked” but the relative balance of these ingredients and the length of their baking represent the strategies, tactics and techniques that need to be employed for a successful outcome.

Following a detailed account of the reasons for the Waikato merger and the amalgamation process that occurred, Ramsay describes four major problems that arose during the change process. For those interested in bringing about similar significant organisational changes, these comments are particularly instructive.

The first major problem was lack of time. There was insufficient time for the change agents to operate in a manner that allowed the participants in the change to take ownership of it. He observed, “The pace has been far too fast and some people have been left behind.” (*ibid*:9).

The second problem arose from the difficulty of trying to combine two very different cultures, a problem noted by both Smithells and Oliver. The research and publications focus of the University culture was at considerable variance with the teaching and professional support focus of the Teachers College culture.

The third problem related to the administrative structure that was finally developed. The original plan was not able to be actioned and, at the time of writing, a problem still remained.

The final problem concerned industrial issues and, in spite of a considerable amount of goodwill, at the time of writing, this, too, remained unresolved.

Ramsay concluded his paper with a reminder of the difficulties associated with predicting the future but suggested that indications of increased autonomy for the University’s Schools and the greater emphasis on teacher education research, already in evidence, were positive signs for the future.

The second paper by Ramsay, “Conditions of Change: The Amalgamation of Hamilton Teachers College and the University of Waikato”, (Ramsay, 1992) appeared as an article in the journal *INPUT* and covers much the same ground as the first paper but in compressed form. Ramsay gives an interesting account of the antecedents to the merger and, with reference to

Deal (1990), observes that, “In order to let go of the past one must understand that past.” (*ibid*:1).

After acknowledging that, at the time of writing, the new amalgamated institution was probably still in the “honeymoon” period, he restated some of the emerging problems that he had noted in his previous paper: persisting industrial matters yet to be resolved, insufficient time for people to come to own the changes, culture differences persisting and departmental imbalances.

3.3 Overseas Literature

The literature reviewed in this section comes mainly from Australia, Great Britain and the United States of America. It is presented in two parts. The first part deals with general points about mergers and the second with the reasons advanced for the success and failures of mergers.

3.3.1 Part A. Mergers: A General Overview

3.3.1.1 Merger Categories

While most writers use the terms “merger” and “amalgamation” interchangeably to describe two or more institutions coming together to form a new unit, a number go further and make refinements within these groupings. Harman and Meek (1988) note that amalgamations come in a wide variety of forms and patterns and they suggest that it is helpful to make some basic distinctions. (*ibid*:4). First, they draw the distinction between amalgamations that are voluntary and those that are involuntary; the latter resulting from force exerted by some outside body. They then make a further distinction between amalgamations that they describe as “consolidations” or “acquisitions”. Consolidations occur between similar institutions with a new institution resulting. Acquisitions occur where one institution is largely unaffected and absorbs the other, or others. The authors note:

For political reasons an acquisition is sometimes publicly presented by government as a consolidation, while it is not unknown for an institution facing absorption into a larger institution to argue that the merger should be treated as a consolidation, rather than an acquisition. (*loc. cit.*)

Their third distinction refers to amalgamations between institutions in one sector of tertiary education with one in another sector. This they refer to as a “cross-sectoral amalgamation”. As an example of this type, the Tasmanian College of Education amalgamation with the University of Tasmania is cited. They make a fourth distinction between amalgamation of institutions covering similar academic fields (*e.g.* two teachers colleges) and those with different interests

(e.g. a teachers college with a multi-school college). They point out that, in the business world, these amalgamations or mergers would be known as horizontal and vertical mergers respectively, although in the higher education field a considerable degree of overlap limits the usefulness of such a classification.

A final distinction, they say, can be made on the basis of the number of institutions being combined. While mergers of two institutions are the most common in Australia, greater numbers of institutions have been involved but, almost without exception, these have been consolidations rather than acquisitions.

Pritchard (1993) provides a similar classification. She defines an institutional merger as, “an amalgamation in which two or more component institutions give up their legally independent identities in favour of a new joint identity.” (*ibid*:81). She uses the words “merger” and “amalgamation” interchangeably. It is relevant to note here that, as she observes, “It is of course possible to have mergers between discrete components of an institution” (*loc. cit.*). Some would argue this was the case with the College-Massey merger examined in the present study.

Pritchard refers to “horizontal” mergers alternatively as “lateral” mergers and adds a further classification: that of “conglomerate” mergers, a term from the corporate world, where firms which specialise in very different products, amalgamate. In higher education, a conglomerate merger is one in which highly disparate fields of study merge.

Her final distinction is that between unitary and federal mergers. In the former, various institutions, “are all submerged in a common identity and are governed by a central authority, whereas in the latter the component parts have much more autonomy.” (*ibid*:83).

Speaking of mergers generally and of the distribution of power, she points out that, if both partners play from an equal or nearly equal strength, then the partnership can be described as “symmetrical” and co-operation predominates. But, she claims, rarely is this the reality. “In practice, most mergers are on unequal terms (asymmetrical) and have a major and a minor partner: what would be termed in the language of business, an ‘acquirer’ and a ‘victim’.” (*loc. cit.*).

Pfeffer (1972), from the business world, provides a corporate perspective on the classification of mergers with one that parallels the horizontal, vertical and conglomerate typology already discussed. He indicates that the patterns of mergers among industrial companies fall into three distinct categories: (1) mergers to absorb symbiotic interdependence (horizontal), (2) mergers to

absorb competitive or commensalistic interdependence (vertical), and (3) mergers for diversification (conglomerate).

While these categories provide useful ways of describing the various forms that mergers or amalgamations may take and while, in the literature, there is general agreement about what each category describes, this is often not the case for those actually experiencing such organisational changes. What, for some, is a voluntary merger is seen by others as an involuntary one, with a very strong acquisition or takeover connotation. This different perception by the participating players can have a very significant influence on the ultimate outcome of the organisational change involved. In the College-Massey merger reported here, some of the staff and key player responses provided clear evidence of this difference.

3.3.1.2 Merger Reasons

Meek, in a number of publications (Meek, 1988; Meek, 1989; Meek & Goedegebuure, 1989; Meek & O'Neill, 1988), is emphatic that, "The forces which lead to merger seldom, if ever, originate solely within the institutions involved. The conditions that stimulate merger are mainly external ones." (Meek, 1988:348). This, he suggests, is one reason why so often there is internal staff and student opposition to merger proposals.

In Australia, he maintains, these external forces are represented by government and are essentially financial. The results of his national survey involving leaders of higher education, gave support to this view with an overwhelming majority accepting the notion that, "despite official rhetoric, the Government is forcing amalgamations through the power of the purse." (Meek & Goedegebuure, 1989:35).

In Australia, "At institutional level, merger is being driven by the desire of smaller institutions to survive and by the desire of the larger institutions to increase their share of the educational market." (Meek, 1989:16, Massey). Along with O'Neill, (Meek & O'Neill, 1988:16) he points out the relevance of the concept of "synergy" as a factor in providing a justification for merging (*i.e.* the presumption that the strength of the merged institution is greater than the separate strengths of the previously independent institutions). It is pertinent to note here that the synergistic argument was the one originally advanced by the Vice-Chancellor of Massey University when he made his initial merger proposal in 1989.

The literature on mergers in the United Kingdom provides a broadly similar picture of the reasons for mergers as that found in Australia. Pritchard (1993), from the University of Ulster,

observes that, while an academic rationale is invariably provided for a merger, “it is almost always linked in some way to finance.” (*ibid*:83). The operation of Meek’s “power of the purse” is clearly not limited to the southern hemisphere!

In reporting the research of Fielden (1989), Pritchard suggests that, if Fielden’s findings are to be accepted, then, “The economic motives for establishing bigger HEI’s through merger, must be treated with suspicion.” (*op.cit*:84). Like Meek (1989), Pritchard acknowledges the importance of the “survival factor” in motivating engagement in merger negotiations, particularly for institutions feeling themselves threatened. As she puts it, “The most powerful reason of all for merging is the need to ensure the survival of one or more of the institutions.” (*ibid*:85).

In addition to academic, strategic and financial reasons for mergers, Pritchard highlights the importance of chance. “Mergers can result from somewhat random factors like political opportunism and fashion (a ‘band wagon effect’).” (*ibid*:84).

Rowley (1997) analyses the motives of higher education mergers in England. Her findings concerning these mergers provide a somewhat different perspective. She suggests that, while financial reasons were a consideration, most mergers were not predicated on the prospect of cost savings. Of mergers, she asserts, “Although a few predicted economies of scale this was not a key driver for merger.” (*ibid*:260).

3.3.1.3 Merger Factors

From the literature, three elements emerge as requiring careful attention in any merger situation – time, leadership and luck.

(a) Time

The literature relating to the time required for the merger process to proceed efficiently to an acceptable conclusion is interesting but equivocal. There is no dispute that, in both the negotiation and implementation phases, time, and sufficiency of it are important. Not all writers agree, however, on just what the length of this time should be. They do agree that appropriate timing is crucial, although what, in practice, constitutes being “appropriate”, is unclear. Meek (1988), in presenting lessons from the merger experience, declares:

The fourth lesson is that the accomplishment of merger takes time to achieve. Mergers take up a considerable amount of time. The time required to plan a merger can be anywhere between three months and over a decade. It may also take a considerable amount of time for the benefits of merger to appear. (*ibid*:347)

Regarding the time for benefits to appear, Meek quotes Millett (1975) who believes that, "It is no exaggeration to say that most mergers take about ten years for the wounds to heal and for the new realities to be generally acceptable and workable for the faculty, students and staff." (Millett, 1975:97).

Wedderburn (1987), in her account of the merger of Royal Holloway and Bedford College, provides an example of a merger where the decision making period was remarkably short and where, "It proved possible to begin the physical movement of staff and students... only six months after the declaration of intent to merge." (*ibid*:113). She notes that all aspects of the merger (shift to a new site, academic integration *etc.*) were largely completed just three and a half years after the declaration of intent.

The negotiation period for the merger, in Scotland, of Moray House with the University of Edinburgh, was similarly brief, taking just under two years from the time the negotiations began until their successful completion. (Cornish, 1998). Pritchard (*op. cit.*) is one who favours this sort of negotiation time frame. She is in no doubt that mergers should be brought about speedily. She declares:

It is best to implement a merger rapidly, especially if it is controversial. Long delays weaken resolve, make plans unravel and give space for disagreements to occur... Discussions which are protracted over a period of almost a decade are likely to have an adverse effect on the HEIs involved, not least by absorbing time and energies better used in an academically productive way. (*op. cit*:86)

Rowley (1997), in her study of thirty tertiary institution mergers in England, provides an excellent example of the difficulty of trying to prescribe the length of time that should be devoted to effecting a merger. She found that, "Typically the process of merger took more than a year but less than two." (*ibid*:252) She also found that there seemed to be no direct relationship between the length of time spent leading up to and negotiating the merger and the satisfaction with the outcome. Of the three mergers in her study which had resulted in disappointment and the four which had exceeded expectations, it was found that:

Two of the disappointed cases followed more than five years" prior collaboration - including validation and associate college agreements, while half the "excelling" cases had no history at all of prior collaboration. In all disappointing cases, the merger process had taken less than one year, although in half the excellent cases this was also true. (*ibid*:258)

While it is important to devote the appropriate length of time to effect a merger, the length of time required is essentially situation specific and is not in any way amenable to one formula. Each situation has to be carefully considered on its individual merits and circumstances. What is important, as Fielden and Markham (1998) point out, is to allow sufficient time in each case for the process to proceed in order to enable, “thorough evaluations to take place, and for trust and good relationships to be established between the institutions.” (*ibid*:6).

(b) Leadership

In any organisational change, the role of leadership in the management of the merger change process is crucial in determining its success or failure. Pritchard (1993) expresses this notion very well and she adds a somewhat controversial suggestion that the style of leadership in a merger should change as the merger becomes more established. She declares that, “The most important single factor in assuring the success of a merger is good management from the top.” (*op. cit*:85). She suggests that this has consistently been found to be the case with corporate managers and, “is also true of educational mergers.” (*loc. cit.*). While readers might take issue with the importance she attaches to leadership in the merger process, all writers seem to agree on its significance. Where they differ is with the emphasis she places on a strongly directive style of leadership. She claims that, “The leadership style characterising the early years of a successful merger is strongly directive (some would say even brutal!)” (*loc. cit.*), but implies that she is not one who would find fault with this. She suggests, however, that this approach should be modified as the merger institution matures and that:

As normalisation replaces crisis, less attention should be paid to controlling people and more to developing institutional loyalty and raising institutional morale, perhaps veering towards what Ouchi (1991) has so graphically described in his book, *Theory Z*. (*loc. cit.*)

Her views, as implied by these declarations, find little support in the writings of others in this area or in the field of organisational change generally. The overwhelming view of the majority of writers (Covey, 1992, 1995, 1997; Bennis, 1984, 1985, 1993, 1997; Chance, 1996; Fullan, 1985, 1993, 1997; Gibson, 1997; Handy, 1985, 1991, 1994, 1997; Kanter, 1983, 1985; Kotter 1988, 1990, 1997; Mant, 1997; Nanus, 1992; Peters & Waterman, 1984; Schein, 1992; Yukl, 1998) points to the effectiveness of a less controlling style of leadership and to the value of greater collegiality and participation in the change process.

(c) Luck

In spite of the very best efforts to carefully plan all the elements of the merger process, the part played by luck, or chance, should never be discounted. Three writers, in particular, draw attention to this factor.

Rowley (*op. cit.*), in her study, asked the respondents, “What were the unexpected outcomes of the merger bonuses and problems?” From their replies, it became obvious that there were numerous developments of strategic significance that had not been planned. These features appeared and had to be considered, some for the better and some for the worse. Quoting from Mintzberg and Waters (1985), she indicated that her findings supported the assertion that, “strategy walks on two legs: one deliberate and one emergent” (Rowley, 1997:257). There was evidence supporting the interpretative view of strategy where a manager, “will discover the meaning of yesterday’s action in the experience and interpretation of today.” (*loc. cit.*). This combination of hindsight, chance and plain luck is often a powerful force in many change situations and, while never a substitute for careful planning, should certainly be utilised when it appears. (Chapter Nine, p. 281).

Meek (1989) also draws attention to the serendipitous element in the merger process. While asserting that a successful merger requires strong leadership, good organisation, a degree of goodwill and adequate dissemination of information, he also declares it requires, “a hell of a lot of good luck.” (*op.cit.*:21). This is not an excuse for failure, or for a lack of adequate planning, but a useful reminder that not all the elements in the merger process can be kept fully under control.

The chance element in the creation of institutional mergers is also highlighted by Birley (1991) in reference to the merger of the New University of Ulster and Ulster College. He considered that, in that merger, it was not easy to separate accident from essence with regard to the actual process of the merger. He declared that, “Mergers are, in any event, accidental phenomena, mere instruments of social and educational policy, not substitutes for it.” (*ibid*:135).

3.3.1.4 Merger Outcomes

The literature on the outcomes of tertiary institution mergers is generally very positive although the criteria for judging success are varied and they depend largely on who is making the judgement. Goedegebuure and Vos (1985) believe that, on the personal level:

Mergers always result in losers and winners: those who have lost their former status and power position, those who have to change their daily routines because they are faced with new demands, those who have gained prestige because of their abilities to negotiate, those who find themselves in control of very large institutions *etc.* (*ibid*:212)

Speaking specifically of the merger scene in the Netherlands, the authors say that, “From the point of view of both government and HBO Council,¹ the merger operation has been a definitive success,” (*loc. cit.*) but, “From the point of view of the institutions, the feelings appear to be mixed.” (*loc. cit.*).

Cantor (1988), reporting on the Loughborough University of Technology and the Loughborough College of Education merger in the 1970’s, assesses it as, “The most successful and least painful of the seven cross-sectoral mergers that occurred in England and Wales in the nineteen-seventies” (*ibid*:180). Like Goedegebuure and Vos (*op. cit.*), he acknowledges the personal cost to many of those involved. “It was not of course, accomplished without trauma and agony, particularly for those members of the former college who had to come to terms with a changing environment, with the loss of status and, most of all, loss of jobs.” (*loc. cit.*).

Meek (1985), in discussing mergers in the United Kingdom, makes a similar observation. “No merger is painless. Mergers involve change, ... and there is no such thing as painless social change. Cross-sectoral amalgamations involve more changes than any other form of educational merger.” (*ibid*:169).

He suggests that, notwithstanding the personal trauma involved, such mergers also have great positive potential for achieving innovation. The cases of cross-sectoral merger on which he reported seemed to be successful. This qualified assessment is indicative of the difficulty that attends most merger evaluations. In the absence of universally agreed assessment criteria, it is very difficult to produce credible definitive judgements.

Meek (1988) also makes the almost self-evident, but nevertheless, interesting observation that, “In cross-sectoral university/college mergers, the outcome of the merger is always a university.” (*ibid*:165). He notes that, where the university personnel involved in the merger have adopted an elitist and superior attitude, “These mergers (or takeovers) have produced sterile and unexciting results.” (*loc. cit.*).

¹ HBO = the non-university sector of higher education.

Pritchard (1993), commenting on mergers and linkages in British higher education, sounds a cautionary note about the place of excessive competition in education and expresses serious reservations about the merger movement. Like other writers, she comments on the downside of the merger process: "All mergers, almost by definition, have unpleasant features... Mergers are thus by their nature very upsetting, sometimes even traumatic. They are not guaranteed to be cost-effective." (*ibid*:89). She concludes by casting considerable doubt on the success of mergers generally and citing what she sees to be the case with mergers in Australia, in particular:

In Australia, where mergers have taken place on a vast scale since the early 1980s, there is now evidence that standards are deteriorating; the blurring of distinctions between educational levels has resulted in undergraduate modules, thinly disguised, being passed off as graduate modules. (*ibid*:100)

Rowley (1997) presents a different picture. In her opinion, using the self-assessment of institutional personnel, most mergers in the HE (Higher Education) sector are successful. This compares with the 50% reported in the industrial mergers' study of Kay *et al.*, 1993. Although she concedes that the position is less clear when financial performance is used as a criterion of success, she reports that only ten per cent of the mergers in her study (*i.e.* three cases) could be considered failures. This raises the questions of "Who does the assessing?" and "What criteria should be used?" In Rowley's case, it is not too surprising that self-assessment by institutional personnel should result in a reasonably positive response since, as Harman (1993) observes, "Generally participants in mergers prefer to write about achievements and difficulties overcome, rather than about failures." (*ibid*:121).

Concerning the Australian situation, Harman (*ibid*) notes that amalgamations, (used interchangeably with the term merger) have produced numerous administrative organisational and personal problems. "Anxiety levels among both academic and administrative staff have been high." (*ibid*:196). Like Goedegebuure and Vos, (*op. cit.*) he points out that, "In all institutions there have been clear individual winners and losers." (*loc. cit.*). In spite of this, his overall assessment of the outcome of the institutional amalgamations is guardedly positive. He makes the judgement that:

On balance, the results appear to be offering important advantages and benefits. Many institutions have new structures in place and appear to be operating smoothly. New communication technologies are being applied to link geographically separate campuses for both committee meetings and teaching, and in many institutions there is a new competitive and entrepreneurial approach... In many cases it appears that major organisational restructuring has made the development of new approaches and policies relatively easy to achieve. Uniformly, the role of senior management at institutional level has been strengthened. (*loc. cit.*)

One exception to this picture is the 1989-90 merger of the University of New England with three colleges of advanced education which Harman describes as a merger that failed. He notes that participants and observers identified many different reasons for the failure, three of which, he believes, were of particular importance. These were a lack of commitment between the University of New England and one of the merging colleges, the adoption of an unsatisfactory devolved structure and personality difficulties. At least two of these factors, lack of commitment and personality difficulties, have direct relevance to the College-University merger that is the subject of this research (Chapter Eight, pp. 229 and 231).

Mahoney (1995), in his study of ten post-binary merged institutions in Australia also provided evidence that the outcome of higher education mergers is not always an unqualified success. He found that many difficulties present themselves as a merger proceeds. In the examples he studied, he found that the blending of the former higher education cultures was not being achieved, that the resultant synergy was not as great as anticipated and that, "The College legacy was not perceived to be notably significant in the new order." (*ibid*:87).

A rather sceptical assessment of the merger scene is provided by Knight and O'Neill (1988) who, in a provocative paper, "Mating and Amalgamating", draw on a sustained analogy with the animal kingdom. They conclude that, "Tertiary amalgamations are involuntary, almost always protracted, quite resistible, entered into with great caution and not very fruitful." (*ibid*:68).

From this consideration of the literature on merger outcomes, two conclusions emerge. First, all mergers involve considerable upheaval, concern and anxiety. Second, the question of success or failure of mergers is highly problematic. Different people, with different criteria, come up with different conclusions, although, in broad terms, the literature seems to provide qualified support for this form of organisational restructuring.

3.3.1.5 Mergers: Future Direction

With the literature reviewed here focusing on what has happened to the present time, two questions naturally arise, "What of the future? Will the move to merge tertiary educational institutions continue or will there be a swing in the reverse direction as happened with the University of New England amalgamation?" In a definitive sense, only history and hindsight will provide the answers to these questions although reference to the literature provides some basis for speculation.

Meek (1988) traces the development of educational mergers in the United Kingdom over the past three decades and describes them as resulting from government policy: the first series, 1966-1971, as a result of the expansion of British higher education, and the second series as a, “response to fiscal crises, demographic trends and the over supply of teachers.” (*ibid*:160). He suggests that, “Future mergers in Britain, Australia and elsewhere, will probably result from financial crises. But they will also be driven by the need for higher education to be seen as relevant to the community which it serves.” (*ibid*:169).

Pritchard (1993), as already noted, has serious reservations about the form mergers take in the United Kingdom. She argues that government’s policy of encouraging competition in the education sector has in it, “an inherent destructive potential which requires to be mitigated by a whole spectrum of collaborative structures.” (*ibid*:80). In her view, seeking a number of different forms of linkages (*e.g.* affiliation, validation, accreditation, franchising and the like, stopping short of merger) is the direction in which higher education institutions should be heading.

In Australia, the “merging movement” has been a central part of the government’s unified national educational policy. As part of this policy, the traditional “binary system” of universities and colleges has been replaced by a unitary structure where the merged institutions take their place in, “what has been termed in other countries as a system of self-regulation.” (Meek & O’Neill, 1988:138). With this “death of the binary system”, it seems that the future of mergers in the Australian higher education sector is, for the foreseeable future, relatively secure.

A similar situation obtains in the Netherlands. Following what might unkindly be called, “a frenzy of activity”, starting in 1983 and continuing until 1987, 314 non-university higher education institutions were merged, amalgamated or transformed into 51 new institutions, leaving only 34 not merged. (Goedegebuure & Vos, 1988). With the Netherlands government and the non-university sector Council (the HBO) both rating this operation as an unqualified success, the future of mergers in the Netherlands seems assured.

New Zealand has become involved in the tertiary education merger scene but with nothing like the intensity displayed in other countries. A number of polytechnics have merged with similar institutions, or are considering such mergers, and one, the Wellington Polytechnic, has merged with Massey University. Massey University plans to merge with Auckland College of Education, while other institutions are considering their possible merger moves.

Austria stands in stark contrast to other countries in their almost universal move to merge their tertiary educational institutions. As Pratt (1993) reports:

The Government of Austria passed legislation establishing a “binary policy” in higher education. A new accrediting body the Fachhochschulrat was created, empowered to accredit vocationally oriented courses in any institution seeking to offer them. Institutions meeting certain conditions will be entitled to seek designation as Fachhochschulen. The policy marks an important departure from the traditionally highly regulated and centralised system of policy making in Austria. (*ibid*:142)

The future of mergers in one country, at least, seems less than assured.

In almost all the literature reviewed, the inevitability of the merger movement in the tertiary education sector receives overwhelming, albeit sometimes qualified, general acceptance. The perceived advantages and disadvantages of the merger concept are reported but, with one discovered exception, no cogent, clearly argued case is advanced to challenge its validity. The exception is provided in a paper, “Colleges of Education As Stand Alone Institutions”, presented by Knight (1992) at the annual conference of the New Zealand Council for Teacher Education. Knight argued that, in following the merging trend in many OECD countries over the last two decades, we are on, “a mission of mindless imitation.” (*ibid*:12). He argued that, in the tripartite system in New Zealand, the universities, polytechnics and colleges of education complemented each other and allowed diversity to flourish. He cited the writings of B. O. Smith (1980) and Goodlad (1990) in support of his claim and warned of the danger of excellent colleges of education being turned into mediocre research institutions. “What is needed”, he concluded, “is resistance to the emergence of a monolithic structure that places so much emphasis on academic status that it suffocates creativity.” (*ibid*:13). Whether Knight is justified in his fears, history will again be the final judge. It may well be that the wheel of change may yet have another turn to make and the move in Austria is but an early precursor of it!

3.3.2 Part B. Mergers: A Specific Focus

3.3.2.1 Why Mergers Succeed Or Fail

The literature seeking to explain the success or failure of mergers reveals a number of key factors which, together and sometimes separately, have a major influence on the outcome of any merger activity. Notwithstanding the previously noted difficulty in establishing success or failure in this area, there are some crucial elements that writers agree should be addressed if a merger is to have a chance of success.

(a) Vision

There is widespread support for the notion that, for a merger to succeed, it must be guided by a clear and shared vision. While writers' views vary as to how best to develop this vision, they are agreed that a shared vision is extremely important. Martin and Samels (1994), are representative of this position. They point out that a vision should entail both the product and the process envisioned by the merger and should be clearly established in the pre-merger collaboration and negotiation phase of the process. The group to do this:

should immediately be charged with outlining the mission and structure of both the post merger institution and the process by which it will be achieved. Issues unique to either merger partner or to the specific merger plan need to be identified and addressed at this stage. (*ibid*:231)

A cautionary note is added here by Meek (1989) when he observes that, before committing themselves to change, staff usually desire a detailed description of what the new institution will look like, although this is neither possible nor desirable. While there needs to be general agreement over what is envisaged, a degree of flexibility must be retained. Failure to allow for this flexibility frequently leads to disillusionment and places the success of the merger at risk.

A useful example of the importance of vision to the success or failure of a merger is provided by the previously mentioned University of New England merger, described by Harman (1993) as, "A Merger that Failed." (*ibid.*, 1993). In that merger, one of the major sources of tension contributing to the ultimate failure of the merger, resulted directly from deficiencies in the vision that had been established. As Harman (1993) records, there was:

A fundamental misunderstanding of the nature of amalgamation, particularly at Armidale. Northern Rivers saw the merger as formation of a federation, while Armidale saw it as an amalgamation implying "a clear commitment to the pursuit of unitary policies". (*ibid*:133)

(b) Trust

Numerous writers attest to the importance of mutual trust in determining the success or failure of a merger. Speaking of the role of those leading the merger process, Rowley (1997) stated that the pilot interviews she conducted in her study underlined, "the importance of trust between front-line negotiators" (*ibid*:261), while Meek (1988) asserts that, when negotiating a merger, one of the greatest problems is, "mutual distrust amongst the courting parties." (*ibid*:17). This was well illustrated during phase one of the College–Massey merger negotiations.

An observation by Harman (1993), referring to the University of New England merger, is also relevant to the issue of trust. “In the escalation of conflict and the move towards break-up, personalities played a major part.” (*ibid*:138). A number of senior staff from the Armidale and Northern Rivers campuses found it difficult to work together. Mutual trust, although not in itself a sufficient condition, is clearly necessary if the merger is to have a reasonable chance of success. Certainly, the absence of trust is a recipe for failure.

(c) **Timing**

A number of writers stress the importance of timing in determining the success or failure of a merger operation. Arbuthnott and Bone (1993), describing the merger between Jordanhill College of Education and the University of Strathclyde in Glasgow, observe that, “The proposal would have had much less chance of success if it had come only a few years earlier.” (*ibid*:105). Opinion in Scotland had shifted markedly during the previous decade so that the idea of a merger between institutions had become more of a possibility.

In New Zealand, there had been a shift in policy during this period, allowing the merging of tertiary educational institutions to become a reality. The 1990 Education Amendment Act provided the enabling legislative measure for mergers to occur and the world-wide merger movement provided the encouragement, if not the rationale, for this to happen. This movement, one manifestation of economic rationalism, (an economic ideology that promotes financial considerations over social ones and which influences and determines what happens in all sections of society) has, of recent years, exerted an increasing influence on the global scene.

The difficulties of finding the appropriate timing for engaging in a merger must be carefully considered. The Jordanhill-Strathclyde example provided a happy coincidence of opportunity and intention. This is not always the case.

(d) **Culture**

Understanding the institutional culture of the merging institutions has a very important bearing on the outcome of the merger process. If the cultures are well understood and attended to by those leading the merger, the outcome is likely to be positive. If, however, they are ignored or misunderstood, the chances of a successful outcome are greatly diminished. In examining common reactions to mergers in the business world, Burke (1988) points to the clash of cultures that frequently occur. These clashes provide another reason why mergers and acquisitions fail. He cites the example of two acquisitions in the banking world, one in which, “everything

possible that could have gone wrong did.” (*ibid*:20) and the other where everything went smoothly. The difference, he explained, lay in a mismatch of cultures and these differences had not been addressed.

Pritchett (1987), makes a similar assessment. He points out that a corporate culture causes those involved to operate with a certain set of assumptions and implicit expectations. The existing norms, beliefs and values shared by members of an organisation, “are part of an unwritten but very important ‘psychological contract’.” (*ibid*:32) If in a merger process these elements are violated, then the chances of a successful merger are greatly reduced.

A recent comprehensive study of more than 200 corporate mergers and acquisitions, in North America, Australia and New Zealand (McClinchy, 1999), adds to this picture and highlights the important role that culture plays in any organisational change activity. The study, conducted by Davidson and Associates, revealed that 75 per cent of the reviewed organisations failed to deliver positive shareholder value and the greatest cause of this failure was, “the inability of companies to get two sets of cultures to work together.” (*ibid*:10). The result of this failure is that, “The best people leave, the wrong people are placed in key jobs, trust is destroyed and poor morale pervades at least one of the companies involved.” (*loc. cit.*).

In her study of mergers in higher education in England, Rowley (1997) came to comparable conclusions. She spoke of the culture mix between institutions and noted that acculturation was, “an issue which requires considerable forethought in the merger process, so that partners understand in advance the type of acculturation which they will seek.” (*ibid*:260).

In addressing this issue of institutional culture, it is necessary to realise that, “The past always intrudes upon the present and there will be in any merger a strong tendency for people to retain their traditional ways of doing things, particularly among those belonging to the dominant partner.” (Meek, 1988:17). The skill is to strike the right balance between holding on to what is worth keeping from the culture of the past but letting go, in order to grasp what is offering in the future; engaging, that is, in what Deal (1990) refers to as a trapeze-like event. (*ibid*:9). This is a delicate operation at the best of times.

(e) Communication And Consultation

The literature indicates that the handling of these two related matters in the merger process has a direct bearing on the final outcome. If the communication is multi-directional rather than uni-

directional, clear and consistent, and if the consultation is appropriate and genuine, then a very sound foundation for a successful operation has been established.

In their review of the Jordanhill-Strathclyde University merger, Arbuthnott and Bone (1993) reported that a lot of hard work, skilful negotiating and good communications contributed greatly to the successful outcome of their merger process. They refer to the work of Dale (1992) with his stress on the importance of communication, both internal and external, in any merger, and they make the excellent point that, when merger negotiations are in progress, "Rumour tends to flourish... and the leading figures, even though they will be very busy doing things related to the merger, must take time to tell others what they are doing and why." (*ibid*:117). Pritchett (1987) makes some relevant points, particularly for those leading the merger process. He notes the tendency for managers and executives to grow more cautious as the change proceeds and to become more reluctant to pass information along or to tell people what to expect. At these times, he maintains, managers need to "communicate more, not less." (*ibid*:32). He also makes the pertinent observation that, "The organisational confusion brought on by mergers creates many opportunities for information flow to get short-circuited or bottlenecked." (*ibid*:46) He makes the equally salient point that, "communication is a two-way street" (*ibid*:47) in the sense that it has to "be received" as well as "broadcast." To carry this metaphor a little further, effective communication is more like two, not one, two-way streets, one carrying the leader's message and the follower's response and one carrying the follower's message and the leader's response. In both cases, for effective communication to occur, the messages have to be received and responded to. Failure to do this, as so often happens, reduces the "roading system" to a series of cul-de-sacs!

Burke (1988), too, places considerable importance on effective communication during the merger process. He maintains that, "Complete, open and early communications are a necessity for all people involved." (*ibid*:22). "If employees are kept well informed in a rapid and candid manner, then communications should be instrumental in helping a merger to be successful." (*loc. cit.*).

Most writers (*e.g.* Harman, 1988; Koder & McLintock, 1988; McKinnon, 1986; Martin, Samels *et al.*, 1994) also place considerable value on consultation during the merger process. They suggest that, if resistance to the proposed change is to be turned to commitment, then genuine consultation with all those directly involved is absolutely essential. Through this consultation, people gain a sense of empowerment, the feeling that what they have to contribute is recognised and valued.

One writer who opposes this general view and who challenges received wisdom is Rowley (1997). In her study of thirty higher education mergers, (*ibid*:14) she found nothing in her data to support the widespread exhortation to institutions to, “consult widely with all stakeholders and from the outset of the merger process.” (*op.cit*:262). She found that there was nothing in the consultation process, wide or limited, that distinguished those institutions which were disappointed with their merger outcome; nor was there evidence of wide consultation with the institutions which were rated a clear success.

This interesting finding appears to be an isolated one and would need to be corroborated by further rigorous studies if it were to pose a real challenge to current understandings. Rowley’s point raises questions such as: “What actually constitutes consultation?” “Who should be consulted?” “What form should this consultation take?” “How long should this process be engaged in?” In her study, these details are missing. A later chapter of this report (Chapter Nine, p. 255) tries to answer some of these questions.

(f) Commitment And Courage

If mergers are to be successfully negotiated, then a good deal of commitment and courage is required by all those involved. Negotiating a merger is no sinecure. The path is seldom straight and compromise frequently figures importantly in the journey.

Leaders of the process need to demonstrate that they are committed to the task and they need the same commitment from those whom they are leading. In the Wollongong merger (McKinnon, 1986), the major leaders in the process were able to achieve this commitment; whereas, in the initial phase of the College-Massey merger negotiations, serious doubts were raised as to whether this commitment was present. As part of sustaining this commitment, courage is required. Moving from the status quo into new territory is never easy. It takes courage to let go of one branch of the trapeze and make the leap to the other! With particular reference to the role of leaders, Pritchett (1987) aptly observes, “leadership, sooner or later, requires a show of courage. There must be a willingness to take risks, to face the possibility of failure.” (*ibid*:36).

Meek (1989) says that all successful mergers, as well as demanding strong leadership, “require a core of ‘institutional elites’ in the institutions involved who are committed to the proposal and prepared to push it through despite opposition.” (*ibid*:1989). The success of the Wollongong merger illustrates this point. McKinnon (1988) notes, in that case, one of the key factors in the relatively speedy merger achievement was, “the identification of influential staff” (*ibid*:57).

These people were vital in acting as a group of “cheer leaders”, as “catalysts for action”, encouraging commitment from all concerned.

Other writers attest to the importance of establishing a genuine commitment to the merger process. Rowley (1997) indicated that, in this matter, her findings did support “received wisdom” and that they underlined the significance of the commitment of the chief executives in driving the mergers. (*ibid*:261). Evaluating the merger process involved in two medical colleges, Iredale (1991) noted that important groups facilitating the process, “had a membership committed to the development of medical education.” (*ibid*:174). Martin and Samels (1994) recorded that campus-wide commitment is a key factor in achieving successful mergers. (*ibid*:232).

Supporting this view of commitment is Harman’s assessment of the reasons for the University of New England’s merger failure. In addition to the difficulties associated with personalities and obtaining a shared vision, Harman (1993) noted, there was a lack of strong commitment to the maintenance of a single amalgamated university. This contributed to the final unsatisfactory outcome.

(g) The Human Factor

Underlying the success or failure of all mergers, whether they be in the corporate or the educational sector, is “the human factor”; that is, the affective or feeling dimension of the human psyche. All people need to feel significant and valued. In the merger situation, failure to ensure that these feelings exist can easily result in widespread alienation manifesting itself in either apathy or outright aggression and resistance. Iredale (1991) makes the self-evident observation that:

The process of merger for higher education, either between or within institutions, is both complex and hazardous to achieve with any degree of success. The results of a mishandled merger can be the alienation and disillusionment of staff which, unless checked, can quickly lead to a decline in institutional effectiveness. (*ibid*: 167)

Barrow (1997), in accounting for the failure of many mergers, points to the deficiencies in the handling of this human factor. He asserts that the senior executives of both parties to a merger frequently, “have agendas that make the management of people a secondary consideration.” (*ibid*:8). As a result, “Problems with employees, as with casualties in war, are often viewed as ‘only to be expected’.” (*loc. cit.*). When this attitude prevails, it is not surprising that little is done to avoid or ameliorate the situation. Deacon and Huntington (1987) claim that the

University of Melbourne's 1985 internal organisational review suffered through neglect of this human factor.

Meek (1988) reinforces the importance of attending to the human factor when speaking of lessons learned from cross-sectoral amalgamations of higher educational institutions in Britain and Australia. He declares that, "It is important to state that people, not organisations, bring about mergers. Much of the merger process involves human ability, foresight and idiosyncrasies - factors that are difficult if not impossible to control." (*ibid*:346).

Ramsay (1986), examining the process and outcomes of institutional amalgamations in tertiary education, in Australia adds to this picture, "The casualties of mergers are the 'human values' and outcomes hard to quantify." (*ibid*:37). He concludes that, "The active support of staff is essential to ensure the success of any major institutional change." (*ibid*:41). Any neglect of the human factor puts this support in jeopardy. Human values, such as trust, honesty, respect and consideration, require very careful attention.

Burke (1988) addresses the human factor problem and offers helpful suggestions from the University of Western Ontario. In his paper, "Managing the Human Side of Mergers and Acquisitions," he emphasises that a merger is a process, not an event, and that the human side of this process needs to be carefully planned and undertaken. He points to the clashes in personal chemistry between the people involved and those that occur between the different institutional cultures. He also highlights the fact that mergers are inevitably stressful operations involving both those who are leading and those being led. "There is no simple solution to the human problems that arise in mergers and acquisitions, but they can be minimised through sensitive management in tune with the employees' concerns and basic human needs." (*ibid*:22). He warns, "Unless a systematic attempt to deal with the human side of a merger is made, the merger experience is likely to be traumatic, dysfunctional and costly" (*ibid*:23). This is a warning to which those responsible for facilitating a merger should pay careful attention. The human factor is a crucial element to be considered.

3.4 In Conclusion

In this chapter, a selected review has been made of the literature concerning mergers, amalgamations and acquisitions in tertiary educational institutions. Problems of definition have been considered and studies from New Zealand and overseas have been presented. Reasons for mergers have been examined as have the three aspects of time, leadership and luck, as they

relate to the merger process. Merger outcomes and the future direction for mergers have been explored and nine key factors contributing to the failure of mergers have been highlighted.

In the next chapter the methodology used in this study is described.

CHAPTER FOUR

The Research Methodology: A Modified Grounded Theory Model

The methodology for this research involved the use of a qualitative case study design and a modified grounded theory approach to the collection and analysis of data. The qualitative design provided the overall paradigm for conducting and reporting the research, the case study provided the main source of data and the grounded theory provided the basic method for generating the theory. It was the coalescing of these three closely interrelated elements that provided the methodology for this research.

4.1 Qualitative Research

Qualitative research, as its name implies, focuses on the qualities of situations being examined and the inter-relationships that exist between the various elements. As distinct from quantitative research design, qualitative research has its emphasis on the nature, rather than the number, of situations and events that it examines, although, at appropriate times, quantitative measures can be employed.

Strauss and Corbin (1990) describe qualitative research as:

By the term “qualitative research” we mean any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification. It can refer to research about persons’ lives, stories, behaviour, but also about organisational functioning, social movements, or interactional relationships. Some of the data may be quantified, as with census data but the analysis itself is a qualitative one. (*ibid*:17)

Bogdan and Biklen (1992) go further:

A field that was dominated by measurement, operationalised definitions, variables, hypothesis testing, and statistics has made room for a research mode that emphasises description, induction, grounded theory, and the study of people’s understanding. We refer to this approach as “qualitative research”. (*ibid*:ix)

Qualitative research can be described under the four headings used by Tolich and Davidson (1999) in their comparison of qualitative and quantitative research paradigms: assumptions, purpose, approach and the researcher's role. (*ibid*:26).

In qualitative research, reality is seen as socially constructed, with variables being complex, interwoven and difficult to measure. Quantitative research, on the other hand, sees social facts as having an objective reality which can be readily identified and measured; thus, providing an etic, or outsider's, point of view, rather than an emic, or insider's perspective. With an emic approach, "the researcher can consciously seek to move from his own perspective to seeking to endeavour to discover and understand the view of events which is taken by the informants themselves." (Edwards, 1986:142). The purpose of qualitative research is to try to understand the perspective of those persons being studied through contextualisation and interpretation, whereas quantitative research seeks generalisability, prediction and causal explanation.

Qualitative research concludes, rather than begins, with an hypothesis and a grounded theory. It searches for patterns, looking for pluralism and complexity and, in arriving at a description, makes minor use of numbers. Quantitative research differs in that it begins with hypotheses and theories and, using formal instruments of experimentation and deduction to control the situations, concludes with confirmation, or refutation, of the initial hypotheses. It reduces its data to numbers and makes use of abstract language and jargon to report its findings.

The researcher is personally involved in qualitative research and establishes an empathetic understanding of the situation; whereas, with quantitative research, s/he maintains a detached impartiality and aims to present an objective portrayal of the research findings. Denzin and Lincoln (1994) provide a useful summary of this qualitative research approach.

Qualitative research is multi-method in focus, involving an interpretative, naturalistic approach to the subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meanings people bring to them. Qualitative research involves the studied use and collection of a variety of empirical materials...that describe routine and problematic moments and meanings in individuals' lives. Accordingly, qualitative researchers display a wide range of interconnected methods, hoping always to get a better fix on the subject matter at hand. (*ibid*:2)

4.2 Case Study

In order to achieve the goals of this research, a case study was chosen as the framework within which to operate. The Massey University-Palmerston North College of Education merger provided this framework.

4.2.1 Case Study Defined

“While the literature is replete with references to case studies and with case study reports there seems to be little agreement about what a case study is.” (Lincoln & Guba, 1985:360). In addressing this problem, the definition provided by Yin (1984) was considered to be the most helpful and has been adopted for the purposes of this research. Yin saw a case study as, “an empirical enquiry that investigates a contemporary phenomenon within its real-life context; when boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.” (*ibid*:23). Later, Yin (1994) added to this definition by stating that a case study enquiry:

Copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result, relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis. (*ibid*:13)

4.2.2 Types Of Case Study

Case studies are differentiated from other types of qualitative research in that they are intensive descriptions and analyses of a single unit or bounded system but they can also be differentiated within themselves by their disciplinary orientation or by their function. Merriam (1998) speaks of case studies in education as having orientations based on the disciplines of anthropology, history, psychology and sociology, with each differing in technique and form. In addition, she notes, “Irrespective of disciplinary orientation, case studies can also be described by the overall intent of the study. Is it intended to be largely descriptive, interpretative, to build a theory or to present judgements about the worth of a programme?” (*ibid*:38).

Yin (1993) presents a slightly different typology. He categorises case studies as being either “exploratory”, “descriptive” or “explanatory”.

An exploratory case study...is aimed at defining the questions and hypotheses of a subsequent (not necessarily case) study... A descriptive study presents a complete description of a phenomenon within its context. An explanatory case study presents data bearing on cause-effect relationships - explaining which causes produced which effects. (*ibid*: 5)

Using Merriam’s typology, (*op. cit.*) the present research can be characterised as descriptive and interpretive, and as a historical case study with intent to build a substantive theory. The case involving the merger negotiations is interpretive in that it builds a theory based on this account.

4.2.3 Advantages Of Case Studies

All research designs have their strengths and weaknesses. The case study design is no exception. Its major advantages are:

Case studies

- enable the research to be focused and pursued in some depth,
- provide access to the subtlety and complexity of the situation,
- recognise the “embeddedness” of social truths,
- examine phenomena in real-life contexts.

As Merriam (1998) expresses it:

The case study offers a means of investigating complex social units consisting of multiple variables of potential importance in understanding the phenomenon. Anchored in real-life situations, the case study results in a rich and holistic account of a phenomenon. It offers insights and illuminates meanings that expand the reader's experience. These insights can be construed as tentative hypotheses that help structure future research; hence, case study plays an important role in advancing a field's knowledge base. (*ibid*:41)

4.2.4 Disadvantages Of Case Studies

Within the academic community, as Yin (1994:34) has pointed out, there has been, and continues to be, opposition to the use of case studies on the grounds that they lack rigour, have little basis for valid generalisation and they take too long to complete. He rejects these claims. though he concedes that good case studies are very difficult to execute.

The limited degree to which case study findings can be generalised is seen as one of their major disadvantages. Bassey (1999) has an interesting contribution to make in responding to this perception. He introduces the notion of “fuzzy generalisations” and contrasts these generalisations with “statistical generalisations” which typically claim to indicate, precisely, the percentage likelihood of the instance being repeated with a wider sample. “Fuzzy generalisations” he explains, are less specific and say such things as, “it is possible or likely, or unlikely that what was found in the singularity will be found in similar situations elsewhere.” (*ibid*:12). Accepting this degree of uncertainty, he suggests that “fuzzy generalisations” can still give direction for further research. They represent a useful invitation to, “try and see if the same

thing happens for you.” (*ibid*:52). This is a productive way of viewing the situation. Further support for the possibility that the findings of case studies, to a degree, may permit generalisations, comes from Stenhouse (1988):

However, case study does not preclude an interest in generalisation, and many researchers seek theories that will penetrate the varying conditions of action, or applications founded on the comparison of case with case. Generalisation and application are matters of judgement rather than calculation, and the task of case study is to produce ordered reports of experience which invite judgement and offer evidence to which judgement can appeal. (*ibid*: 49)

In the present research, generalisations from the merger case study are limited to what Yin (*op.cit*:31) describes as “analytic generalisations”; generalisations that are derived from a careful analysis of what the case study reveals. The theory that emerged from this analysis provided underlying principles that could be generalised but needed to be attended to within the specifics of each change situation.

One further disadvantage of a case study approach concerns the potential for bias. Guba and Lincoln (1981) call this an ethical problem and suggest that, “an unethical case writer could so select from among available data that virtually anything he wished could be illustrated.” (*ibid*:378). In designing the case study reported in this thesis, the researcher recognised the potential for this problem but took considerable care to avoid it. While the fact that he was an active participant in the events which he was examining added further credence to the warning, he is confident that the selections made were ethical and bias was avoided.

4.2.5 Rationale For The Selection Of A Case Study Design

The reasons for selecting a case study design for this research were twofold. First, a case study design afforded the advantages previously cited for case studies in general (*op. cit*:87). It enabled the researcher to examine in depth the organisational change he was studying and to search out some of the complexities of the social interactions that were occurring. Second, it provided a real-life change situation from which to generate a practical theory. With a significant organisational change as the primary data source, the developed theory was well anchored.

The reasons for selecting this particular case study for examination were fourfold:

- First, the case provided an excellent example of the difficulties that organisational change often causes. With its prolonged and interrupted negotiation phase, it offered rich material for research.
- Second, the participants in the negotiations were able and articulate persons, capable of providing valuable insights into the change process in which they were engaged.
- Third, the prevalence of mergers, in both the educational and corporate sectors, suggested that any in-depth case study of this particular form of organisational change could have considerable practical application.
- Fourth, the researcher's direct involvement in the merger put him in the unique position of being able to adopt both an etic and emic perspective to the research. As the researcher, he was able to present an outside view, while, as a participant, he was able to draw upon his insider's perspective.

4.3 Grounded Theory

Within the framework of a qualitative case study design, a modified grounded theory approach to the collection and analysis of data was adopted. Since Glaser and Strauss (1967) presented their grounded theory research method three decades ago, the approach has gained increased importance and respectability as a valid research methodology. In simple terms, grounded theory refers to an inductive approach to research where the researcher enters the field of study with as much of an open mind as possible and seeks to extract and formalise from his/her observations a plausible theory which will describe, and offer explanations for, the situation under investigation.

Elaborating this approach, Strauss (1987) indicates:

The methodological thrust of the grounded theory approach to qualitative data is toward the development of theory, without any particular commitment to specific kinds of data, lines of research, or theoretical interests. So, it is not really a specific method or technique. Rather, it is a style of doing qualitative analysis that includes a number of distinct features, such as theoretical sampling, and certain methodological guidelines, such as the making of constant comparisons and the use of a coding paradigm, to ensure conceptual development and density. (*ibid*:5)

4.3.1 What The Literature Tells Us

Research literature records the existence of a long standing debate over the merits of quantitative versus qualitative research. It also reveals the emergence of a new approach to research, that of grounded theory, which, not without its critics, is having a major impact on a wide range of research activities.

In their seminal work *The Discovery of Grounded Theory* (Glaser & Strauss, 1967), the authors challenged the primacy of quantitative research and outlined an approach that, although not antagonistic to the traditional quantitative approach, provided a valuable alternative to it. With respect to the methodological debate they declared:

There is no fundamental clash between the purposes and capacities of qualitative and quantitative methods or data. What clash there is concerns the primacy of emphasis on verification or generation of theory to which heated discussions on qualitative versus quantitative data have been linked historically. We believe that each form of data is useful for both verification and generation of theory, whatever the primacy of emphasis. (*op. cit:*17)

More recently, Church (1997) contributed to the debate when he examined qualitative and quantitative research approaches and asked of them, “How useful is the distinction?” In answer, he expressed similar views to those expressed by Glaser and Strauss, concluding that the qualitative/quantitative dichotomy was a distinction of very little heuristic value.

This discussion might be more fruitful if we were to abandon the rather simple-minded qualitative/quantitative dichotomy, to recognise that there are many approaches to research in education, to recognise that each of these varies along a number of very important dimensions, and to recognise that different kinds of research questions require the application of different kinds of research methods if they are to be answered. (*ibid:*27)

In presenting their grounded theory approach, Glaser and Strauss (1967) highlight a number of important features. Speaking of data sources for a grounded theory, they refer to “caches of documents” (*e.g.* annual reports, collections of letters, a set of proceedings) and note that, alongside qualitative interviews, these can be valuable assets for the researcher. They suggest that such caches can be found in a variety of places and, “The researcher needs only ingenuity, and as always a bit of luck, to discover them.” (*op. cit:*167).

Another major feature of the grounded theory approach is the formulation of categories to systematise and analyse the data being assembled. Glaser and Strauss (*ibid.*) suggest that such

categories can come from a variety of sources and can evolve as the research proceeds. The coding of the data into these categories is a vital part of the research procedure.

The place accorded to hypothesising is another distinctive feature of the grounded theory approach. Unlike traditional quantitative research approaches, grounded theory does not begin with an hypothesis which it then proceeds to test. Instead, "The rule for generation of theory is not to have any pre-set or valued hypotheses, but to maintain a sensitivity to all possible theoretical relevances." (*ibid*:194). As the study proceeds, appropriate hypotheses present themselves and are then integrated with each other and used as guides for further exploration. By following this approach, the worst excesses of the "tunnel vision" syndrome associated with the hypothetico-deductive quantitative approach can be guarded against.

The "discovery" of this different approach to reputable research was not greeted with universal acclaim. Critics variously described it as "sloppy", "unsophisticated", "impressionistic", "soft" and even "totally misguided". Responding to such criticisms, the "discoverers" pointed out that:

These critics, in their zeal for careful verification and for a degree of accuracy they never achieve, have forgotten both the generation of theory and the need for carefully appraising the different degrees of plausibility necessary for sociology's diverse tasks. (*ibid*:223)

Glaser and Strauss (*ibid.*), suggested that the frequent attempts to discredit their grounded theory approach stemmed from the critics' application of inappropriate canons of judgement. The canons of rigorous quantitative verification on such issues as sampling, coding, reliability, validity, conceptual formulation, hypothesis construction, presentation of evidence, they argued, were inappropriate, "...for judging the credibility of theory based on flexible research." (*ibid*:224).

Since their initial joint publication, both authors have elaborated separately on their original work. Glaser (1978), speaking of the specific nature of grounded theory, revealed that, since it was originally advanced in 1967, the three criteria for the acceptability of a theory had been expanded and a fourth feature has been added. In addition to fit, relevance, and being able to work, a theory must also, "be readily modifiable, based on ever-emerging notions from more data." (*ibid*:4). Explaining this feature, Glaser revealed how he learned that generation is an ever modifying process, where nothing is sacred if the researcher is dedicated to giving priority attention to the data. He provided a timely warning against doctrinairism and excessive loyalty to firmly held beliefs, and warned that, "The theory can never be more correct than its ability to

work the data - thus as the latter reveals itself in research the former must constantly be modified.” (*ibid*:5).

Speaking of theoretical pacing, Glaser emphasised that generating grounded theory takes a long time and researchers should pace themselves. The process, he declares, “is above all, a delayed action phenomenon. Little increments in coding, analysing and collecting data cook and mature then to blossom later into theoretical memos.” (*ibid*:18).

Glaser defines the key process of theoretical sampling as:

the process of data collection for generating theory whereby the analyst jointly collects, codes, and analyses his data and decides what data to collect next and where to find them, in order to develop his theory, whether substantive or formal.
(*ibid*:36)

Theoretical coding, of central importance to the generating of grounded theory, also receives particular attention.

The code conceptualises the underlying pattern of a set of empirical indicators within the data. Thus, in generating a theory by developing the hypothetical relationships between conceptual codes (categories and their properties) which have been generated from the data as indicators, we “discover” a grounded theory.
(*ibid*:55)

This coding activity enables the researcher to make sense of the data by conceptually grouping it into categories or codes that link together what otherwise may be perceived as quite disparate phenomena. From this somewhat condensed and abstracted view, it then becomes possible to progressively evolve a useful and credible data-based “grounded theory”.

Another important aspect of grounded theory, highlighted by Glaser, relates to the practical aspect of employing theoretical memos. These memos he defines as, “the theorising write-up of ideas about codes and their relationships as they strike the analyst while coding.” (*ibid*:83). He declares that, if this stage is omitted and the analyst leaps ahead directly to the writing phase, then, “he is not doing grounded theory.” (*loc. cit.*). Glaser’s insistence here on the crucial importance of the immediacy of recording new ideas as they emerge is well founded in practice.

Glaser finally directs his concerns to the place that the reading of literature has in the grounded theory process. This aspect is one that distinguishes grounded theory from the more historically common deductive research tradition, where, “the analyst first reads the literature of the field to

the fullest coverage possible, from which he deducts or synthesises a framework, usually theoretical, to study and verify in research.” (*ibid*:31). In grounded theory research, however, the approach to dealing with the relevant literature, Glaser emphasises, is quite different:

In our approach we collect the data in the field first. Then start analysing it and generating theory. When the theory seems sufficiently grounded and developed, then we review the literature of the field and relate the theory to it through integration of ideas. (*loc. cit.*)

The advantage of this more open-ended approach to the use of literature is that the researcher’s efforts to generate concepts and theories from the data gathered are not in any direct sense contaminated by preconceived ideas that may arise from prior perusal of the relevant literature. The possible disadvantage is that, in avoiding early reference to the accumulated wisdom of relevant literature, a great deal of time may be wasted in re-inventing the wheel; time that could be much more profitably used exploring ways in which the wheel itself may be better used. Glaser’s not altogether convincing response to this criticism is that, while reading is not “forsaken” during the input stages of grounded theory, it is important that these stages be used for their own productivity. Given this “hedged-bet” approach, his pronouncement that, “It is vital to read, but in a substantive field different from the research,” (*loc. cit.*) lacks a certain air of credibility.

In acknowledgement of this feature of “pure” grounded theory, the grounded theory approach used in the present study must be qualified. When undertaking his study, the researcher commenced his literature review at a much earlier stage than Glaser would advocate but did so on the basis that it facilitated, rather than detracted from, the data gathering stage. He is confident that his efforts to generate concepts and theories were not contaminated by this earlier consideration of relevant literature. To make it clear that he has, in doing this, departed from a “pure grounded theory” approach, he has described his methodology as a “modified grounded theory” approach.

A decade after Glaser’s updating of his ideas on grounded theory, Strauss (1987) also revisited the area and responded to those critics who had misunderstood the inductive aspect of the theory. Although induction was an important part of grounded theory, it was a mistake, he claimed, to refer to it, as some had done, as “inductive theory”. He explained in detail the various roles of induction, deduction and verification, reminding readers that, as far as grounded theory was concerned, “all three aspects of inquiry (induction, deduction, and verification) are absolutely essential.” (*ibid*:12). While this is true, it is also true that induction does have a major

role in grounded theory and, this being the case, Strauss's concern here may be somewhat over reactive and unjustified.

In 1990, Strauss and Corbin revisited much of the early "ground" of their theory, re-emphasising some major points and answering some, "long standing and unanswered questions." (*ibid*:8). To do qualitative research, the authors explained, it is necessary for the researcher to be able, "to step back and critically analyse situations, to recognise and avoid bias, to obtain valid and reliable data, and to think abstractly." (*ibid*:18). In doing this, the researcher needs to possess theoretical and social sensitivity, maintain an appropriate analytical distance from his data and draw upon relevant past experience and theoretical knowledge. These are useful guidelines for aspiring researchers.

As already indicated, grounded theory methodology is not without its critics. Although it is fair to say that their number and intensity has diminished markedly over recent times, their commentaries still merit serious attention. It is only by reflecting carefully on alleged deficiencies that the protagonists of a developing methodology can progressively refine and defend it.

The basis of much of the criticism of grounded theory, as part of the general field of qualitative research, comes from the fact that it deals largely with words rather than numbers. Miles and Huberman (1984) highlight this fact:

A chronic problem of qualitative research is that it is done with words, not with numbers. Words are fatter than numbers, and usually have multiple meanings. This makes them harder to move around and work with. Worse still, most words are meaningless unless you look backward or forward to other words... Numbers, by contrast, are usually less ambiguous and may be processed with more economy. Small wonder then that most researchers prefer working with numbers alone, or getting the words they collect translated into numbers as quickly as possible. (*ibid*:54)

That there is a degree of validity to this criticism needs to be acknowledged, although care must be taken not to overstate the case. While words are indeed more unwieldy than numbers, and are often capable of a variety of equally appealing, and sometimes bewildering, interpretations, they do provide a richness and thickness of description which numbers do not. To this extent, any criticism of their use has to be weighed against the benefits that such use brings. Furthermore, even quantitative research procedures never entirely escape the influence of words.

Another major criticism frequently levelled at the grounded theory approach to research is that of its perceived subjectivity. Altricher and Posch (1989) refer to this as “inductive bias” and claim that those engaged in grounded theory place too heavy a reliance on the inductive approach to their activities; thus over estimating the extent to which they can be objective in their observations and analyses. In support of their criticism, these writers claim:

Inductive arguments are neither logically valid... nor are they supported by perception theory. The history of science also shows that even researchers who regard themselves as inductivists could not produce their results by relying solely on inductive inferences. (*ibid*:23)

To be fair to the “discoverers” of grounded theory, it should be noted that, while induction plays a major part in their approach to research, it is not the whole part. As indicated earlier, Strauss (*op. cit*:93) clearly states that all three aspects of enquiry (induction, deduction, and verification) are essential elements of grounded theory research.

A further related criticism of grounded theory, levelled by Altricher and Posch, concerns the use of relevant literature prior to engagement in the field of study. The “certain lack of credibility” of Glaser’s statements on this topic (*op. cit*:93) finds support from these writers who “accuse” Glaser and Strauss of considerable vagueness in describing the theoretical input which a researcher brings to the research process. In voicing their concerns they declare:

It seems necessary for the authors to play down the importance of theoretical input lest it might interfere with their emphasis on the generation of theory by induction. In contrast to this devaluation of preconceived theories we claim that the “perspective” of a researcher always contains theoretical elements (some of which he/she is not aware of). (*op.cit*:24)

While it is most unlikely that neither Glaser nor Strauss would deny the latter part of this claim, the looseness of their statements on this aspect of their theory does not entirely absolve them from the basic thrust of this criticism.

One further criticism of qualitative research generally, but with direct relevance to grounded theory particularly, concerns the appropriateness of the methods of analysis. Miles and Huberman (1984), in their analysis of qualitative data, while noting the attractiveness of qualitative data studies and the increasing popularity of the approach, point to some of the problems associated with it. In addition to being labour intensive and time consuming, heavily involved with the vagaries of language and subject to researcher bias, this form of research, they

suggest, also has difficulty in establishing the validity of the conclusions it reaches. As they express it:

The most serious and central difficulty in the use of qualitative data is that methods of analysis are not well formulated. For quantitative data, there are clear conventions the researcher can use. But the analyst faced with a bank of qualitative data has very few guidelines for protection against self-delusion let alone for the presentation of unreliable or invalid conclusions to scientific or policy-making audiences. How can we be sure that an “earthy”, “undeniable”, “serendipitous” finding is not in fact wrong? (*ibid*:16)

The point is well made. In the absence of a body of agreed canons for qualitative analysis, the business of, “drawing conclusions and verifying their sturdiness” (*loc. cit.*) would indeed be problematic. However, in identifying this problem, the authors also suggest how it can be solved. They describe in detail, twelve tactics for generating meaning from qualitative data. These, ranging from counting, noting patterns and themes and making metaphors through to building a logical chain of evidence and making conceptual coherence, go some way to meeting the deficiencies they highlighted.

The subsequent work of Strauss and Corbin (1990), in providing seven criteria for use in evaluating qualitative research, also contributes in this regard although it must be acknowledged that, for the persistent critics, it may not be enough. But then, given the nature of the material that qualitative research deals with, could it ever be otherwise?

4.4 Design Of Study

Seeking to generate a principle-based theory of organisational change, this study used a qualitative case study approach employing a modified grounded theory methodology. The choice of this particular methodology was made for three main reasons. First, it is more likely that qualitative rather than quantitative data would enable the research goals to be achieved. By taking a qualitative approach, it is possible to examine and reveal some of the more covert aspects of the change process that are not accessible to a quantitative approach. This so-called “softer” approach to the collection of data allows for a more rounded, in-depth and accurate picture of what actually happens in the process of organisational change. As Owens (1995) has noted, a qualitative approach enables the researcher to, “see the ‘real’ world as those under study see it.” (*ibid*:261). The result is a “thick description” (Geertz, 1975) rather than a, “sparse description stripped of its contextual references in which the data originated.” (Owens, *loc. cit.*). By a “thick description”, Geertz means one that is full and which captures the complexities and nuances of the situation that it is describing.

Second, a case study design was chosen because it offered the best means of exploring, in depth, an example of a significant organisational change (*op. cit*:88). It was felt that the intricacies of the change process would be revealed and would provide insights into how it might best be managed. In seeking to derive a grounded theory of change, it was considered important to have such a theory firmly anchored in a real-life situation. A case study provided that basis. Practical considerations influenced the choice of the particular case study examined. The researcher's involvement, although not without its difficulties (Chapter Eight, p. 218), placed him in a special position to provide an inside-outside perspective of the events. The participants in the study were articulate and well able to consider the issues reflectively, the "stop-start" nature of the negotiations provided an excellent case for investigation and the prevalence of the world-wide "merging phenomenon" suggested that an attempt to explore one such phenomenon in depth could have considerable practical value.

Third, by following a grounded theory approach, with its emphasis on induction rather than deduction, the research is less subject to "tunnel vision" and much more likely to capture the true situation. Aspects which, in the more traditional "logical-deductive" approach, may either go unnoticed, or be considered irrelevant, are more likely to be considered. Further, in the absence of any hypotheses to test, the temptation to try, albeit unconsciously, to fit the data to the theory, is lessened considerably.

In the following section, the "audit trail" (Guba & Lincoln, 1981), or path to the development of this theory, is briefly traced.

4.4.1 The Path To A Modified Grounded Theory

The essence of grounded theory is that the theorist enters the field of study with no pre-conceived notion of what will be discovered, no formulated hypothesis to test. While this is the "theory" of the theory it must be recognised that absolute objectivity, (a "tabula rasa" engagement, as it were) even with the most honourable of intentions, is never completely possible. Even the most diligent "grounded theorists" bring with them their own personal ideologies and ways of viewing the world. This being the case, it is acknowledged that, while every effort has been made to counter this problem, by being as objective and open minded as possible, the present study is not immune to this potential research limitation.

The following statement, in summary form, traces the path the present researcher followed in his journey to the development of a "modified grounded theory".

4.4.1.1 Phase One

In the initial data gathering phase of this study, July 1997, the researcher interviewed 81 members of the MUCE academic staff. Each was asked to indicate what they considered to be the three most important principles that change managers should follow in implementing any significant change in an institution or business organisation. They were also asked to indicate what they considered to be the one important principle most often neglected. It was made clear that the questions related to the process of change in general and were not directed at the change process in which the staff had been involved with the merger.

At this point, the researcher (given the earlier caveat) had no view as to what the responses might be and simply recorded verbatim what the respondents said. The questions themselves were completely neutral and could in no reasonable way be construed to be biased or leading.

An initial analysis of the data relating to the first question revealed four broad clusters of responses relating to:

- (i) the importance of change managers being aware of, and making clear to others, what the object of the change was;
- (ii) the necessity to communicate clearly with all those involved in the change;
- (iii) the importance of having regard for the personal worth of those who were being required to change;
- (iv) the need to engage in meaningful consultation with all those who would be affected by the change.

These responses were then coded under the categories of vision, communication, valuing and consultation.

Examples of these responses are presented in Table 1.

Table 1: Most Important Principles: Examples Of Interview Responses	
Vision	<i>“Share their vision from the top to the bottom.”, “Make clear the rationale for the change.”, “Should be able to and should explain the philosophy behind the change.” “Make clear and known the goal of the change.”, “Have a clear model of the process of the change.”</i> Twenty five per cent of the responses were coded into this category.
Communication	<i>“Keep people informed with consistent and frequent communication.”, “Provide open communication.”, “Keep people informed about the change.”, “Ensure that there is effective communication so that people know what is happening.”, “Keep staff informed during the process.”.</i> Twenty four per cent of responses were coded into this category.
Valuing	<i>“Develop a mutual respect for the staff.”, “Make people feel, secure.”, “See that those affected by the change actually value some of the outcomes i.e. are not pawns in the process.”, “Treat people at the personal level and not disregard their personal concerns.”, “Ensure that people remain intact as people.”.</i> Twenty three percent of responses were coded into this category.
Consultation	<i>“Have effective consultation with current personnel.”, “Have genuine consultation.”, “Ensure that consultation does not just mean discussion but really takes notice of the input that is received i.e. is not just therapeutic.”, “Consult at all levels. Ensure that the consultation filters down to all levels.”, “Consult and share the vision for the change to build shared ownership. Consultation has to be real and not just an exercise.”.</i> Twenty per cent of responses were coded into this category.

Together, these four categories, **Vision, Communication, Valuing and Consultation**, accounted for ninety two per cent of all the responses to this question. From the remainder of responses, no clear groupings emerged.

4.4.1.2 Principles Most Often Neglected

When the responses to this second question were analysed, the same four categories, although in slightly different order, again featured most prominently, accounting for 87% of all the responses. And, as with the responses to the first question, no other potential groupings were revealed. Examples of these responses are presented in Table 2.

Table 2: Principles Most Often Neglected: Examples Of Interview Responses	
Communication	<i>“Do not communicate well.”, “Lack effective communication skills.”, “Fail to communicate adequately.”, “Fail to inform people.”, “Fail to keep people up to speed with what is going on.”. 29% of responses were coded into this category.</i>
Valuing	<i>“Have disregard for personal considerations.”, “Disregard people as people and just consider them as units.”, “Fail to treat people as individuals and treat them at a personal level rather than at a structural level.”, “Neglect the human face and this leads to disillusionment.”. 29% of responses also were coded into this category.</i>
Consultation	<i>“Fail to engage in the consultation process. It is either a token gesture, or a ‘fait accompli’, i.e. people’s input is not taken into account. The consultation doesn’t really mean anything.”, “Show a complete lack of consultation.”, “Manipulate the consultation process to bring about a predetermined result; the outcomes are almost predestined.”, “Do not engage in real consultation. The call for consultation is a facade.”. Sixteen per cent of the responses were coded into this category.</i>
Vision	<i>“Do not validate the change rationale well.”, “Don’t make clear the details of the vision that they have and the reasons for their position.”, “Do not explain fully the basis for the change.”, “Do not spell out clearly as they should the alternative vision, i.e. what possibilities there are.”, “Do not foresee the wider consequences and implications of the change.”, “Do not effectively convey the reason for the change to the people being changed.”. Thirteen per cent of the responses were coded into this category.</i>

At this very early stage it seemed that four categories, **Vision, Valuing, Communication and Consultation**, might provide the starting point for the development of a modified grounded theory for effective organisational change.

4.4.1.3 Phase Two

During the last week of October 1997, Phase Two occurred with all staff of MUCE being invited to complete a questionnaire relating directly to the change process involved in the merger. (Appendix 4). Seventy-seven completed questionnaires were returned and these were then subject to an initial analysis. One question asked respondents specifically what principles of change they thought should be followed in bringing about change in an institution. An analysis of the responses to this question gave further confirmation of the importance of the categories highlighted in the original interviews: **Vision, Valuing, Communication and Consultation**. These categories again represented the most frequently cited responses. Fifty-two

responses were coded into the category of **Vision**, 45 into **Communication**, 44 into **Value** and 43 into **Consultation**. Examples of these responses are presented in Table 3.

Table 3: Most Important Principles: Questionnaire Responses	
Vision	<i>"The clear aims and benefits for the merger to be shared by all.", "First clearly establish a consensus for the organisation's central 'mission'.", "Convey vision of change.", "Clear vision for the future and even clearer envisioning of the steps by which that future can be reached."</i>
Valuing	<i>"Tend to people and their needs - provide stability and security by clear statements of expectations.", "Maintain a humane - people first - people matter approach.", "Empowerment - no one should feel disempowered, undervalued or put upon because of change.", "Appreciation of people's talents, expertise, strengths."</i>
Communication	<i>"Communication-clear, honest, open communication is essential.", "Adequate communication regarding what decisions have been made.", "Clear and honest communication.", "Excellent communication networks need to be established."</i>
Consultation	<i>"Genuine and meaningful consultation/dialogue.", "Consultation and the processing of this.", "Genuine consultation and dialogue.", "Consultation whenever possible."</i>

On the basis of these responses, the case for inclusion of these four categories as the nucleus of a grounded theory was considerably strengthened.

In addition, two other groupings emerged as being significant. The importance of **Timing** was referred to 24 times and that of **Trust** nineteen times, both warranting further consideration in terms of a developing theory. Examples of these response are presented in Table 4.

Table 4: Additional Important Principles: Questionnaire Responses	
Timing	<i>"An acceptance that change in structures can happen overnight but it takes years for people to adapt to the change.", "Realising that change will/does take time- but allowing things to happen in small steps.", "Change needs to occur at a pace that while it progresses forward it doesn't leave participants winded.", "Leadership keeps a clear sense of direction; paces moves to allow personnel to come on board thoughtfully and keep momentum."</i>
Trust	<i>"Openness, clarity and honesty.", "Be honest.", "Transparency of process.", "Honesty." "Trust and respect."</i>

At this stage, the basis for a tentative theory was developing around the six categories of **Vision, Valuing, Communication, Consultation, Timing and Trust**. No other groupings were clearly discernible. In line with grounded theory procedure, an open mind was kept with respect to interrelationships and patterns that might be present in the data. The technique of memoing was used and the data collected gave direction for further analysis and categorisation.

4.4.1.4 Phase Three

From September 1997 through to May 1998, 31 structured interviews were conducted with key players involved in the merger. As well as being asked to identify the change principles that they considered should be applied in implementing an organisational change, such as the merger, those interviewed were asked a range of questions specifically concerning the merger. (Appendix 1).

An analysis of these responses confirmed the importance attached to the six categories already revealed (**Vision, Valuing, Communication, Consultation, Timing and Trust**). In addition, the responses indicated that five more categories needed to be considered. Fifteen of the persons interviewed stressed the importance of understanding the Culture of an organisation, fourteen indicated that Compromise was a key factor, twelve underlined the importance of Commitment, eight cited Courage as being important and eight stressed the importance in organisational change of establishing Continuity between the change and what preceded it.

While at this point in the research the outline of a grounded theory was beginning to emerge, note was taken of the need for a developing theory to be, "readily modifiable, based on ever-emerging notions from more data." (Glaser, 1978:2). Theoretical sampling was employed and the number of key players to be interviewed increased as the data revealed further lines of fruitful inquiry.

4.4.1.5 Phase Four

During this period, through reference to the official records, and to the researcher's own recollections, a review was made of the change process that was involved in the merger. This revealed that all of the eleven categories, identified so far as warranting further consideration for inclusion in a grounded theory, were in fact, relevant to the merger proceedings.

At various times during the lengthy period of negotiation, aspects of all of these categories came into operation either to facilitate the merger process or, by their absence, to inhibit progress.

Careful examination of the data indicated that the employment of any additional coded categories was not necessary at this stage.

4.4.1.6 Phase Five

By May 1998, an extensive review of relevant change literature had largely been completed. It showed that the eleven categories, tentatively identified in this study, appeared in the literature, with those relating to **Vision, Valuing, Communication, Consultation, Trust and Culture** receiving the most attention. In addition, the category of **Consistency**, expressed in various forms, received some attention and seemed worthy of further consideration.

At this point, a tentative framework for a modified grounded theory was taking shape. These twelve categories, (**Vision, Valuing, Communication, Consultation, Trust, Timing, Commitment, Courage, Continuity, Culture, Compromise, Consistency**) appeared to offer a sound basis for the formulation of a grounded theory. From these categories, it seemed likely that the derivation could occur of useful principles for facilitating effective organisational change.

It was at this point that the research procedure, outlined in Phase Five, departed slightly from customary grounded theory protocols. Rather than withhold examination of relevant literature until all data collection was completed, it was decided to advance this process by one step on the grounds that such a move might:

- (i) reveal further fruitful areas for data collection and
- (ii) provide timely insights into the direction and plausibility of the theory being generated.

The description of this approach as a “modified grounded theory” acknowledges this variation.

4.4.1.7 Phase Six

In September 1998, the researcher participated in a research seminar at Massey University where his research project, to that point, was examined. As a result, a further principle, that of **Chance and Serendipity**, was identified as being worthy of consideration.

4.4.1.8 Phase Seven

In October 1998, a Questionnaire (Appendix 3) was sent to the key players seeking further data relevant to the merger in particular and organisational change generally. These persons were asked to comment on the validity of the reasons that they had given, during their interviews, for the failure of the initial phase of the merger negotiations and for the success of the resumed phase. They were also asked to identify the three most important principles they considered should guide those persons who have responsibility for bringing about a significant organisational change, such as a merger. In addition, they were invited to offer any other comments about the process of change, as related to the merger negotiations, or to organisational change generally. This return to an important source of data provided a very useful form of triangulation and helped clarify the patterns that were emerging. Of the 28 Questionnaires which were distributed, 27 were returned for processing.

4.4.1.9 Phase Eight

With the collection of data completed, the researcher undertook a detailed examination of the assembled material. Through the progressive refinement of hypotheses, he identified ten principles (Chapter Nine) which provided the basis for his principle-based theory of organisational change.

4.5 In Conclusion

In this chapter, the research methodology adopted for this study has been described. The literature on qualitative research, case study and grounded theory has been reviewed and the path followed in the development of such a theory has been outlined.

In the next chapter, the writer moves to the substantive data of his research.

CHAPTER FIVE

The Merger: As The Records Reveal

In this chapter, a summary is presented of the records relevant to the Palmerston North College of Education-Massey University merger negotiations.

5.1 Antecedents To The Merger

Most significant organisational changes do not suddenly appear from nowhere. They usually have a long, often private, gestation period. The case of “the merger” was no exception and the start of its gestation period can be traced back as far as 1954, two years before the College of Education, then called a training college, was established, and over forty years before the “merger” itself came to fruition.

In 1954, Pat Whitwell, with a recently completed MA in history and shortly to take up a position as Lecturer in History at Ardmore Training College, and Clem Hill, an Education Lecturer at Otago University, travelled together on the RMS Ruahine to the United Kingdom. Whitwell was on a British Council Scholarship to study the education system in England and Hill was on a scholarship to complete his Doctorate at the University of London. During the voyage they spent many hours talking about the future. A lot of their talk was about teacher education and where it should be heading. They both agreed that the resources that were going to be available inside the current organisations would be inadequate for the kinds of dreams they both had. It was a long voyage, made longer by an unscheduled detour to San Cristobal to repair an ailing engine, and there was ample time for their dreams to be clearly articulated.

Ten years later, quite by chance, both Whitwell and Hill arrived at the same place, Palmerston North, with Whitwell taking over an institution, Palmerston North Training College, that was ripe and ready for change, and Hill establishing a department, the Massey University Education Department, that was being set up afresh following its recent separation from Victoria University. Both had a vision for teacher education that saw the professional expertise of the

practitioner underpinned by the academic insights of a discipline enriched scholar. It was not surprising that, as Whitwell recalls:

Right from the very beginning we sought, from both sides of the river, to find ways of integrating what we were doing. I think it would be an exaggeration to say at the time we thought in terms of merger, but we probably, in a vague kind of way, thought this was the inevitable outcome. (Interview with Whitwell, 13 December 1997:3)

The formal outcome of this search for integration was the development of the Bachelor of Education degree programme, beginning in 1970 and continuing to the present time. It was, Whitwell noted, through all sorts of devices set up inside the B.Ed. degree to integrate the programmes in both institutions, that, “We found ways of reinforcing the notion in our own heads, that we had a common destiny.” (*ibid.*).

In 1977, Whitwell prepared a paper, “Relations Between Teachers Colleges And Universities: A Teachers College Point Of View” (*ibid*:1977), in which he explored the historical relationship between colleges and universities and outlined possible forms that this relationship might take in the future.

During the early eighties, the question of merging the Palmerston North College with Massey University had its first formal appearance, not as a result of something like the Whitwell-Hill educational vision, but as a result of teacher training resource difficulties the Government was experiencing.

In 1982, the then Minister of Education, Hon. M. Wellington, considered that one option for solving the resource problem would be that of, “placing small teacher training units in close association with universities (expressly including Massey), whilst also retaining the larger colleges in Auckland, Wellington and Christchurch.” (Openshaw 1996:182). Reacting to this situation, the Principal of the College at the time (1992), Mr I. Lovett, had a number of discussions with Dr Stewart, the Vice-Chancellor of Massey University, concerning the possibility and desirability of a College-Massey merger, although these discussions, “didn’t quite reach the stage of requiring the approval of the Councils” (Correspondence from Lovett, 5 March 1998:2). In pursuance of this notion, Messrs Lovett and Stewart, along with the Chairman of the College Council, Mr Dearsly, and the Palmerston North City Mayor, Mr Elwood, travelled to Wellington and met with the Minister in an attempt to persuade him of the merits of a College-University merger. Openshaw (1996) records:

As it transpired, the delegation was unsuccessful because of the Minister's concern that the supply and certification of teachers should remain a government prerogative and under no circumstances be allowed to fall into the hands of a third party. (*ibid*:182)

Earlier, the Director of Education, Mr W. Renwick, had come to Palmerston North, along with the Director of Teacher Education, Mr A. Forrest and Mr B. Kings, Assistant Secretary Tertiary, to meet with Dr Stewart, Mr Lovett and Mr Whitwell, who at that time was on the University Council. They had explored the implications of a merger of the two institutions and considered it could be seen as a viable option. But, as already indicated, it was not to be, although Lovett, looking back on the discussions, expressed the opinion that they did indeed, "come close to a merger." (Lovett correspondence, *loc. cit*:4).

Over the next few years the notion of a merger was not in the forefront of the minds of the senior executives of either the University or the College, although Forrest (1998) recalls that:

During my time as Principal (1984-88) I had some informal discussion with Neil Waters (the new Massey Vice-Chancellor) and the buildings officer... (and) we concluded that a merger was not possible because factors like salary and status of staff could not easily be reconciled, specialist buildings such as (the) gymnasium and art facilities could not be provided on the Massey Campus *etc.* (Forrest, Correspondence:2)

External events in New Zealand in the latter part of the 1980s, however, changed the situation dramatically and a climate was created that saw the possibility of tertiary institutions engaging in merger discussions become much more likely.

On 10 May 1988, the Government released the Picot taskforce report, "Administering For Excellence", and followed this up in August of the same year with, "Tomorrow's Schools: The Reform of Educational Administration in New Zealand", which set out the policy position the government had reached regarding the administration of education in the primary and secondary sectors.

In February 1989, the Government released "Learning for Life", the Government's statement of intent for the organisation and delivery of post-compulsory education and training. This statement was based on the "Report of the Working Group on Post-Compulsory Education and Training", convened by Professor G. Hawke and presented to the Government in July 1988. In the "Learning for Life" publication, two particular intentions had special significance for Colleges of Education Section 3.7.2 indicated that, "Colleges of Education will be established as

independent institutions, free to stand alone or to amalgamate with other tertiary institutions such as universities or polytechnics.” (Learning for Life 1989:21). Section 3.7.7 stated that, “Qualifications for teaching may be offered by institutions other than colleges of education.” (*ibid*:22). Both these intentions had a direct bearing on the tertiary merger scene. As Openshaw (*op. cit.*) observed:

The spectre of competition from other providers made the College more willing to accept a closer institutional relationship, even at the risk of ultimately losing autonomy. Significantly, these developments came at a time when a financially strapped university was becoming more receptive to entrepreneurial ventures of its own, and when politicians had once again become convinced that amalgamations between tertiary institutions would bring about appreciable cost savings. (*ibid*:184)

The Education Amendment Act 1990 confirmed these intentions and passed them into legislation, providing both the opportunity and the impetus for the College-Massey merger to become a reality.

5.2 The Merger Negotiations: As The Records Reveal: Phase One: 1989-93

5.2.1 1989

On 25 October 1989, Dr T. N. M. Waters, Vice-Chancellor of Massey University, Palmerston North, formally initiated the merger proceedings by writing to Mr B. Hennessey, Principal of the Palmerston North College of Education. In that letter (Appendix 5), he referred to his recent meeting with Mr Hennessey where they had, “discussed in very general terms the future relationship between the University and the College.” (VC’s letter: 25/10/89). He considered that it was time for some long-term thinking and included with his letter a paper, “Teacher Education In Palmerston North” representing the University’s views on the matter, which he invited Mr Hennessey to consider. He concluded with the following suggestion and invitation:

If the College believes that we have a mutual responsibility and an opportunity to take some new steps I suggest that a Joint Committee should get down to details forthwith. If we cannot then make progress by about the end of the first term next year we will know that our goals and perceptions are not the same and that a combined approach probably will not work.

If you feel that the above is worth pursuing I should be pleased to meet again with you to discuss it further in general terms. I should then like to see a joint group take up the matter.

Yours sincerely

T. N. M. Waters
Vice-Chancellor

The response to this letter was positive. At a meeting of the College Council the following month (24 November 1989), the Chairman of the College Council, Professor Adams, (formerly the Dean of the Education Faculty, Massey University), tabled the Vice-Chancellor's letter and indicated that he had had a discussion with Dr Waters concerning the proposal. After some discussion, the College Principal, Mr Hennessey, suggested that a joint working party be set up to investigate the proposal. The following motion was put and carried. "That the Chairman and Principal be seconded to approve up to two other persons to form this working party to investigate the Massey proposal." (College Council minutes: 24/11/89).

It was emphasised by both the Council Chairman and the College Principal that, in taking this action, the Council was simply agreeing to discuss the matter of future relationships with the University. It was not agreeing to proceed with amalgamation itself. Discussion on the matter suggested that the chairperson of the working party would need to be of high quality and without vested interest.

Following this meeting Professor Adams and Mr Hennessey appointed Mrs K. Broadley and Mr R. Dalzell to be the College representatives on the working party. The University appointed Professors G. Fraser, I. Snook and G. Malcolm to be their representatives. Mr Hennessey and Professor Snook were designated as Joint Chairpersons.

Table 5: Summary Of Key Events 1989	
25 October	Letter from Massey University VC to College Principal.
24 November	College Council agrees to formation of Working Party.

5.2.2 1990

The first meeting of the Working Party was held at 2.00pm Tuesday, 13 February 1990, at the Palmerston North College of Education. At this meeting, the need to examine the implications of any closer linkages between the two institutions was noted and there was general agreement, "that all parties would prefer the outcome of any discussions to move along quickly, and nothing would be gained in allowing matters to be drawn out." (Working Party notes: 13/2/90). Although no time frame was suggested, it was agreed that, "it should be shorter rather than longer." (*loc. cit.*). It was agreed, too, that the word "amalgamation" could be counter-productive and that the term "closer educational relationships" (CER) would be more appropriate. Staff should be kept fully informed at all times. A regular time and fortnightly

schedule for future meetings was suggested, "in the hope of establishing some momentum to discussions." (*loc. cit.*).

At its second meeting, 27 February 1990, those present at the meeting (Hennessey, Broadley, Snook and Malcolm) did not feel comfortable with the terms "merger" or "amalgamation" and considered other possible forms of association such as "federation", "coalition" or "union". It was agreed that two further working parties be established to identify the range of issues involved in staffing and funding matters. A statement should be issued indicating that the Working Party had agreed to explore the implications, for all parties, of forming a School of Education within the University.

The Working Party then met with the two working parties it had established and agreed to establish a further group to consider programmes. The question of an appropriate name for the relationship being considered was again raised and the view was expressed that the words "merger" and "amalgamation" were not favoured because of their association with the business world. It was again emphasised that, if relative early progress was not made, then "these discussions would be an effective failure, and that either party is free to withdraw at any time from discussions." (Working Party notes: 13/3/90).

At its meeting on 22 May 1990, following meetings in March and April, the Working Party, by now known as the CER Joint Steering Committee, met with representatives of the Courses and Programmes Working Party and the Finance Working Party. The question of consultation with staff was raised and it was agreed that this needed to occur.

At the June meeting of the Steering Committee, the question of a site for any new development was considered and it was agreed that, "The University could not accommodate a Teacher Education Division for at least 10 years on the Massey Campus" (Steering Committee notes: 19/6/90). It was suggested that it should be specified that teacher education would remain at the PNCE site. A time line was proposed at this meeting: "Staff forum 29 June, staff meetings July, a recommendation for Councils in August." (*loc. cit.*). The question of the future of Subject Studies staff at the College, should new developments proceed, was raised.

On 29 June 1990, a staff forum was held at the College for staff from both institutions and on 3 July 1990, the Steering Committee met again and discussed the forum. Mr Hennessey expressed some surprise at the high degree of pessimism shown and it was agreed that, "the staff of both institutions should have more information to consider." (Steering Committee Notes: 3/7/90).

Professor Fraser suggested that within a School of Education there would be room for a Division of Subject Studies.

On 16 October 1990, the Steering Committee met, with Dr Waters in attendance. Dr Waters commented on the questions that had been prepared for him by the College's Teaching Staff Advisory Committee. He pointed out the reasons behind CER and offered the view that Palmerston North would, "have more to offer education if both institutions were to combine" (Steering Committee notes: 16/10/90). Mr Hennessey believed, "the desire to amalgamate would bring about the enhancement of teacher education and protect the integrity of teacher education." (*loc. cit.*). The question of extending the membership of the Steering Committee to include the new Massey University Education Department Head of Department, Professor W. Tunmer, and the new Associate Principal of the College, Ms N. Bell, was raised but held until the next meeting.

A special meeting of the Steering Committee was held on 19 October 1990 and chaired by Professor Fraser. Here, Professor Fraser gave details of a meeting that had been called by the Ministry of Education and held on 12 October 1990 to discuss the implications of the new nursing complex planned for the Manawatu Polytechnic on the Hokowhitu campus, the campus then shared by the Polytechnic and the College. At the Ministry sponsored meeting, "University became aware that the possibility of exploring concentrating PNCE on site at Massey University was practical." (Steering Committee notes: 19/10/90). The possibility was raised for the first time, that, in return for vacating the Hokowhitu campus, the approved funding for the Polytechnic nursing complex could be made available to facilitate a College move to the Massey site.

Professor Fraser informed the Steering Committee that, following the Ministry sponsored meeting, a further meeting of College, University and Polytechnic representatives was held at Massey on 17 October 1990. Present at this meeting were: Dr Waters, Professor Fraser, the Registrar of the University, Mr Tither, Mr Hogan, the Planning Officer of the University, the Chairman of the College Council, Professor Adams, the Principal of the College, Mr Hennessey, the Registrar of the College, Mr Wills, the Chairman of the Polytechnic Council, Dr Tapper, the Director of the Polytechnic, Mr Moltzen and the Associate Director of the Polytechnic, Mr Harris. This meeting considered the proposal to relocate the Palmerston North College of Education on to a Massey University site using funds already approved for the construction of the Polytechnic's new nursing block. Professor Fraser reported that, "all three institutions appeared to be positive about the proposal, bearing all considerations in mind." (Steering Committee notes: 19/10/90) and that a Memorandum of Understanding would need to

be prepared and forwarded to the Ministry for their analysis and further consideration. In his report, Professor Fraser stressed the speed with which events had occurred and the need, in the meantime, for maintaining strict confidence over the matter.

Following Professor Fraser's report of the 17 October meeting, the Joint Steering Committee considered the implications of the discussions to which they had just been made privy. Disappointment was expressed over being called to a meeting not knowing the agenda, or who would be in the Chair, and the secretive discussions that had taken place. The role of the Steering Committee was questioned. There was a very strong desire to inform staff of both institutions of the recent events and to reassure them that, "no 'back room dealing' has taken place." (*loc. cit.*). After considerable discussion it was agreed that a joint memorandum to both staffs would be produced, not giving details but simply letting them know that a group of representatives from both institutions had been meeting, with consideration being given to the relocation of PNCE on the Massey campus, and that the Vice-Chancellor would be meeting staff on 1 November (*loc. cit.*).

Following this meeting, two separate memoranda were sent, to the staff of the College, by Mr Hennessey, on 19 October and to the staff of the University, by Professor Snook, on 23 October. These items outlined the recent meetings that had taken place and informed staff of the possibility that the College of Education might be re-sited on the Massey Campus. All staff were informed that the Steering Committee would be considering the implications of these developments after the Vice-Chancellor had met with the staff of both institutions on 1 November 1990.

On 25 October 1990, a draft protocol in the form of a Memorandum of Understanding for the changes envisaged in the 17 October meeting, was sent by Professor Fraser to the Vice-Chancellor, the Principal of the College and the Director of Manawatu Polytechnic, seeking their consideration and approval. On 7 November 1990, the College's Teaching Staff Advisory Committee sent a memo to all College staff summarising the issues concerning CER and asking staff to support all proposed consultative procedures.

The CER Joint Steering Committee met again on 8 November 1990, and the role of the Committee was discussed. It was decided that:

Responsibility still appeared to lie with the Steering Committee making a recommendation to Council based upon present knowledge and reports received from the various working parties and interested staff groups. (Steering Committee notes: 8/11/90)

Professor Fraser reported that the Memorandum of Understanding (Appendix 6) that he had sent to the chief executives of the University, College and Polytechnic, on 25 October 1990, had been sent to the Ministry for their consideration. He reported that a further meeting of the group representing the three tertiary institutions would be meeting with Ministry representatives again on 13 November to clarify the Ministry's position over the proposals contained in the Memorandum of Understanding. After further discussion, the following motion was passed: "On the basis of all the determinations, we resolve to recommend to our respective councils that a merger take place." (*loc. cit.*).

It was agreed that the Chairpersons would formulate the report to be sent to both councils. It was also suggested that the Committee should reconsider the augmentation of its membership as had been suggested at the previous meeting.

On 16 November 1990, following the meeting of the representatives of the Ministry and the three tertiary institutions on 13 November, the fourth and final draft of the Steering Committee's Report for the Councils of Massey University and Palmerston North College of Education was signed by the Joint Chairpersons of the CER Joint Steering Committee and sent to the respective Councils. The report (Appendix 7) indicated that the members of the Joint Steering Committee unanimously recommend that:

- (i) The Councils of Palmerston North College of Education and Massey University agree in principle to the amalgamation of the two institutions with effect from 1 January 1992; and
- (ii) Relevant staff of both institutions be fully consulted about the detailed provisions arising from this proposal. (Steering Committee notes: 12/2/91)

The College of Education Council met on 30 November 1990 and approved the two recommendations contained in the Joint Steering Committee's report to the two councils.

Table 6: Summary Of Key Events 1990

13 February	First meeting of working party.
19 June	Teacher education to remain at PNCE site.
29 June	Staff forum held.
12 October	Special meeting called by the Ministry to discuss site issues.
17 October	Meeting of University, College and Polytechnic representatives to consider proposal to relocate PNCE on a Massey site.
19 October	Special meeting of the Joint Steering Committee called and chaired by Professor Fraser. Details of Ministry meeting on 12 October and chief executives' meeting on 17 October, given to the Committee.
19 October	College staff informed of relocation proposal.
23 October	University staff informed of relocation proposals.
25 October	Draft copy of Memorandum of Understanding sent to chief executives of Massey, the College and the Polytechnic for consideration and amendment before being sent to the Ministry.
8 November	Joint Steering Committee resolved to recommend to their respective councils that a merger take place.
13 November	Further meeting of the Awatea Conference Group (College, University, Polytechnic and Ministry representatives).
30 November	The College Council met and approved the recommendation of the Joint Steering Committee to agree in principle to amalgamation, subject to conditions.

5.2.3 1991

The first meeting of the Joint Steering Committee (the "JSC") for 1991 was held on 12 February when a copy of a memorandum from the Vice-Chancellor, dated 4 January 1991 (Appendix 8), was received. This item advised that the Massey University Council resolved to agree in principle to the amalgamation of the two institutions from 1 January 1992, and that relevant staff from both institutions should be fully consulted about detailed provisions.

The composition of the Steering Committee was discussed and it was agreed that Professor Tunmer, from the Massey University Education Department, be invited to join the Committee and that the Committee membership be extended from its present number of seven to a maximum of twelve. The function of the Steering Committee was clarified. It was to be responsible for developing a plan and mechanism for the implementation of the recommendations relating to amalgamation.

On 26 February the Steering Committee had its second meeting for the year and welcomed to the meeting the new members: Professor Tunmer, Dr R. Nash and Ms J. Poskitt (Massey), Mrs M. Croxson and Mr D. Aitken (College). There was a discussion over the balance and composition of the Steering Committee. Concern was expressed that, “PNCE was represented by both CEO and the Chairman of Council, while Massey was without even a delegated representative of the Vice-Chancellor.” (Steering Committee notes: 26/2/91). The College Council Chairman was absent from this meeting and the matter was postponed until the next meeting. It was also noted that, “The possibility of the Committee being unable to reach agreement on amalgamation/implementation would be conveyed to both Councils” (*loc. cit.*).

At its next meeting on 12 March 1991, the Chairman of the College Council’s membership on the Steering Committee was raised and considered to be “perhaps anomalous” (Steering Committee notes: 12/3/91). Professor Fraser indicated that he had written to the Joint Chairmen and would raise the matter later. Three sub-committees were established: Programmes: **R. Dalzell**, R. Nash, W. Tunmer, D. Aitken. Resources: **G. Fraser**, B. Hennessey, G. Malcolm. Staffing: **M. Croxson**, J. Poskitt, I. Snook, K. Broadley. (Highlighted names indicate initial convenors.) It was noted that the question of the location on the university site of the new institution was “on hold”.

The next meeting of the Steering Committee was held on 26 March and the question of the membership of the Chairman of the College Council was again raised. At the previous meeting it was suggested that the composition of the Joint Steering Committee was anomalous because the Chairperson of the Palmerston North College of Education Council was on the Steering Committee while the Chairperson of the Massey University Council was not. The College Council Chairperson noted several additional anomalies in the composition of the Committee. R. Nash suggested that the matter be deferred to the next meeting of the Committee because the member of the Committee who raised the issue, G. Fraser, was not present (Steering Committee notes: 26/3/91). It was also recorded that B. Shaw and N. Bell had been added to the Programmes Sub-Committee and the terms of reference for that committee were:

To examine the programmes now provided at Massey and PNCE and to prepare models of programme organisation and organisational structures for their delivery in the light of the forthcoming amalgamation between the two institutions. (Steering Committee notes: 26/3/91)

At its 9 April 1991 meeting, the Steering Committee considered Draft Terms of Reference, item one:

To develop further the proposal agreed to in principle by the Councils of Massey University and the Palmerston North College of Education to amalgamate the two institutions with effect from 1 January 1992, or as soon as practicable thereafter. (Steering Committee notes: 9/4/91)

The question of membership of the Committee was again raised and the matter was discussed at length. Professor Fraser expressed concern over possible difficulties which may arise from perceived potential conflicts of interest regarding the membership of the Chairman of the Palmerston North College of Education Council (*loc. cit.*). It was recorded that, on this matter, "No decision was reached." (*loc. cit.*). At its next meeting, on 23 April 1991, the current membership of the Working Party was reaffirmed and R. Nash was asked to liaise with D. Chapman of the College and bring to the next Steering Committee meeting, for discussion, a set of Principles of Amalgamation.

Further meetings of the Steering Committee were held during May, June, and July, where reports were received from the Sub-Committees, Principles of Amalgamation (Appendix 9) were discussed and consideration was given to extending the membership of the Steering Committee to include Maori and student representatives.

At its 16 July 1991 meeting, the Steering Committee discussed a draft time frame for amalgamation, drawn up by the Joint Chairpersons. It was recorded that, "It appears that the date of 1 January 1992, for amalgamation to take effect will be unattainable." (Steering Committee notes: 16/7/91). It was also noted that Professor Tunmer would be on leave from August until December and that Mr B. Shaw would attend the Steering Committee meetings in his place.

At the 30 July meeting of the Steering Committee, Mr Hennessey reported that he had had a profitable meeting with the Vice-Chancellor:

who has accepted that while progress to date is satisfactory, the preliminary amalgamation date of 1 January 1992 is unattainable. He further accepts that while any new entity will operate from a split-campus, it will be desirable that re-siting on the Massey campus take place as soon as possible. (Steering Committee minutes: 30/7/91)

The Committee also agreed to invite the Students Associations of both institutions to each nominate a representative to join the Steering Committee and for Professor Fraser, on behalf of the University, to invite appropriate Maori representation as tangata whenua (local people).

The Committee met twice in August. At the first of these meetings, the College Student representative, Ms L. Hughes, was welcomed, and at the second meeting, the Maori representative, Mrs Y. Marshall attended. Also, at this second meeting, an interim progress report from the Programmes Sub-Committee, outlining progress to date, was presented by Mr Shaw. "This was very well received by the Steering Committee, and a wide-ranging discussion followed." (Steering Committee minutes: 27/8/91).

The two September meetings of the Steering Committee were mainly concerned with receiving reports from the sub-committees.

Two meetings of the Steering Committee were held during October. At the first meeting, 8 October, Professor Adams indicated that the College Council would want to be sure that teacher education would be protected after the merger; Professor Fraser reported that, at a further meeting between the Polytechnic, the University, the College and the Ministry, it was made clear that there would be no extra money made available to allow a relocation of the College to a Massey site. At the second meeting, 22 October, the Programmes Sub-Committee presented its draft report, "Programmes, Qualifications and Departmental Structures in an Amalgamated Institution". (Appendix 10). The points raised during the lengthy discussions that followed included:

- Why was there a separateness of the early childhood programmes?
- Where are the moral and ethical aspects of Education recognised?
- Some disappointment with the document - appears to model the existing PNCE programme with different names, and reflects the programmes currently taught at both institutions with little compromise.
- Too little emphasis on subject studies, too much emphasis on school practice and the school curriculum - Where is the vision for the future *i.e.* mathematics, science and technology? Is there no place for a course on contextual studies? (Steering Committee minutes: 22/10/91).

Members of the Programmes Sub-Committee responded to the points raised. It was resolved that the document be received and passed to interested groups for discussion and comment.

Following this meeting the Programmes Sub-Committee received a written response to their report (Appendix 11) from Professor Snook, Co-Chairperson of the JSC. Copies were sent to the Vice-Chancellor, the Principal of the College, the Acting Head of Massey University's Education Department and all members of the JSC. In this response, Professor Snook indicated that, as he had stated at the JSC meeting of 22 October, he was far from satisfied with the first draft of the proposed B.Ed. Programme. He wrote:

To my mind, there is only one good reason for amalgamation: to combine the resources of two institutions to provide an outstanding programme of teacher education. Something of that vision is contained in the original proposal sent by the Vice-Chancellor to the College Principal. I find the proposed programme gravely defective as a means to a new vision. (Memorandum to Programmes Sub-Committee: 24 October 1991)

In response to Professor Snook's memorandum, the Vice-Chancellor wrote to Professors Fraser and Snook and Mr Hennessey (Appendix 12) intimating that he shared Professor Snook's vision and expressed dissatisfaction with the draft programme that had been presented to the JSC for consideration. He suggested that:

If we really haven't got a vision for what could be accomplished we should end the discussions now and save further time and effort. I am not going to recommend to the University Council acceptance of the status quo relabelled. That the drafts coming forward have failed to grasp the opportunities which would be presented by amalgamation worries me greatly. I am very tempted to recommend that discussions end forthwith. Perhaps that is what is wanted by some. (Memorandum from the Vice-Chancellor to Professors Fraser, Snook and Mr Hennessey: 1 November 1991)

Three more meetings of the Steering Committee were held during the year. The two November meetings, 5th and 19th, were mainly concerned with receiving Sub-Committee reports. The Programmes Sub-Committee's draft report had been circulated to staff for comment and had been the subject of two staff meetings.

At the last meeting of the year, 9 December 1991, reports from the three Sub-Committees were received. The Programmes Sub-Committee had met to consider the submissions it had received and indicated it would continue to do so early in the new year. Mr Hennessey reported that a proposal from Dr Tapper, Chair of the Polytechnic Council, concerning the possibility of obtaining funding to commence construction of a new building at the Massey campus, was not a viable option. It was agreed to continue meeting fortnightly in 1992 and it was noted that, when Professor Tunmer returned next year, Associate Professor Shaw would retain his membership of the JSC.

Table 7: Summary Of Key Events 1991

12 February	Advice received of Massey University Council's resolution to agree in principle to the amalgamation as from 1 January 1992.
26 February	Concern expressed over the balance/composition of the Steering Committee.
12 March	Concern over the Chairman of the College Council being on the Steering Committee again raised. Three Sub-Committees established.
26 March	The question of the membership on the Steering Committee of the Chairman of the College Council again raised. The matter deferred until the next meeting.
9 April	The draft terms of reference for the Steering Committee considered. The question of the membership on the Steering Committee of the Chairman of the College Council again raised. The matter discussed at length. Recorded that no decision was reached on the matter.
23 April	The current membership of the Steering Committee reaffirmed. Principles of amalgamation considered.
16 July	Draft time frame for amalgamation drawn up. Date of 1 January 1992, considered unattainable.
30 July	Accepted that new entity would operate from a split-campus. Agreement to expand membership of Steering Committee to include student and Maori representatives.
22 October	Programme Sub-Committee's draft report presented and responded to.
24 October	Memorandum to Programmes Sub-Committee from Professor Snook expressing grave concern over the Sub-Committee's report.
1 November	Memorandum from the Vice-Chancellor to Professors Fraser and Snook and Mr Hennessey expressing concern over the Programme Sub-Committee's report and raising the possibility of recommending that discussions cease forthwith.
9 December	Final meeting for the year. Polytechnic proposal for obtaining funding to assist building on Massey campus not viable. Steering Committee agreed to continue to meet fortnightly in 1992.

5.2.4 1992

The first meeting of the Steering Committee in 1992 was held on 4 February. Dr J. Burns and Associate Professor J. Chapman were welcomed as the newly elected representatives of the Education Department, the term of office for the previous representatives having been completed. Members were invited to comment individually upon progress to date. "A full and wide-ranging discussion ensued." (Steering Committee minutes: 4/2/92).

Mr Hennessey suggested that the interest accumulating from the \$1 million grant earlier received from the Ministry of Education be disbursed in order to contract a person to prepare a summary of progress to date.

It was agreed that the Joint Chairpersons, through the Assistant Vice-Chancellor, discuss with the Vice-Chancellor the suggestion that a facilitator be employed and that the Steering Committee go into recess.

The next meeting on 3 March, considered a document (JSC 92/03) containing the reaction of Education Department staff to the Sub-Committee reports. A motion was framed but not put to the vote that, "the Steering Committee and its Sub-Committees continue to meet on the same basis as previously in order to consider information coming forward." The meeting discussed the terms of reference for a consultant, previously drafted by Professors Fraser, Snook and Mr Hennessey. Professor Tunmer reiterated the view that the Education Department did not support the notion of the JSC and its Sub-Committees going into recess, in favour of a "consultant" or "mediator".

A memo written by Professor Fraser, dated 26 February, was read by the Chair to the meeting. The memo confirmed:

the Vice-Chancellor's support for the concept of engaging a consultant and building into the task an independent assessment of the financial resources required to consolidate any new entity on the University campus. In the memo Professor Fraser also indicated his own support of the initiative. (Steering Committee minutes: 3/3/92)

The Committee was divided over the suggestion to employ a consultant. After further discussion, it was agreed that Associate Professor Chapman would inform the Education Department staff of the discussion that had taken place and a further meeting would be held in two weeks to enable him to report on the Education Department staff reaction. This agreement

was reached, “On the clear understanding that a decision is made at that time regarding the appointment of a consultant and the motion would remain on the table.” (Steering Committee minutes: 3/3/92).

On 17 March 1992, Mr Hennessey reported to the Steering Committee on a meeting he had held the previous day at Massey University with the Education Department staff. He indicated, “It appeared that the only way progress could be made would be if compromises were offered by both sides.” (Steering Committee notes: 17/3/92).

Associate Professor Chapman stated that, “While the Education Department staff agreed with the reactivation of sub-committees, they still believed that the contracting of a consultant would be premature.” (*loc. cit.*). Mrs Croxson said that the College staff would likely approve the employment of a consultant.

Following further discussion, it became apparent that a compromise could not be reached and Mr Hennessey then suggested that the College, on its own, employ an “advisor” to meet its own needs with its “share” of the available funding. Professor Tunmer said he believed the Education Department staff felt they had not been sufficiently consulted to date and major issues still needed to be addressed from within the existing committees. This, he said, was their reason for not agreeing with the contracting of a consultant at this time (*loc. cit.*). He also suggested that the Education Department’s concern related to the amalgamation of a large institution with a small department. After lengthy discussion, it was agreed that:

The sub-committees of the JSC would be reactivated and that the College would use the resources available to employ someone in an advisory capacity to develop papers to explore the implications for the College. It was also agreed that the JSC would continue to meet every four weeks. (*loc. cit.*)

The JSC did not meet again until 15 October 1992, the Programmes Sub-Committee was the only Sub-Committee to meet and the College did not employ anyone in an advisory capacity to explore the implications for the College.

Following the 17 March meeting of the JSC, numerous informal discussions were held between representatives of both the University and the College. As a result, a meeting of representatives of the JSC and its Working Parties was convened on 23 June 1992 and chaired by Professor Fraser. The Programmes Sub-Committee prepared a report for this meeting (Appendix 13). The meeting lasted four hours and comprised a plenary session followed by group discussions.

Following are some of the major points, as recorded, from the plenary session:

- Frustration from the College staff that the JSC has not “faced up” to the major issues.
- In hindsight, a permanent convenor of sub-committees would have been more effective and a different arrangement for chairing of the JSC would have been more appropriate.
- The differences that have now emerged, particularly with focus of the Programme group, are ideological, based on how the people see differences relative to teaching.
- The belief that there will not be a “coming together” of both institutions until they are on the Massey site. There seems not to be the will to do it. Uncertainty as to the physical location appears to be holding up any decision.
- What is the solid rationale, the educational purpose, the vision?
- There appears to be a distinct lack of goodwill or trust from one party to the other, and progress could not be made until this is resolved.

(Minutes of meeting 23 June 1992).

During the group session, discussion centred on the rationale for the amalgamation, the resources and the ownership of the negotiating process. The question arose whether the rationale should be influenced by how the project should be resourced, or should the rationale for the amalgamation be defined first and this then influence the required resources. It was agreed to hold a further meeting of this group.

The second meeting of this expanded group was held on 17 September 1992 and, again, was chaired by Professor Fraser. During this three hour meeting, discussion centred mainly on “rationale” and “resources”. Mr Hennessey reported that the Polytechnic urgently needed confirmation of the College’s relocation on the Massey campus and that the Polytechnic had indicated they would be prepared to assist in this relocation by providing a lump sum and additional annual financial assistance. Mr Hennessey also stated that:

He believed any move by the Education Department to the Hokowhitu campus had been ruled out, for a number of reasons, and the siting of any new entity could realistically only be considered at the Massey site. If this is not possible then other options for a closer working relationship between the two institutions could be examined. (Minutes of meeting: 17 September 1992)

Mr Hennessey advised the meeting of a proposal, prepared as a result of a meeting he had had the previous week with Mr Wills, from the College, and Professors Fraser and Snook, from the University. The proposal was:

To commission an outside consultant to prepare an impact report, defining the financial and human implications in the establishment of a purpose-built facility on the Massey campus, to accommodate the activities undertaken by the College and those of the Massey Education Department. (*loc. cit.*)

It was reported that the suggestion of an impact report was supported by the Chair of the College Council (Professor Adams) and, subject to the meeting's consideration, by the Vice-Chancellor. The meeting unanimously agreed to invite an independent consultant to prepare such a report. It was also agreed that the JSC should reconvene as soon as possible.

The day following the meeting, the local daily newspaper, *The Manawatu Evening Standard*, headlined a report stating, "Massey-Teachers' College merger talks stall" (Appendix 14) in which it quoted a College Council member, Mr Bruce Beetham, in a report to the Manawatu-Wanganui Regional Council, as saying that the merger discussions had been sporadic and, despite early progress, had stalled due more to reservations on the part of the University than the College. In the same news item, Mr Moltzen, the Manawatu Polytechnic Chief Executive Officer, was reported as saying that, if the negotiations had stalled, he would be bitterly disappointed. The Polytechnic, he was reported as saying, had stood by through 22 months of stalling and, if this was another stall, then the Polytechnic might just have to get on with what was best for itself.

On 21 September, Mr Hennessey sent a memo to all College staff saying, "By now, most staff will have read, or at least heard about the attached article (Appendix 14) which was published in the Evening Standard on Friday, 18 September. Now for what is really happening." (Memo from B. Hennessey to College Staff: 21/9/92, Appendix 15).

He went on to report that:

the Joint Steering Committee and the members of the various working groups met on Thursday, 17 September and unanimously agreed to invite an independent consultant to prepare an environmental impact report to assess the financial feasibility of relocating the College and the Massey Education Department in a new purpose-built facility on the Massey Campus. The terms of reference for this report will be drawn up and considered by the JSC shortly. (*loc. cit.*)

He reported that the amalgamation option, which meant relocating the University's Education Department on the Hokowhitu campus, was no longer being considered. He also indicated that the Chief Executive of the Manawatu Polytechnic had assured him of his full co-operation in providing financial information relating to any proposal for the Polytechnic to buy College buildings, should an amalgamation proceed.

The JSC reconvened on 15 October 1992 with Professor Snook in the Chair. The composition of the working parties' sub-committees, programmes, resources, staffing and structure, were discussed. A document entitled "School of Education - Proposed Brief for Consultants" (Appendix 16) drafted by Professor Fraser and Mr Hogan, was tabled and endorsed.

It was agreed that the Committee approve the terms of reference, and that the Resources Committee explore them further with Graham McNally of Deloitte, Ross, Tohmatsu. It was further agreed to aim for Monday, 14 December 1992, for the consultant's report. Mr Hennessey advised that he would refer the document to the Chief Executive of Manawatu Polytechnic for his information (Steering Committee minutes: 15/10/92). It was also agreed that the membership of the Committee be augmented by Ms N. Bell and Associate Professor Shaw.

On 27 October, at a special meeting, "which occupied almost three angry hours" (Faxed memo to B. Hennessey from I. Snook: 29/10/92), the Steering Committee agreed to invite the University and College Councils:

- (i) to re-affirm their commitment to an amalgamation of the two institutions; and
- (ii) to express their full support for the JSC's intention to continue planning for a site on the Massey Campus.

Professor Snook and Mr Hennessey were charged to produce a report for both Councils, incorporating this invitation (Appendix 17).

In a memorandum to the Joint Chairpersons of the Steering Committee, dated 3 December 1992, the Vice-Chancellor indicated that the University Council had adopted their recommendation and had asked him to report to its first meeting in 1993 on the possibility of an amalgamation being quickly concluded (Appendix 18).

The JSC met for the final time in 1992 on 15 December. Resolutions from the Standing Committee of the University Council and College Council were circulated. The University

Council accepted the recommendation from the JSC to (i) re-affirm commitment to amalgamation of the two institutions; and (ii) support planning for a site on the Massey Campus. The College Council re-affirmed interest, in principle, in seeking closer educational relationship with the University, on the pre-condition that any such relationship must be for sound professional and educational reasons (Appendix 19).

In his 3 December memorandum, the Vice-Chancellor indicated that the time taken for the negotiations was a concern. He stated:

My own view is that if we cannot say by the beginning of March what the outcome is to be we should waste no more time on the matter. We have already spent three years discussing the topic and I do not believe that we should spend yet another twelve months. The matter is probably now one of leadership by the governing bodies rather than another long period of discussion. (Letter from the Vice-Chancellor: 3/12/92)

After wide-ranging discussion, it was agreed:

that the proposal to employ an independent consultant to conduct a feasibility study proceed. This will be based on the terms of reference previously agreed to on 15 October, and the report should be available as early as possible in 1993. (Steering Committee minutes: 15/12/92)

It was also agreed that the sub-committees would not reconvene until after receipt of the consultant's report.

Table 8: Summary Of Key Events 1992	
4 February	First meeting for the year of the JSC. New Massey representatives welcomed and full discussion on progress to date. Employment of a consultant suggested.
3 March	The Committee divided over the suggestion to employ a consultant and for the JSC to go into recess.
17 March	Agreement reached to reactivate the JSC's sub-committees but no agreement reached over employing a consultant. The College to employ its own consultant to act in an advisory capacity exploring implications for the College.
23 June	Meeting of expanded group, consisting of JSC and Sub-Committee members. Chaired by Professor Fraser; lasted four hours. Many points raised concerning rationale for the amalgamation, resources and ownership of the negotiating process.
17 September	Further meeting of expanded group again chaired by Professor Fraser. Discussion centred on "rationale" and "resources". Proposal to engage outside consultant accepted. Agreement for JSC to reconvene as soon as possible.
18 September	Media report of stalled merger talks.
15 October	JSC reconvened. Brief for Consultants tabled and endorsed. Resource Sub-Committee to consult with McNally of Deloitte, Ross, Tohmatsu. Aim to have consultant's report by 14 December 1992.
27 October	Special meeting of the JSC. Both Councils invited to re-affirm their commitment to the amalgamation. Professor Snook and Mr Hennessey deputed to write a report for both Councils.
3 December	Memorandum from Vice-Chancellor expressing concern over time taken for the negotiations.
15 December	Final meeting for the year of the JSC. The University Council reaffirmed its commitment to amalgamation. The College Council reaffirmed its interest in principle in seeking closer educational relationships.

5.2.5 1993

The JSC did not meet again until its final meeting on 15 June 1993. From the beginning of the year until that time, numerous informal and often confidential meetings were held between senior members of the College, the Polytechnic, the University and with G. McNally of Deloitte, Ross, Tohmatsu. The College Council met on 16 April and considered the process that

had been followed in the commissioning of the Deloitte, Ross, Tohmatsu report. Council minutes record that:

Professor Snook, as Joint chair of the Steering Committee, advised the meeting that Deloitte, Ross, Tohmatsu have not formally been given a contract and no report has been formally commissioned through the JSC. He further reported that the JSC has not participated in any negotiations with Deloitte. (College Council minutes: 16/4/93)

After full discussion, the Council indicated that it supported the action of the Principal in regard to the preparation of the report by Deloitte, Ross, Tohmatsu and asked that the report be completed as soon as possible and presented to the Council. It also apologised to the JSC for, “any unacceptable administrative procedures that may have occurred during the commissioning of the report.” (College Council minutes: 16/4/93). The following day, this aspect of the Council’s meeting was reported in the local daily newspaper, *The Manawatu Evening Standard* (Appendix 20).

The JSC’s final meeting, on 15 June 1993, was chaired by Professor Fraser who briefly backgrounded events since the Vice-Chancellor’s letter of 25 October 1989. Copies of the Executive Summary of the consultant’s report, *Financial Implications of Merger between the College of Education and Massey University*, were distributed. The report indicated that there would be insufficient funds available from the two institutions to construct a purpose-built facility on the Massey University Campus. The following resolution was put to the meeting and passed:

That the two Councils be informed that the Joint Steering Committee has been unable to negotiate solutions to the practical problems associated with implementing the earlier decision of the Councils to approve the amalgamation in principle.

Accordingly, the Joint Steering Committee recommends to the Chief Executive Officers that the respective Councils approve:

- (i) the cessation of the Joint Steering Committee’s deliberations; and
- (ii) the disestablishment of the Joint Steering Committee;

it being understood that the earlier approval in principle would lapse because the deadline for its implementation has passed; and that either institution is free to initiate a new proposal for changing the relationship between the University and the College, at such time as either institution deems appropriate.

(Steering Committee minutes: 15/6/93)

The College Council met on 18 June 1993 and accepted the JSC recommendation to cease the amalgamation negotiations. The University Council met on 23 July 1993 and also accepted the JSC's recommendation. That same day, a media release was distributed outlining the decisions taken by both Councils (Appendix 21) and this was reported in *The Manawatu Evening Standard* the following day (Appendix 22).

Table 9: Summary Of Key Events 1993	
January-April	Informal and confidential meetings held by senior members of the College and the University and with the Consultant from Deloitte, Ross Tohmatsu.
16 April	College Council met. Procedure for commissioning the Deloitte, Ross, Tohmatsu report questioned. The Principal's actions supported and an apology extended to the JSC.
15 June	The JSC met for the last time, acknowledged inability to successfully negotiate the previously agreed-in-principle amalgamation and recommended its own disestablishment.
18 June	The College Council accepted the JSC recommendation.
23 July	The University Council accepted the JSC recommendation.
23 July	Media release announced abandonment of amalgamation plans.

With the acceptance, by both Councils, of the JSC's recommendation, the amalgamation negotiations came to an end. The discussions, which had taken place over a period of almost three years, had been unable to convert the agreement in principle to an agreement in fact and as a result the amalgamation plans were abandoned.

5.3 The Merger Negotiations: As The Records Reveal: Phase Two: 1994-96

5.3.1 1994

Negotiations for a merger between the two institutions resumed in August 1994, approximately one year after the initial negotiations were formally ended with the media release of 23 July 1993.

On 27 August 1994, *The Manawatu Evening Standard* contained the following headline, "College-University link-up raised again." (Appendix 23).

The report announced that, "The Palmerston North College of Education and Massey University are again considering joining forces - a year after previous amalgamation plans were abandoned." (Evening Standard, 27 August 1994).

It said that the College of Education Council discussed this proposal, "behind closed doors at its bi-monthly meeting on Thursday." and that, "Though College Principal Bryan Hennessey and Massey officials have also held discussions, the plans are being kept secret at this stage." (*loc. cit.*). It also suggested that, earlier in the month, Mr Hennessey and the Massey Vice-Chancellor, Neil Waters, had made a joint approach to the Minister of Education, Dr Lockwood-Smith, asking him to support the Polytechnic's bid to shift from the Hokowhitu campus.

The report proved to be accurate and two days later the Principal of the College issued a memorandum for all College staff (Appendix 24) in which he confirmed that there would soon be a resumption of consultations between the College and Massey University concerning the future relationship between the two institutions. He also confirmed that he and the new College Council Chairman, Mr Bruce Beetham, had held preliminary discussions with the Massey University Chancellor and Vice-Chancellor. He advised that, with the full support of the College Council, it had been agreed there would be further meetings. These would be scheduled in the near future and those involved would be himself, the Vice Principal and the Registrar of the College, and Professors Fraser and Tunmer from Massey. It was hoped that a set of recommendations would be presented to both councils by the end of the year.

The first meeting of the new Working Party, Mr Hennessey, Mr Dalzell, Professors Fraser and Tunmer, with Mr Wills and Mr Carroll in attendance, was held at Massey on Wednesday, 7 September 1994. "It was proposed that a definitive report to the respective ruling bodies should be submitted as soon as practicable and certainly no later than the end of 1994." (Working Party notes, 7 September 1994:1). The name "Massey College of Education" was suggested and it was noted that, "The amalgamation offered new windows of opportunity which each institution individually could not have seized upon." (*loc. cit.*:3). It was considered not feasible that the College relocate to Massey in the foreseeable future but that the Faculty of Education might relocate to the Hokowhitu campus, provided the Polytechnic moved site.

Meetings of the Working Party in September agreed that "merger" rather than "amalgamation" would be used to describe the project (Working Party notes, 16 September 1994:1) and considered the "macro structure" of the new entity.

During October, the Working Party continued preparations for the drafting of a report to both councils. At its 31 October meeting, it considered the structures necessary for managing the administration of the new entity, the appropriate staffing policies and arrangements for the Polytechnic’s continued residence on the Hokowhitu site. Of the Polytechnic question, it was decided that:

The report would need to foster the Polytechnic’s opportunity to relocate. The Hokowhitu campus should no longer accommodate the Polytechnic, and that the College and Massey University will support the Polytechnic in its endeavours to shift by lobbying local and central government. The possibility of financial assistance should also be explored. (Working Party notes: 31 October 1994:2)

The same meeting agreed to, “continue with the current policy of making public statements only when, and as necessary. A more comprehensive publicity exercise will await the decision from the Councils to proceed. The report is to be ready by 20 November 1994.” (*ibid*:4).

By 20 November, the report was not ready and on 28 November the College Registrar, Mr Wills, in a memo to Mr Hennessey, indicated that, following informal meetings with Professor Fraser and Mr Carroll, it had become clear that there was insufficient documentation and detail yet available to provide a report of any substance. It was recommended and agreed that the presentation of the Report be postponed until the March meeting of the Councils and Mr Wills and Mr Carroll, under the direction of the Working Party, continue the report’s preparation.

Table 10: Summary Of Key Events 1994	
27 August	Merger negotiations resumed.
7 September	First meeting of Working Party. Work on Report for Councils commenced.
28 November	Report delayed until March 1995.

5.3.2 1995

On 7 March 1995, the Working Party sent copies of the completed report to the Chairman of the College Council and to the Chancellor of the University, expressing the hope that both councils would, “be able to reach a decision on the proposal in the not too distant future.” (Working Party letter to Mr Beetham, 7 March 1995). This hope was fulfilled.

The Councils of both institutions met separately on Friday, 17 March and tabled the report. At their respective meetings on 21 April, both Councils approved the report and the Memorandum of Agreement that accompanied it. They agreed to the merging of the Palmerston North College of Education with Massey University in order to establish the Massey University College of Education, effective from 1 January 1996. The decision to merge was reported widely by the news media the following day and on 24 April *The Manawatu Evening Standard* editorial commended the decision (Appendix 25). At a special ceremony at Massey University on 15 May 1995, the Memorandum of Agreement (Appendix 26) was signed by Mr Beetham and Mr Hennessey for the College and by Justice Williams and Dr Waters for the University.

As recommended by the Memorandum of Agreement and approved by both Councils, a Merger Implementation Group was established. Members were Professors Fraser and Tunmer and Mrs M. Thomson (Massey University) and Messrs Hennessey, Dalzell and Ms Carter (Palmerston North College of Education) with Mr H. Wills (Palmerston North College of Education) and Mr M. Carroll (Massey University) in attendance as Project Co-ordinators. The function of this group was to oversee the implementation of the Memorandum of Agreement and the Report, *A Proposal to Merge*, to effect the merger of the Palmerston North College of Education and Massey University.

At its first meeting on 29 May 1995, the Merger Implementation Group (MIG), reviewed the merger to date, noted that the Chairman of the College Council had written to the Minister of Education seeking disestablishment of the College Council and listed and prioritised merger tasks to be completed. The Project Co-ordinators were charged with producing a bi-monthly report to the Councils of Massey University and the Palmerston North College of Education (Inaugural Report, Appendix 27) and a Merger Newsletter (First Issue Appendix 28), to ensure staff were kept fully informed of the merger progress. Following this meeting, the MIG met frequently, generally at fortnightly or three weekly intervals, with its final meeting on 27 November 1995. During this time, Mrs K. Broadley, was added to the MIG, and several working groups (*e.g.* Library, Human Resources, Corporate Identity and Communications, Research) were formed to attend to details for the successful implementation of the merger.

As well as dealing with a variety of implementation matters and overseeing the actions of all the working groups, the MIG was faced with the issue of the appropriate visual identity for the new College.

The issue surfaced in September and was still unresolved by November, when the MIG concluded its activities for the year. The Massey Education Faculty Dean, Professor Tunmer,

felt that the visual identity of the new College, on all stationery materials, should not be as proposed, “Massey University College of Education”, but simply “Massey University”. This, he maintained, was standard practice in all universities. In a memorandum to the Merger Implementation Group, on 2 October 1995, with a copy to the Vice-Chancellor, he declared:

To my astonishment the suggestion has been made that the words in the expression “Massey University College of Education” are inseparable and must appear in a single line. That is simply not true. Nowhere in the Memorandum of Agreement is such a restriction stated or even implied. In any event, it would look very odd indeed to have “Massey University” appear on one line and “Massey University College of Education” on another. People might begin to think that we have been breathing too much insecticide. (Memorandum to MIG: 2 October 1995)

In a further memorandum, 16 October 1995, this time to the Vice-Chancellor, as Chair of the Visual Identity Committee, and to the Academic Staff of the Faculty of Education, the Dean gave some indication of the underlying cause of his concern when he said:

Whether we like it or not, the use of the word “college” instead of “faculty” will give rise to the perception that the activities in which we are engaged do not warrant our being called a faculty. Staff and students alike will think that we are little more than a traditional college of education that is loosely connected with a university. (Memorandum to the Vice-Chancellor and the Academic Staff of the Faculty of Education: 16 October 1995)

For the College “Miss Carter pointed out that from a College of Education perspective it was important to retain the profile of the name within the established Educational Community.” (Notes from MIG meeting, 9 October 1995) and that to do this it was necessary that the words “College of Education” be aligned directly with the words “Massey University”.

The matter was the subject of a number of meetings and numerous memoranda culminating in a memorandum from Professor Tunmer, the Dean of the Education Faculty, to the Vice-Chancellor. In this memorandum Professor Tunmer informed the Vice-Chancellor that the academic and general staff of the faculty did not intend to comply with a directive from the MIG Joint Co-ordinators to replace their current stationery with that which had been newly developed (memorandum from Professor Tunmer to Vice-Chancellor Sir Neil Waters, 15 November 1995).

In reply, the Vice-Chancellor noted the direct challenge that the memorandum had contained and encouraged Professor Tunmer and his faculty to give the merger the academic leadership that it would need and to seize the opportunity that it presented. He told the Dean:

I have been taking the concerns expressed by you and the Faculty very seriously and have looked into the matter of signage with some care. I cannot help coming to the conclusion that it is camouflaging deeper concerns... Lastly, I note that you and your staff do not intend to comply with the directive on the replacement stationery, business cards and so on. I regret the direct challenge which puts me immediately on the spot with the implication that if I do nothing I have no authority and if I respond in kind we, who should be allies in this whole matter, are in a dispute from which neither of us will find it easy to withdraw. This is not a good way of proceeding. I am merely going to note your statement and repeat the view I have earlier given you that I do not believe that the whole matter of signage is one of particular moment. (Memorandum to the Dean from the Vice-Chancellor: 23 November 1995)

The same day a memorandum to Ms Staines, the Director of the Massey University Information Centre, from Mr Carroll, on behalf of the MIG, indicated that:

The decision regarding the visual identity for the Massey University College of Education is currently in abeyance while further consultation takes place. Accordingly, there is no authority to proceed with printing of new stationery materials at this time. (Memorandum to K. Staines from Mr Carroll, 23 November 1995)

At the last MIG meeting for 1995, on 27 November, Associate Professor Codd was welcomed as an additional member of the group and lengthy discussion on the issue of the visual identity of the new College took place. Professor Codd provided the MIG with his view of the Education Faculty perspective on the merger process to date. He indicated that the Faculty did not feel it had been well represented on the MIG, it had not been mentioned in the media announcement of the merger or in the Memorandum of Agreement and accompanying report and it had conceded its name and campus location as a result of the merger. "The issue of the visual identity was not to do with the design *per se*, but rather to do with the fear of losing perceived parity of status with other Faculties." (Notes from the MIG meeting of 27 November 1995).

It was decided that Mrs Thomson would liaise with the parties concerned to explore the potential for reaching consensus regarding the visual identity for the Massey University College of Education (MUCE).

The MIG had not been intended as a long-term management group and it would cease to exist on 31 December 1995. The merger implementation role would then be assigned to Mr Hennessey and Professor Tunmer, with authority to reconvene the MIG for monitoring purposes, if required. The meeting concluded with Professor Fraser thanking all members of the group for their contributions and predicting a fine future for the merged institutions. On behalf

of the MIG members, Professor Tunmer thanked Professor Fraser and Mr Hennessey for chairing the meetings.

Two other closely related matters attracted the serious attention of the senior executives of the two institutions during this 1995 post-agreement period. The first concerned the question of the appropriate procedure for the disestablishment of the Palmerston North College of Education.

On 18 May 1995, following the signing of the Memorandum of Agreement, Mr Beetham, the Chairman of the Palmerston North College of Education Council, wrote to the Minister of Education, The Hon. Lockwood Smith, requesting that he take the steps, as required by the Education Amendment Act of 1990, to disestablish the Palmerston North College of Education and incorporate it with Massey University. Both the Chancellor and the Vice-Chancellor argued that disestablishment was not required by the Act and could be handled under Section 193 which gives the power to councils under sub-section (2e) to agree to the amalgamation with any other institution. The Minister was not persuaded and the disestablishment of the Palmerston North College of Education was set in train.

On 8 September, the Vice-Chancellor, Dr Waters, and the Principal of the College, Mr Hennessey, wrote to the Minister noting that the issue of the procedure to be used to effect the amalgamation of the two institutions was still the subject of a legal opinion from the Crown Law Office. They respectfully requested that, when making his final determination as to the procedure under which the amalgamation was to take place, he:

very seriously consider eschewing the option of public consultation. The delay that such consultation would inevitably cause would, quite apart from the opportunity it provides for re-litigation of the matter, seriously affect the positive momentum for the amalgamation that has now been achieved. (Letter to the Minister of Education: 8 September 1995)

The Minister was not convinced and did not agree to eschew the option of public consultation. In reply to Dr Water's and Mr Hennessey's letter, he declared that he was required, by the provisions of Section 164 (5) of the Education Act 1989, to invite written public submissions concerning the proposed merger and that, "There is no provision in the legislation granting me discretion as to whether or not this process should be undertaken. The provisions of section 164 (5) must be followed." (Letter from the Minister: 3 October 1995).

The Minister added that he intended the process to be undertaken with some expediency so that the amalgamation could take effect from 1 January 1996.

The second closely related matter concerned the very late response by the Manawatu Polytechnic to the Minister's call for submissions relevant to the intended merger of Massey University and the Palmerston North College of Education.

On 10 November 1995, the Manawatu Polytechnic responded to an extended deadline for the Minister's call for submissions by proposing that the Massey University College of Education move to the Massey University campus and that the Minister provide the Polytechnic with funding to purchase the Palmerston North College of Education's interest on the Hokowhitu campus. The Polytechnic claimed that this course of action represented the most cost effective use of national resources. The Chairman of the College Council, Mr Beetham, reacted angrily to this development. In a press statement the following day (Appendix 29), he declared, "We have tried to be of assistance to the Polytech with its problems, but we are staying put and not going anywhere else." (Press statement for *The Manawatu Evening Standard*, 11 November 1995). He added that, if the Polytechnic, had decided that it was not possible for them to move to a central city site, that was disappointing. The College would just have to get on and use its own capital reserves for urgently needed additions to the campus and, it would unfortunately not be in a position to assist, by the purchase of any of the Polytechnic's facilities, its move to a consolidated site later on.

The following Monday, Mr Beetham wrote to the Minister of Education expressing his considerable displeasure with the Polytechnic at this, "just decided change of tack in its late submission" (Letter to the Minister, 13 November 1995, Appendix 30). He enjoined the Minister to recover the Polytechnic funding that was removed in 1990 in order to facilitate the Polytechnic's relocation to a central city site. Two weeks later, the Acting Chief Executive of the Polytechnic, Mr McElroy, followed his institution's proposal with a letter to the Minister requesting that the Government delay its decision on the matter of the merger and commission an independent report into the cost effectiveness of relocating the College to the Massey University site.

The College Council met on 1 December 1995 and expressed considerable concern over the Polytechnic's proposal that the College should be relocated from the Hokowhitu site. The Council Chairman, Mr Beetham, wrote to the Minister the same day conveying the Council's concern and reporting that it had been unanimously agreed that, "In the light of the current

developments this Council must now reconsider its continued commitment to the merger.” (Letter to the Minister, 1 December 1995).

The Minister’s final communication for the year was a letter dated 12 December 1995 in which he indicated that he had:

advised Cabinet not to proceed, in the meantime, with the proposal to recommend to the Governor-General that an Order in Council be made to disestablish the Palmerston North College of Education and incorporate it with Massey University. (Appendix 31)

He expressed his intention to arrange for a meeting, early in 1996, of all parties directly affected by the merger proposal. “The purpose of this meeting would be to consider issues of concern regarding the future provision of tertiary education in the Manawatu.” (Letter from the Minister of Education, 12 December 1995). A week later the teaching and general staff of the Education Departments at Massey wrote to the Minister, the in-coming Vice-Chancellor, Dr McWha, and the Dean of Education, Professor Tunmer, advancing an educational rationale for locating the Massey University College of Education on the Massey site. They expressed the view that the interests of all education students would best be served by the development of a new entity on the Massey Campus and concluded:

Staff urge that priority now be given to the educational reasons for siting the University College of Education on the main Massey campus. It would avoid the duplication of expensive facilities; cut down wasteful travel time for many hundreds of people and above all, would enable the creation of a new culture for teacher education combining the College’s applied approach with the University’s focus on scholarship. (Letter dated 21 December 1995)

On the same day, the out-going Vice-Chancellor, Dr Waters, sent a memorandum to Mr Hennessey and Professors Fraser and Tunmer indicating that, in view of the Minister’s decision not to proceed for the moment with the merger, he was reinstating the Merger Implementation Group.

Table 11: Summary Of Key Events 1995

21 April	Both Councils approved Report and the Memorandum of Agreement.
15 May	The Memorandum of Agreement signed. The Merger Implementation Group established and commenced activities.
10 November	The Manawatu Polytechnic submitted objection to the merger.
27 November	The MIG met for the last time in 1995.
12 December	Letter from the Minister of Education indicating he was withholding support for the merger.
21 December	The Vice-Chancellor indicated that the MIG would be reinstated.

5.3.3 1996

The reinstated MIG met for the first time on 30 January 1996, with the new Vice-Chancellor, Dr McWha, in the Chair. A draft report to the Councils of both institutions, indicating that the College and the University were in full agreement that the merger should proceed and that the main area of debate concerned the optimal physical organisation of the Massey University College of Education was considered. It was agreed that an immediate objective should be the formalising of the “campus share” arrangements with the Polytechnic. The meeting agreed that it should be made clear that, in the light of changing circumstances over the last twelve months, the merger was not predicated upon the exclusive use of the Hokowhitu campus by the Massey University College of Education and any suggestions that this is the case should be withdrawn. The meeting agreed that the Councils of the College and the University should enter into discussions with the Polytechnic with a view to resolving alleged site issues.

The meeting of which the Minister of Education had spoken in December took place on 27 February 1996. Present were the Minister and his advisors, the College Council Chairman, the College Principal, the University Chancellor, the Vice-Chancellor, the Chairman of the Polytechnic Council and its Chief Executive Officer. In a memorandum to all members of the College Council and to all members of the College staff, dated 4 March 1996, Mr Hennessey referred to this meeting and stated that:

As a result of that meeting and in order to facilitate ministerial consent to the merger, the Standing Committees of both the University and College Councils have now passed resolutions which have been forwarded to the Government and the new Minister of Education. I am hopeful that some progress towards resolving the Polytechnic's objections will be achieved soon. (Letter from the College Principal: 4 March 1996)

Early in April, the MIG issued a Summary Position Paper (Appendix 32) which set out the stated basis of the legal injunction contemplated by the Polytechnic to prevent the merger from proceeding. The three objections the Polytechnic put forward related to site issues and were:

1. The consultation process provided insufficient time.
2. The merger proposal allegedly assumed exclusive use of the Hokowhitu Campus.
3. The use of the existing and future capital could be better used in the national interest.

The MIG felt that, on the basis of the information available to them, the first concern had been addressed by the Minister delaying his decision to recommend the Order-in-Council. The second concern, they felt, had been resolved by the Councils of the College and the University withdrawing and proposal to seek exclusive occupation of the Hokowhitu Campus. They were not persuaded that the third objection was credible.

On 4 April 1996, Professor Fraser, Messrs Hennessey, Wills and Carroll met in Wellington with the new Minister of Education, Hon Wyatt Creech, and discussed with him the steps the Polytechnic had taken to delay the merger. After considerable discussion, it was agreed that, with the leadership and support of the Minister, a meeting of the Chief Executives of the three institutions involved would be convened in Palmerston North the following week. The Minister indicated that, in the meantime, he would meet again with the Polytechnic representatives.

As planned, the meeting of the Chief Executives of the three institutions, Dr McWha, Mr Hennessey and Mr McElroy, was held in Palmerston North the following week on 11 April, with Mr Gill, Acting Secretary for Education, chairing the meeting and Mr Connell, from the Ministry of Education, in attendance. Recent documents were tabled presenting respective positions. While Mr McElroy saw the Hokowhitu site as the Polytechnic's second best option, preferring a central city position for its primary campus, he tabled a proposal that would see the Polytechnic progressively take possession of facilities currently occupied by the College of Education with the College of Education relocating to new accommodation at the end of the Hokowhitu site on the current sports fields. Following considerable discussion, it was agreed that the building programme envisaged would be very unlikely to be viable.

Dr McWha indicated that, should the Polytechnic move off the Hokowhitu site, the University was prepared to consider the purchase of vacated buildings but was not desperate to do so. Any site scenario should be cost neutral for the University. The meeting concluded with Mr Gill recommending that:

A sound business case be prepared by Price Waterhouse to enable the Minister to seek a capital injection from government. This would leave the College of Education exclusive use of the Hokowhitu site and provide for the establishment of a new campus by Manawatu Polytechnic on an as yet unknown site. Massey University would consider the purchase of Manawatu Polytechnic's assets on the Hokowhitu site at current valuation. This process would necessitate a capital injection from the Crown to meet the depreciated replacement cost to the Polytechnic. (Notes of meeting between the Acting Secretary of Education and the Massey University Vice-Chancellor and the CEOs of the Palmerston North College of Education and the Manawatu Polytechnic: 11 April 1996)

Eleven days later, on 22 April, the Principal of the College, Mr Hennessey, and Professor Fraser, acting for the University, wrote to the Minister of Education bringing to his attention some of the pressures arising from the delays in approving the merger. By way of reply came a press statement on 30 April indicating that:

Education Minister Wyatt Creech announced today he now intended to seek Cabinet approval to allow the merger of the Palmerston North College of Education and Massey University to proceed. The Manawatu Polytechnic, which shares the Hokowhitu Campus with the Palmerston North College of Education, had expressed some concerns relating to the future development of this property. "I have had discussions with all the parties involved. I appreciate the co-operation of the various parties. It showed common-sense and a commitment to achieve the best solution for education in Palmerston North. I am very pleased that a constructive agreed position to advance a proposal which will be a positive move for the "Knowledge City" of New Zealand, has been achieved." said the Minister. (Press Statement from the Minister of Education: 30 April 1996)

A press release, the same day, from the Vice-Chancellor and the Principal of the College, expressed delight at the Minister's announcement and appreciation for his co-operation and support in seeking the necessary government approval. This approval was granted by the Cabinet on 6 May 1996, with the merger becoming effective from 1 June 1996. An Order-in-Council (Appendix 33) was signed giving effect to this decision and the MIG published a Merger Update (Appendix 34) giving a brief background to the merger, an account of the announcement and reaction to it.

On 8 May, the MIG met for the last time before the College was disestablished and the Massey University College of Education was to come into being. The meeting was chaired by the Vice-

Chancellor, Dr McWha, and attended to a variety of matters concerning the administration of the new College. Action over the visual identity of the new college was agreed upon:

The Faculty would continue to use its own identity, with the change from the word “Faculty” to the word “College”, after 1 June 1996 and PNCE would adopt the new identity. Therefore after 1 June 1996 there would be two identities for MUCE in existence. This situation to be reviewed in two to three months. It was noted that this is not an ideal but a pragmatic solution. (Notes from MIG meeting: 8 May 1996)

Professor Fraser thanked the Vice-Chancellor on behalf of the group for his leadership and guidance to achieve the merger. Dr McWha thanked the group for the important role they had played in overseeing the merger and congratulated them on the outcome. The meeting closed at 5.15 p.m.

Table 12: Summary Of Key Events 1996	
30 January	The reinstated MIG met for the first time in 1996.
27 February	Meeting with the Minister of Education.
11 April	Meeting of the three executives of Massey, the College and Manawatu Polytechnic with Education Ministry officials.
30 April	Press statement from the Minister of Education indicating his agreement to seek approval for the merger to proceed.
6 May	Cabinet approval granted for the merger to proceed.
8 May	MIG met for the last time.
1 June	The merger became effective.

In this chapter a summary of the records relevant to the Palmerston North College of Education–Massey University merger has been presented. The summary is designed to serve a two-fold purpose. First, it provides the context from within which this study can be viewed, and second, it provides a basis for the investigation that is reported in subsequent chapters.

In the next chapter a summary of the key players’ perspectives on the merger is reported.

CHAPTER SIX

The Merger: As The Key Players Saw It

In the previous chapter, a summary of the records relevant to the Palmerston North College of Education-Massey University merger negotiations was presented. In this chapter, the perspective of those closely involved in negotiations, the “key players”, is presented.¹

During a period of nine months from September 1997 to May 1998, thirty-one persons closely involved in the merger negotiations were interviewed. The interviews were audio-recorded, transcribed and made available for the interviewees to edit. Eleven focus questions, related to the merger (Appendix 1), provided the structure for the interviews, which ranged in length from twenty-five to fifty-five minutes. Those people interviewed (Appendix 2) represented almost all those directly involved in the negotiations; only five people being unavailable for interview.

In October 1998, these interviews were followed with a questionnaire sent to the key players who had been interviewed. The questionnaire (Appendix 3) sought confirmation of the reasons advanced in the interviews for the failure of the initial phase of the merger negotiations and for the success of the resumed phase. It also asked the key players what they considered to be the three most important principles that should guide those persons who have responsibility for bringing about a significant organisational change, such as a merger. Further comments were also invited concerning the merger negotiations and organisational change generally.

This chapter, in providing a context of personal perspectives, brings with it the difficulty of determining the accuracy, or otherwise, of the information presented. It is clearly the case that some views may be more correct than others and some respondents would have been in a better position to comment than others. In addition, a strictly numerical count of the views expressed would not necessarily reveal the relative significance of these views. The researcher acknowledges these problems and has taken them into account in his interpretation of this data

¹ In the notation used to identify the source of statements, “KP” refers to “key players”, “M” indicates a Massey University respondent, “C” indicates a Palmerston North College of Education respondent and the numeral indicates which respondent is being quoted.

in Chapter Eight, The Merger Story. His position as both a participant and an observer of the merger negotiations has assisted him in this process.

6.1 Interview Data

6.1.1 Response To Focus Questions

6.1.1.1 Question One

What do you understand to have been the reasons for the merger, both the stated and unstated reasons?

(a) Reasons For The Merger

(i) Stated Reasons

From the responses to this question, two major groupings of reasons emerged: those which could be broadly described as professional-academic and those which could be represented as strategic-financial.

(ii) Stated Professional-Academic Reasons

The reasons recalled here pointed to the professional and academic benefits it was thought would accrue as a result of the individual strengths of both institutions being combined. The term “synergy” was frequently used to indicate that the whole would be more than the sum of the parts and that a combined approach to teacher education, and education generally, would benefit all those involved. As one key player put it:

The major reason in my mind was to amalgamate the synergies in terms of the College of Education’s direction in relation to education from the practical perspective with the academic qualifications, the greater academic qualifications which are available through Massey University, so that what you ended up with at the end of the day was a better product which lost none of the practical synergies but gained the more intense academic direction. (KPC31)

The move was seen as one that would help secure quality education for teachers in New Zealand. Merging was seen as providing the opportunity to strengthen the professionalism and expertise of both institutions; thereby facilitating the generation of new knowledge through scholarship, research and practice. The College of Education and the Education Faculty were seen by one respondent as two complementary halves of teacher education, “and just seemed a natural fit” (KPM16).

A number of particular benefits were recalled. It had been felt by many that the merger would improve the status of the teaching profession by having teacher education located within a university context. The students would benefit from more broadly based education and the staff of both institutions would be advantaged as well. The College staff would have the opportunity to upgrade their qualifications and to engage in research activities while the Faculty staff would have the opportunity to sharpen their teaching skills and become more involved in teacher education programmes.

The move was also seen as allowing a greater integration of undergraduate and graduate programmes with the perceived overall result being beneficial both to the University itself and to the region that it served. A “centre of excellence” had been envisaged as the practical outcome of the merger proposal and was recalled by several respondents as the logical development of a relationship that had existed for more than two decades. *“We were in fact legitimising a relationship that had gone on for a long time”* (KPC7). *“To cement the relationship which had been in place since 1970-71.”* (KPC9). One respondent felt there had been a long history of collaboration between the two institutions, and, *“the logical outcome of which would have been some sort of more formal relationship than that which existed.”* (KPM10).

Overall, there was a high level of agreement as to what had been the stated professional-academic reasons advanced for the merger at the time the negotiations commenced. The merger was seen as a logical organisational move that would enhance the quality of the academic and professional programmes currently offered separately by the two institutions.

(iii) *Stated Strategic-Financial Reasons*

The recalled strategic-financial reasons related directly to the concern expressed over the future financial viability of the College of Education. This, combined with the pressures on the University in the face of projected diminishing student numbers, provided an environment where the possibility of a merger of the two institutions was attractive to both parties.

For some time, there had been rumours of the government’s intention to “rationalise” the provision of teacher education and these brought with them the very strong perception that the College might well be in for the closure it had narrowly avoided more than a decade previously. The University concern, though not publicised greatly, was that any decline in enrolments would have major financial implications in the future. *“I think they (the University) were aware their Palmerston North campus was not growing and the trends show that it would not grow in*

the future." (KPC20). This awareness provided an added reason for a merger being contemplated. The stated strategic-financial reasons for the merger offered a reasonable degree of credibility. One key player recalled that the rumour suggesting the College might be closed by unilateral government action led to a College attitude of, "*Let's do it before it is done to us.*" (KPC3). Another suggested the University's enrolment concerns led them to embrace the perceived, "*economies of scale by bringing the two (institutions) together.*" (KPC2).

Another key player suggested that putting together the expertise, the potency, the facilities and the personnel of both institutions would provide a concentration of assets and people that would serve to protect them from an increasingly competitive and possibly dangerous environment. He also cited mutual academic benefits as an important reason for entertaining a merger; declaring:

I thought that another good reason was that putting the two institutions together would benefit both the University and the College. It was, so to speak, a two-way street. The College had Music, Art and Physical Education. The University had Sports Coaching and Management but we didn't have Art. We didn't have much in the way of Music. I must admit - again at a personal level, I was enormously excited about the idea of adding to what I called the academic profile. (KPM13)

Overall there seemed to be the feeling that:

For long term survival, probably of both groups, their chances of surviving and being successful, if you like, as a business, were probably greater if they were working as a single unit rather than working as two separate entities. (KPM17)

(iv) *Unstated Reasons*

Seeking to have respondents state that which had been unstated, the researcher was aware he was entering dangerous territory. He did so, however, on the grounds that whatever the key players believed, whether it was true or not, would have had a significant influence on their involvement in the merger negotiations. It was considered important, therefore, to try to uncover what they believed were the unstated, "real" reasons, for the move toward merging. As with the stated reasons the unstated ones advanced by the key players fall into the same two categories, professional-academic and strategic-financial, but with the latter grouping receiving much greater attention than the former.

(v) *Unstated Professional-Academic Reasons*

A number of key players suggested that there was a sizeable body of opinion amongst the Education Faculty staff that, over the years, the Faculty had actually lost control of the Bachelor

of Education degree and this, *“Had gone to the point where it was time the University exerted much more control over its own degree.”* (KPM10). Though never publicly stated, it was considered to be one reason why a merger with the College had some appeal. The B.Ed. degree history shows that, from a very tightly University-controlled programme in the early nineteen seventies, the situation had changed markedly. By the time of the proposed merger, approximately two-thirds of the programme was controlled by College personnel. This clearly concerned a number of people in the Faculty and led them to consider how their belief that, *“Teacher education ought to be in the University”*, (KPC5) might be given practical expression. Merging with the College offered a convenient solution to this question.

Another unstated, but related, reason for the merger concerned the quality of the teacher education programme that was being offered by the College. It was seen by some Faculty staff as insufficiently substantial; requiring a much greater theoretical and research based input which only the University could supply. As one key player expressed it, *“I suspect there were some people who believed, from within the University, that they could provide teacher education of a higher quality than what the College was providing.”* (KPC2). Although never explicitly stated, this view was seen by some key players to have had some currency and influence on the merger and pre-merger activities.

(vi) *Unstated Strategic-Financial Reasons*

The views expressed here by the key players suggest that the strategic and financial reasons, openly stated as reasons for the merger, were only part of a much wider scheme and did not reveal the full intentions of the University. *“We were just the first stage in their overall strategic plan.”* (KPC14). In this view, the University was seen to be driven by a fiscal imperative designed to facilitate its goal of becoming a leading national and international educational provider. Merging with a financially robust College was seen to be a useful step along this path. The strength of this view, held by both University and College key players, is revealed by the frequent reference to the perception that the University was engaged in “empire building” and that this, rather than any stated educational reasons, was the driving force behind its desire to merge with the College.

One key player saw Massey University as an institution that was, *“interested in getting bigger and grander and all that sort of thing”* (KPM22), while another believed that Massey’s motives for wanting to merge, *“had to do more with institutional and capital acquisition than they did to do with the question of how we are going to do something that will enhance the quality of education in this country”* (KPM29). A third person had a similar view:

Oh absolutely. I mean there's no doubt in my mind that the commercial reasons were the real agenda. We started on the right foot to look at it from a professional point of view and then, later during the negotiations, commercial reasons over took that." (KPC9)

While some of the key players spoke only of hearing rumours concerning Massey's designs on, "*capturing the educational process*", (KPC31) others were not convinced that this was a factor in Massey's merger overtures, "*I hesitate to say there was any empire building*" (KPM26). There was clearly a widespread and persistent perception that this was the case. Whether it was true or not is largely a matter for speculation. That it existed is a matter of record.

Yip. In my view there was an underlying reason and it had to do with capital acquisition. There was as much concern about expanding the resource base of the University and in many respects I think that that was driving the merger, as any clearly conceptualised view about what teacher education might be. That may appear to be a somewhat cynical interpretation but as I think back on it I cannot recall at any point any of the key players clearly articulating the mission of the new institution and attempting to operationalise that in a way that identified that mission as being different from the mission of the existing College or the existing University Faculty. (KPM29)

The belief that unstated political reasons, national and local, were behind the proposed merger was expressed. There were serious concerns over what central government envisaged for the future of tertiary institutions. "*At the time there was clearly political pressure for larger organisations - cheaper. As a small tertiary education institution, which a teachers college is, we were certainly vulnerable to political pressure*" (KPC11). Allied to this was the uncertainty over the capital charging regime that had been mooted in government circles for some time and its effect on the two institutions if they remained as separate entities. One key player was in no doubt as to the likely outcome of such a move. "*I thought then and still think, that the government, in the back of their minds, had a view to privatisation*" (KPM15). A number of others shared this sentiment.

Locally, it was important for the city of Palmerston North, and the wider Manawatu region, that a strong teacher education presence be retained. If the College of Education was to become a victim of government retrenchment policy, then the region as a whole would suffer, both educationally and economically. To forestall such an eventuality to merge the two institutions was seen as a sensible pre-emptive step to take.

One key player summed up the political implications by suggesting that, "*The political components in the end, I think, were probably more important than any stated educational*

rationale." (KPM21). In public debate, such factors received considerably less acknowledgement than they did in private.

6.1.1.2 Question Two

To what extent do you believe that these reasons were sound?

(a) Soundness Of Reasons

Not surprisingly, there was widespread support for the professional-academic reasons for the merger. While some respondents were not convinced that the reasons given were necessarily the real ones or that the projected benefits would actually eventuate, twenty three did believe that, as reasons, they were sound. It seemed to most key players that, at least in theory, a joint effort by two complementary institutions would be capable of a superior result than if the two remained separate and in possible competition. *"I personally did (think the reasons were sound). I thought it was inevitable at some point. It just made good sense for that parallel development to come together for the benefit of the students."* (KPC9).

While the majority of respondents agreed that the strategic-financial reasons were sound, a small number (three), were not entirely convinced that this was so. They questioned the soundness of the "survival" argument and felt that a stand-alone College of Education could have retained its viability. Such a view was expressed by one College key player when he suggested that the College leadership did not have the courage and depth of personal philosophy to go it alone as a degree granting institution; and he believed that, *"At the time and for some time after the merger, I thought we should have gone it alone."* (KPC30).

Some support was evident for the unstated professional-academic reason that the University would lose partial control of the B.Ed. degree but there was little acknowledgement for the suggestion that lack of substance of the college programme was a sound reason for merging.

While there seemed to be some implicit criticism of what was perceived by a number of key players as Massey's engagement in an "empire building" exercise, there was general agreement that its move to safeguard its position in the educational market was a justifiable move to make. A number of respondents predicted that, *"The amount of 'business' coming from throughout New Zealand was going to be significantly reduced over time"* (KPC2) and, on that basis, Massey's expansionary mode was justified.

6.1.1.3 Question Three

The merger discussions came to a halt in 1993. What do you believe were the reasons for this interruption?

(a) Reasons For The Interruption Of The Discussions

A wide variety of reasons were advanced by the key players to account for the fact that the discussions, which had commenced in 1989, came to a halt in 1993. For coherence of presentation, these reasons have been grouped under the following three headings: Process Flaws, People Flaws, Precipitating Events.

(i) Process Flaws

● Committee Composition

Seven of the key players, with the advantage of hindsight, believed that the composition of the Joint Steering Committee was one of the underlying reasons for the eventual failure of the first phase of the merger negotiations. This view saw the presence of the College Council Chairman on the Steering Committee as being inappropriate. Committee membership was the subject of much unresolved discussion for six consecutive meetings of the JSC during the early months of 1991 and, again, came to the fore at a special meeting of the JSC on 27 October 1992 when demands from a Massey representative were made for the removal of the College Council Chairman from the Steering Committee. One key player represented this view when he recalled:

There were persons in the discussions who should not have been there. For example, the Chairman of the College Council. I think that his membership of the discussion group was inappropriate. The Chancellor of our Council wasn't present. I don't see why the College Chairman should have been there... In other words the composition of the Committee was not quite right for the task, in my view. Maybe the Terms of Reference of the Committee were somewhat flawed. (KPM13)

While this was not the view of the College members of the Committee, nor of all the Massey members, it was seen to have a negative effect on the discussions.

I think that event (the challenge to the presence on the Steering Committee of the College Council Chairman) did not create terribly much goodwill and I think contributed to the general attitude of dismay that was creeping into the negotiations." (KPC5)

- **Committee Leadership**

Closely related to the perceived problem of Committee structure was what was seen as a committee leadership difficulty. One key player was quite emphatic about this. *“There was a leadership problem and there was lack of direction, lack of purpose.”* (KPM27). Another believed that, *“As the negotiations staggered on the lack of political will all round, grew.”* (KPC5).

A structural reason for this difficulty, seen by at least one key player, was the joint-chairing provision for the Steering Committee. Under this arrangement, the meetings of the Steering Committee were chaired alternatively by the two chairpersons, the Principal of the College and the Dean of the Education Faculty. The potential was there for matters to fall between their individual areas of responsibility with a consequent loss in the momentum of the negotiations. It may be significant that the Steering Committee, as constituted, met on 17 March 1992 but did not meet on its own again until 15 October 1992. On 23 June 1992, in an effort to revive the flagging negotiations, a meeting of the Steering Committee and all members of its Working Parties, was held and chaired by the Assistant Vice-Chancellor Academic, and not by one of the two designated Chairpersons. He also chaired the second meeting of this expanded group on 17 September 1992. It wasn't until the Steering Committee, on its own, reconvened on 15 October 1992, that one of the designated Chairpersons again presided.

- **Vision Articulation**

Three key players believed that some of the Steering Committee's difficulties arose because there was no clearly articulated and shared vision on which to focus their deliberations.

One key player described the activities of the Steering Committee as being a, *“much more sort of nuts and bolts and a piece of number eight fencing wire approach”* (KPM26) attributing this to the fact that they had no real sense of vision to guide them. Another claimed that, *“In the view of many of us, myself included, there was never really a fully articulated, well reasoned educational rationale presented.”* (KPM21). This was seen to be counter-productive. Commenting on this situation, and perhaps explaining the Committee's difficulty in establishing a vision to guide their actions, one key player noted that there was an element of unreality about the word “vision” itself. This person declared:

Vision is a very horrid word actually. I don't like the word because I think it can be used in a weasely sense and you can finish up with making considerable and lengthy statements that actually mean nothing at all. (KPC11)

- **Consultation Policy**

With the benefit of hindsight, seven key players believed that the consultation policy the Steering Committee adopted imposed serious limitations on their ability to produce a speedy and acceptable resolution of the numerous problems facing them.

When the Steering Committee was formed in 1989, there were seven members, growing to seventeen by mid-1992. In addition, a number of sub-committees were formed and these met (some very frequently) over a lengthy period of time. During 1991, the Programmes Sub-Committee, for example, met as a Committee more than twenty times. Staff Forums were also held and members of the Committee met formally and informally with large numbers of staff from both institutions. This network of consultation caused an inevitable slowing down of the whole negotiating process, a process that became so democratised and inclusive that it was difficult for the Committee to feel it was making progress. One key player (KPM24) observed, the Steering Committee got into a highly democratic consultation notion which, on reflection, he felt was probably not good for a negotiating team. This view was echoed by another key player. *“There was such a strong wish to be participatory, inclusive and democratic about it all that it took over. In some respects though it got so damned democratic, so inclusive, that everybody’s brains fell out.”* (KPM13).

The problem was identified by another key player as the result of having, *“started from what we now recognise was the wrong premise... we started from the bottom and tried to work up.”* (KPM16). What should have happened, he maintained, was what did happen in the second phase of the negotiations, where a largely top-down approach was taken.

- **Over-Concern With Detail**

Partly as a consequence of the overly democratic consultation process, the deliberations of the Committee were seen, in retrospect, to have become immersed in detail.

Four key players recalled long negotiations where an extraordinary amount of fine detail was examined. By concentrating on this detail, the “big picture” had been overlooked so that the whole process, *“just foundered on minutiae”* (KPM16).

If you’re not careful the details can trip up the whole process because people get wrapped up in them and they start not trusting one another and then you’re in trouble. I think in 1993 things started to get difficult over details... They (the key players) felt that they were getting nowhere, getting tied up on minute detail and people were losing sight of the main vision, getting tied up in, well, relative trivia. (KPM4)

- **Major Focus**

There was a significant difference of opinion concerning what the major focus of the discussions should be. One thought that the key to a successful merger was the establishment of a bold and innovative programme that would make the best of what each institution had to offer and would set the direction for at least the next decade. Another believed that the focus should be on getting appropriate structures in place, rather than on the programme details that would operate within those structures.

The essence of this disagreement is expressed by the following recollection from one of the parties involved.

There were certainly differences over programmes. I know (...) had some very strong views on programmes. I believe he expressed a view that there needed to be greater change in the programmes before he would be satisfied with proceeding. I had a somewhat different view on that which I made fairly clear. I thought greater emphasis should be on getting the structures for change correct than worrying so much about programmes because even if you agree on programmes and people didn't like it they'd go back and change it after the fact. (KPM6)

These differences clearly had an inhibiting effect on the progress of the discussions with the failure to reconcile them having a considerable bearing on the ultimate collapse of the negotiations in 1993.

- **Agreement In Principle**

In November 1990, just over a year after merger discussions had begun, the Councils of both the University and the College agreed in principle to the amalgamation of the two institutions as from 1 January 1992. Exactly what this agreement in principle meant in practice was never spelt out in detail and, as a consequence, the agreement was viewed by some as a serious flaw in the merger process:

They (the Councils) agreed in principle but I think that it wasn't binding enough to make people go off and do it... Where it's still not a final thing you can actually stall it by all... sorts of things... You can debate things to death if you really want to. (KPM12)

There was no sense of urgency at all with it (the discussions). It was something, oh yeah, it might be quite a good idea, and we really had plenty of time associated with that and so, let's not sort of rush it, kind of thing. I think that was the kind of thing that was in the air at the time. (KPM28)

Reference to the merger records shows that, while the original intention was for merger explorations to proceed with alacrity (the Vice-Chancellor's 25 October 1989 letter, initiating the discussions, suggested the end of the first term 1990 as an initial decision time) and milestones of a sort were set at various times during the negotiations, they were often uplifted with relative ease and replanted further along the merger highway. Some key players felt it was the Councils' "agreement in principle" that contributed to this state of affairs. A "bolt hole", so to speak, had been created and, when the going "got tough" the bolt hole provided welcome respite.

(ii) *People Flaws*

- **Personality Conflicts**

Eleven players expressed repeatedly, and in a variety of ways, their belief that personality differences provided a major obstacle to the success of the merger negotiations. One (KPM1) simply said that personalities were not managed very well while another (KPC2) suggested that personal relationships became very strained, and, in some cases, were severed permanently. *"There was, if you will, a chemistry that wasn't quite right."* (KPM13) *"There were some personality problems around that time too which were not helpful and it all just... shows what can go wrong if the chemical interactions between individuals involved are sort of not working properly."* (KPM4).

One key player observed similar problems but was somewhat mystified by what actually occurred:

I never thought it was going to be a smooth process but I think eventually it got to the point where some of the key players got miffed in there. I believe somebody got miffed with somebody else... and that egos got in the way... and that certain people fell out. I have no idea why but my perception was that it became a personality issue... somebody fell out with somebody else and they just dug their toes in and the whole thing ground to a halt. (KPC9)

The situation, as perceived by many of those directly involved, is summed up by the following observation:

There's the whole question of personalities. It's funny how these sorts of things, which ought to be driven by professionalism and business and sort of lofty principles, actually depend so much on personalities and people getting together and trusting one another. So what am I saying? I think personalities had an awful lot to do with it, more than substance. (KPM4)

- **Historical Antagonisms**

Two key players guardedly suggested that collegial conflicts, pre-dating the merger negotiations, were more relevant to the negotiation difficulties than personality differences. Certain long-standing academic rivalries, together with dissimilar world views, caused several of the key players to have great difficulty in relating to one another in an objective and emotionally neutral fashion. This had a decidedly negative influence on the progress of the negotiations. While persons with this view were reluctant to elaborate, one key player indicated that, *"There was a bit of personal agenda going on"* (KPC7). Another respondent was more forthcoming, *"What seemed to me to happen was that the undercurrent of definitions that people really had about each other and really had about what was going on... really masked a whole lot of possible antipathy between the parties."* (KPM13).

- **Culture Differences**

Fifteen key players saw the differences existing between the cultures of the two institutions as contributing to the failure of the first phase of the negotiations. They felt that, in the minds of some of their colleagues, stereotypical views persisted concerning the relative worth of the cultures of the two institutions. The College staff, with their focus on the practical concerns of the "teaching trade", were seen by some University staff as inferior to their University counterparts, who, with their engagement in more erudite and academic matters were deserving of much greater respect. In a similar manner, some College staff viewed their University counterparts as being out of touch with the real world and guilty of a *"degree of arrogance"* (KPC5) that was inimical to productive and frank debate. Neither of these views was seen to be very helpful. The following observation sums up this state of affairs.

Oh there'd always been suspicions about motives for wanting to merge and I suspect these were mutual and reciprocal. I suspect the Faculty at the University were suspicious of why this might want to happen and perhaps entertained some notions about the quality of the staff at the College of Education. I don't know how widely shared that view was. I know at the College of Education there was a lot of suspicion about the Faculty at Massey. That had to do with what was perceived to be arrogance and a lack of understanding of grassroots requirements and needs. So there were those kinds of factors operating underneath the whole process to undermine it. (KPM29)

- **Reluctance To Compromise**

Looking back at the negotiations, nine key players conceded that a general unwillingness to compromise was a feature of many of the discussions. This unwillingness reflected some

entrenched positions held by both University and College participants. According to one key player, *"There was a contingent of people at Massey who I think had their faces quite strongly set against the merger. When I say Massey I mean the Education Department at Massey."* (KPC5). Another recalled that, at the Working Party level, *"There was considerable opposition to the merger from some staff in the University Faculty of Education though not, I would like to stress, from the Dean of the Faculty at the time."* (KPM18).

This intransigence was not confined to Massey staff, with one College key player noting that, *"There was a very strong majority (of College staff) opposition to the merger at the point that it collapsed... If it hadn't regenerated they wouldn't have been fussed at all. They were quite happy to let it fade."* (KPC9). When it came to specific issues, *"Both camps had strongly held views that they weren't prepared to compromise and I guess in a sense it was a stalemate."* (KPM8). *"It was fine as long as it meant somebody else's programme, or part of the programme was changing, not theirs."* (KPC3).

One key player felt that the playing of power games was a factor inhibiting genuine compromise while another diagnosed the large number of people involved as a contributing factor. *"There were too many cooks in the kitchen who all had strongly held views which had their own validity... (and) there wasn't a mechanism or a forum for ensuing objective mediation between these strong sets of views."* (KPM1).

Reflecting on the nature of negotiations and the need to compromise one key player had this to say:

It seemed to me the essence of negotiations is that both want, more or less, the same outcome, amalgamation, but both have different visions of it, or slightly different visions of it. And the negotiations consist of us conceding something and you conceding something in return. I don't believe that ever happened. (KPM24)

● Questionable Commitment

Although assessing the level of commitment that particular actions imply is a perilous pastime, seven key players were prepared to suggest that, in certain aspects of the negotiations, the level of commitment which was displayed was less than helpful. One recalled, *"I must acknowledge that there were times earlier when I thought there was really a need for someone at the top to say more clearly that this matter should be proceeded with because we were left floundering a lot I think."* (KPM18). Another questioned whether the Massey leadership was really committed to the merger while a further one believed that:

There was some feeling from the University staff, the Education Faculty, that the University administration was not really committed to this (the Massey site for the new institution) and so that basically was that. It (the merger) was called off. (KPM10)

In defence of this perceived lack of commitment to the task, one key player offered the suggestion that, *"I think it was too hard. I don't think either party understood how difficult it is to merge institutions with different (cultures), coming from different directions."* (KPM26).

- **Loss Of Trust**

The literature suggests that the establishment of unequivocal trust between negotiating parties is a necessary pre-requisite for the negotiations to have a reasonable prospect of success. (Chapter Two, pp. 36-38). In the first phase of the merger negotiations, in the minds of at least six key players, this pre-requisite was never satisfactorily established. One key player, convinced that this was the case, recollected, *"fairly early on I got the impression that the College people, most of them, were not negotiating in good faith. They did not want the merger, they were opposed to it and took every opportunity, I think, to slow it down, to stymie it."* (KPM24).

This view, justified or not, clearly contributed to an atmosphere of mistrust, an atmosphere that had much to do with the final collapse of the first round of negotiations.

Another key player's view was that, *"There was what appeared to be an underlying lack of trust and respect for each other that bubbled to the surface from time to time, especially when things became tense."* (KPM13). He felt that a condition he termed "pluralistic ignorance" existed where people thought they knew accurately what others were thinking but, in fact, were quite often wrong. This environment provided favourable conditions for a sense of mistrust to develop and flourish.

(iii) *Precipitating Events*

Along with the Process Flaws and the People Flaws, already identified, the key players cited several significant events which seemed to act as catalysts to precipitate the decision to finally abandon the negotiations. Two events in particular received considerable comment. The first related to the response the Programmes Sub-Committee's Draft Report received when it was first presented to the Steering Committee on 22 October 1991. The second event concerned the preparation and presentation of an independent consultant's report (the Deloitte, Ross,

Tohmatsu Report) which examined the feasibility of siting an amalgamated college on the main Massey Turitea campus.

- **Response To The Programmes Sub-Committee's Draft Report**

The Programmes Sub-Committee was formed in March 1991 and presented its Draft Report to the Steering Committee on 22 October 1991. A lengthy discussion ensued, during which a large number of questions were asked and criticisms were offered. The Dean of the Faculty, who was chairing the meeting, indicated that he was far from satisfied with the proposed B.Ed. programme contained in the Draft Report. It was resolved that the document be received and passed to interest groups for discussion and comment.

In a memorandum to the Programmes Sub-Committee dated 24 October 1991, a copy of which went to the Vice-Chancellor, the Dean provided details of his dissatisfaction. He said he found the proposed programme gravely deficient as a means to a new vision. He would want to see a much more exciting programme (or at least the ground-work of such a programme and a mechanism for securing it) before being able to support amalgamation.

Five key players were adamant that this response by the Dean was a crucial factor in bringing the first phase of the merger negotiations to a halt. One recalled that, *"As well as the existing climate of opinion there were certain precipitating incidents that set the process back. The one that sticks in my mind as the predominant one was the reaction to the deliberations of the Programmes Committee."* (KPC5).

The same key player believed the Dean's negative reaction to the document was conveyed to the Vice-Chancellor, *"who then declared that if this was the best that could be done then the University would consider unilaterally withdrawing from the negotiations."* (KPC5).

A similar view was expressed more forcefully:

My recollection is that back in the early days it was the singular action of the Dean at a particular point that caused the merger to break down. I know for my part that my view was that that action was capricious at a point when we could have made the merger work... it could have happened five years earlier... And I thought it was a tragedy frankly because had the decision to proceed been taken at that point we would have had a merged institution and it would have been functioning harmoniously. (KPM29)

A further key player believed that the Programmes Sub-Committee had worked long and progressively towards some sort of resolution of the two sets of interests. He thought that the Dean's reaction to the Draft Report was a crucial event leading to the demise of the negotiations. Of the Report's fate he said:

It was absolutely and dramatically blown out of the water by the author of the original proposal... and I remember that there was a bit of shock-horror about this. In fact I think this debate even went to the Vice-Chancellor as well, at that point. There was a lot of disappointment and upset... there was a lot of disillusionment and people wondered whether it was ever going to be possible to get a, you know, a combined, unified view. (KPM10)

The intensity of these recollections highlights the significance attached to this particular incident. For some key players it created a crucial impediment to a successful conclusion to the negotiations. One key player offered a generous "best view" of the situation by suggesting that, *"I think there were some misunderstandings that occurred."* (KPM28).

- **The Deloitte, Ross, Tohmatsu Consultant's Report**

Twelve key players pointed to the preparation and release of this report as the other crucial precipitating factor that led to the cessation of Phase One of the merger negotiations.

At the Steering Committee's first 1992 meeting on 4 February, the suggestion was made that a consultant be engaged to make an independent assessment of the financial resources required to consolidate any new entity on the main Massey Campus (Turitea). The Education Faculty opposed this proposal on the grounds that such a move was premature, and continued to do so at the two subsequent Committee meetings in March. The proposal was not revisited again until an expanded Steering Committee met on 17 September 1992. The proposal was considered but not endorsed. At its 15 October 1992 meeting, the Committee did endorse it and the Resources Sub-Committee was charged with the task of exploring the Terms of Reference with Graham McNally of Deloitte, Ross and Tohmatsu with the aim of having a consultant's report completed by Monday, 14 December 1992.

At a special Steering Committee meeting on 27 October 1992, "which occupied almost three angry hours" (Chapter Five, p. 124), the consultant proposal was further debated. Concerns were raised by the Massey representatives over reports that the College was considering the possibility of purchasing the Polytechnic's share of the Hokowhitu site; thus negating a move to the main Massey Campus.

“After a wide-ranging discussion” (Steering Committee minutes 15/12/92) at its final meeting for the year, on 15 December 1992, it was finally agreed that the proposal should proceed to employ an independent consultant to conduct a feasibility study concerning consolidation of the new entity on the main Massey campus. The report was to be based on the Terms of Reference previously decided at the 15 October 1992 meeting and it was to be available as early as possible in 1993. It wasn’t until 15 June 1993, however, that the Report was completed and presented to the Steering Committee. Its conclusion was that there would be insufficient funds available from the two institutions to construct a purpose-built facility on the Massey University Campus. Acting on this finding, the Steering Committee informed the respective Councils that they had been unable to negotiate solutions to the practical problems associated with the merger and recommended the cessation of their deliberations and the disestablishment of their Committee. Both Councils accepted this recommendation and, on 24 July 1993, a media release announced this outcome.

It was this sequence of events and the final presentation of the Deloitte, Ross, Tohmatsu Report, that was regarded by many key players as the second major factor precipitating the collapse of the negotiations.

The basic thrust of almost all the recollections is that the Deloitte Report, that “infamous situation of the Deloitte, Tohmatsu study” as one person called it, did not reflect the realities of the situation. The Report was not what it appeared to be. Rather, it was a post hoc move to give some credence to what had already been covertly and unilaterally decided by one of the negotiating parties. Therefore, the negotiations were well and truly moribund some time before the notion of employing a consultant had been considered and the charade of employing a consultant was simply a convenient way of putting an end to the matter. One key player commented, “*I think the consultant’s report that was commissioned and came up with some of the economics was seized upon as a convenient excuse for not proceeding with the negotiations.*” (KPC5).

Another said:

It always seemed to me as if the site argument was just a tactful way of calling the whole thing to a halt rather than have a personal difference of opinion brought out, so that it didn’t appear to be professional rivalry or professional stupidity, or whatever. (KPC7)

The view of the University people, according to one University key player, was that the Deloitte's Report was:

a set up for the Principal particularly, who was leading the College delegation, to simply escape. That's not the right word, to withdraw, from the negotiations to merge and that this consultant, that had to be whipped up from somewhere, was sympathetic already, or had been briefed largely on one view and had produced a report which was consistent with the view. And that was that. If the merger was not going to take place on the Hokowhitu Campus, then it wasn't going to proceed at all and when the report actually said that it wasn't feasible to do it at Massey, then it stopped. (KPM10)

A more charitable construction was offered by another University key player:

I think the Deloitte's group was instructed to look at the full loaf rather than the partial loaf whereas there might have been some on the other side of the river who would have been prepared for a partial loaf with some hope for developing further things in time. (KPM6)

Much more direct and succinct was this response, "*The Report: a load of old cobblers.*" (KPM22). Feelings ran high over this situation. One key player, very closely involved, insisted that approval for the Report had never been given by the Steering Committee. He firmly believed that in the Report itself:

The figures were consciously and dishonestly manipulated so that it would look as if it was financially impossible and I think that certainly from that point, but I think in retrospect anyway, a good bit earlier, the amalgamation was doomed because you didn't have two equal partners negotiating in good faith. (KPM24)

Another maintained that, "*The Report was severely flawed from an economist, accounting point of view. The data was heavily flawed.*" (KPM21) and yet another was quite unrestrained in his criticism of the Report:

I was extremely disappointed with the outcome of the Deloitte's report. I think (thought) it was sloppily done when I read it. There were loopholes in it and these were obvious. How can I put it? Escalations of cost and duplications that any careful examination would have revealed. You could have driven a truck through it and it seemed to me that it was an orchestrated attempt to undermine the possibility that we might actually have a new building relocated on the University. (KPM29)

The important role of this "infamous Report" in precipitating the collapse of the first phase of the merger negotiations was accepted by both College and University representatives. As one

key player summed it up, “*It had a sort of surreal quality about it. Eventually the discussions ground to a halt. Further progress seemed impossible.*” (KPM13).

Table 13: Reasons For The 1993 Halt In Negotiations	
Process flaws	Committee composition Committee leadership Vision articulation Consultation policy Over-concern with detail Major focus Agreement in principle
People flaws	Personality conflicts Historical antagonisms Culture differences Reluctance to compromise Questionable commitment Loss of trust
Precipitating events	Response to the Programmes Sub-Committee’s report The Deloitte, Ross, Tohmatsu consultant’s report

6.1.1.4 Question Four

Why, do you believe, the negotiations resumed in 1994?

(a) Reasons For Resumption Of Negotiations In 1994

To all but four of the key players, the reasons for the merger negotiations resuming were unclear and largely a matter for speculation. “*It (the resumption) came out of the blue... It was an absolute mystery to us.*” (KPM21). The solution to this mystery was revealed during the course of this research when four particular key players were interviewed separately. Their recollections pointed to one significant and chance event that occurred almost a year after the first phase of the negotiations had eventually, “*ground to a halt.*” (KPM13).

The catalyst for the resumption of negotiations, it transpired, was a “coffee cup” meeting that took place in the Robert Harris Cafe in Palmerston North in May 1994. During a break in the

annual Massey University graduation ceremonies, four senior University members of the official party (Pro-Chancellor Rockell; Professor Fraser, Assistant Vice-Chancellor Academic; Mrs M. Croxson, a University Council member and also a College staff member; and Professor Watson, Principal of the University's Auckland Albany Campus) went to this cafe for a cup of coffee. Conversation turned to the failed merger talks and the opinion was expressed that it was regrettable that the two institutions had not been able to merge. After further discussion, it was agreed that the merger proposal should not be allowed to die and one of the group indicated that he was prepared, "*to give it one more go.*" (KPM13).

This, he did. For reasons not made clear at the time, or subsequently, but possibly as some key players have suggested, because of the political environment at the time, his approach received an immediate and positive response from senior officials of both the College and the University and, within a very short time, the negotiations resumed. All four "coffee cup" colleagues testify to the general accuracy of this account.

6.1.1.5 Question Five¹

What do you believe were the reasons for the success of the resumed negotiations?

(a) Reasons For The Success Of The Resumed Negotiations

The key players' responses to this question showed a much greater degree of agreement than to the question concerning reasons for the failure of the initial negotiations. The reasons can be grouped in two categories: Process Reasons and People Reasons.

(i) Process Reasons

In terms of the process model followed to expedite these negotiations, fourteen key players were quite clear that it was a "top-down" model; a view expressed unequivocally in a variety of often colourful ways:

¹ It needs to be noted here that "success" in the context of this question and this study, is taken to be the formal merging of the College with the University on 1 June 1996, following the Government's 6 May 1996, Order-in-Council, giving legislative approval for it to proceed. Examination of the implementation phase of the merger, post 1 June 1996, and what may constitute success in that phase, is outside the scope of this particular research although in Chapter 10 some suggestions are made as to future lines of study that might be profitable.

The model then followed was a merger by decree which served to get things underway again. I think the lengthy, protracted and complicated Committee processes that we had been through earlier did not commend themselves again for any further use in the process of attempting a merger. (KPC5).

It was more by administrative fiat than anything else. I think the decision was made at the level of the Vice-Chancellor, or at the level of the two Councils, that a merger was a good thing to do so the decision to merge was made as much by executive decree as any other way. (KPM29)

A further key player very closely involved in the resumed negotiations, supported this view. *"We decided that the appropriate means of moving on it was to start at the top and move down... ...the broad approval and the formal approval through the Memorandum of Agreement were (was) a top-down approach."* (KPM16).

Others recalled, *"They (the Senior College and University officials) decided to take the bit between the teeth and drove it."* (KPM15). The Vice-Chancellor and the Principal, *"Decided on a top-down approach rather than re-work the old model hoping for a 'bottom-up' approach."* (KPC2). This "top-down" approach contrasted markedly with the "bottom-up" approach of the first phase of negotiations.

Because of this decision to favour a "top-down" model, the size of the negotiating team was reduced markedly. Whereas, in Phase One, there had eventually been seventeen members of the Joint Steering Committee, in Phase Two, the Working Party consisted of four people, with two other people in attendance as Project Co-Ordinators. This reduction in size enabled the group to proceed much more rapidly with their task.

A distinguishing feature of the process, second time round, was that it, *"Didn't get bogged down in detail."* (KPM12). During the first round, considerable time and effort had been spent trying to get agreement on fine detail. This counter-productive activity was avoided, second time round, by eliminating the necessity for agreement on the details of the programme. *"Programmes would not be a precondition. Well, that fitted with my view. I'd always argued that before, that those could evolve. What was more important was setting up the procedures for change."* (KPM6).

(ii) People Reasons

Nine of the key players suggested that one of the reasons for the success of the second phase of the negotiations was that there had been a, *"change of players"* (KPM6) involved in the

negotiations. *"Some of the leaders had moved on at that stage,"* (KPM1) and a different chemistry resulted. The Chairman of the College Council, did not seek reappointment to the Council and had been replaced. The Dean of the University Education Faculty retired from the University, although still being on the College Council, and had been replaced by a new Dean. The change in personnel was seen as a very important factor in the success of the negotiations, with the involvement of the new College Council Chairman being perceived by five key players as particularly significant. One key player suggested that, with the appointment of the new chairman, a different atmosphere prevailed where, *"There was a meeting of the minds at the level that they had had a meeting of minds in 1982"* (KPM27).² Another respondent, noting the influence of the new College Council Chairman in reactivating the merger discussions said, *"I think the action taken by (the new chairman), and I presume it came from him, was an inspired action. I think it was expedient, pragmatic and practical in the light of all the impracticalities we had experienced before."* (KPC5).

A third key player, who was very clear about the overall impact that the new Chairman had on the negotiation proceedings, strongly supported this view:

I've no doubt in my mind that (the new chairman) was certainly a catalyst towards moving it (the negotiations) in a very pragmatic way and he was also a person who was able to understand the overall principle of the issue and regard that as being supreme and that by hook or by crook we would be able to work our way through the machinations and he drove that and he drove that very well indeed and he was an excellent voice on the Massey Council. (KPC31)

As well as a change of some personnel, ten key players recalled a very different level of commitment being exhibited. One spoke of a meeting between the Chancellor and Vice-Chancellor of the University and the College Principal and College Council Chairman, in mid-1994, where, over dinner, they discussed the reactivated merger proposal. Their shared enthusiasm for the notion signalled their, *"commitment right from the outset."* (KPM16). This commitment was seen to be another important factor contributing to the ultimate success of the negotiations. Commenting on this, one key player observed:

Well I think there were personal commitments. The person who was leading the charge from the University side... had been very disappointed with the fact that the merger hadn't proceeded... But he didn't really give the ball game away. He felt it was time to just back off and let things cool down and then try to have another go... Three years on I think the commitment being made by the University that they

² This is a reference to discussions at that time between the University and the College about the possibility of merging. (Chapter Five, p. 106).

wanted the merger to go ahead and they'd also taken the, if you like, the bull by the horns to say that the College was going to be on the Hokowhitu Campus, which may have been a concession to the College, I don't know. I don't know what the background was but it forced the Faculty to be prepared to move. (KPM27)

Another recalled that, *"Before agreeing to re-open negotiations we had to be confident that the outcome would be a successful merger. We couldn't afford to embark down the track again and have it fall over a second time."* (KPC2).

It was this general attitude, combined with the new College Council Chairman's drive, *"I do know (the Chairman) was very, very keen on the merger"* (KPC7), that led to what many of the key players saw as a markedly increased commitment to bringing about a successful conclusion to the merger negotiations. A greater sense of urgency was seen to characterise the proceedings. *"Somehow all gelled together and that when negotiations started up again there was a different urgency about them than there had been previously."* (KPC9). Similarly:

The Merger Implementation Group was somewhat more focused; eyes of both Councils were on it. Possibly staff in the two institutions were also beginning to recognise that there could be fateful consequences from not taking the opportunity and getting it right. (KPM13).

Another "People" feature of the second phase was the increased amount of compromise between the two parties. Notwithstanding the imposed nature of the process, even possibly because of it, there was an apparent and greater willingness by all representatives to accede to other points of view.

There was a heck of a lot of give and take on both sides to get it to the point where this group, the group here (the Massey Faculty) agreed to actually move across to Hokowhitu. But equally the group at Hokowhitu made some very profound compromises as well. (KPM28)

A reason advanced for the success of the second phase of the negotiations, one which does not fall within the categories of either Process or People, relates to the factor of chance, where conditions which, at least ostensibly, are largely outside the direct control of those who are affected by them, are acknowledged. One key player, with the element of chance in mind, stated: *"Serendipity's got a good bit to do with it."* (KPM26). In this view not all outcomes resulted from judicious planning and wise decision making. Chance and serendipity played their part as well.

Table 14: Reasons For The Success Of The Resumed Negotiations	
Process reasons	Top-down management model Small working party Avoided over-concern with detail
People reasons	Change of personnel Increased commitment Increased compromise
Other reasons	The operation of chance

6.1.1.6 Question Six

What was your vision for the merger?

(a) Vision For The Merger

This question invited the key players to explain what they understood by a “vision” and to describe the particular vision they had for the merger. Responses to this invitation evoked a wide variety of views. A large number described a new entity which would provide an exciting and innovative programme, bringing together the best of the College’s teaching culture and the best of the University’s research culture.

So my vision was of teacher education fully integrated within a university ethos, fully committed to research as well as a professional focus and I just believed it could, with goodwill on both sides, bring about a greatly enhanced profession and sense of professionalism. So that was my vision. (KPM24)

One key player saw a:

Magnificent campus, purpose-built facilities, bringing together the professional and the academic; the opportunity to create a real little empire with its own image. The Department of Education (the Faculty) had distanced itself from its fundamental educational roots, schools and teaching, and I thought this might bring them back to reality. (KPC5)

Resulting from this exciting new programme, one respondent, “Wanted to see a dynamic expansion of curriculum... I wanted to see highly motivated trained teachers coming out” (KPM15), while another’s vision was, “To have students graduating with a degree and that degree providing a greater degree of portability in terms of other occupational choices.” (KPC2). One key player hoped for, “a higher professional status for teachers through a degree level qualification.” (KPM18). Another respondent trusted that the College’s record in dealing

with Maori issues and Maori people, “*would bring a very much needed boost to Massey’s understanding of it.*” (KPM26).

Blending both staff and student cultures of the two institutions was featured in a number of visions. It was hoped that the two separate institutions would become one and would start, “*looking through similar eyes*” (KPM12), although it was acknowledged that it would take years for this to happen, “*because you are merging two cultures with their own identity and that doesn’t happen overnight*” (*loc. cit.*).

Referring specifically to the value of students with different vocational aspirations having closer association as a result of the merger, one respondent expressed faith in what he termed, “*the washing machine effect*” (KPM25). This process, where they rubbed shoulders on a daily basis, he envisaged as giving the students a much broader perspective from which to approach their studies and their future occupations. One key player sounded a warning note for College staff who had any unrealistic ideas about the degree of autonomy they could expect to retain in the merged institution.

My vision for the merger was that assimilation would take place quickly and effectively and that the feeling of the College would be lost in the Massey identity. It was impossible for the reverse to take place and practically speaking I believe impossible for the College to maintain any form of independence and the sooner the assimilation took place the better it would be. (KPC31)

Other visions could be broadly termed “political” in nature.

Overall my vision was to secure teacher education and tertiary education for Palmerston North and Manawatu and I thought this (i.e. the merger) was, you know, a helpful way of going about that. That together we would be stronger than separately. (KPM4)

A similar view was, “*that the merger would confirm the existence of the College and abolish any risk of it being disestablished by central government.*” (KPC11). Another respondent saw, “*That the College of Education would become the leading teacher education provider within the country. Not the biggest but the best.*” (KPC20). Again:

I think what we would like to see is MUCE (Massey University College of Education) being recognised as the leading education, teaching and research grouping within New Zealand. To be recognised by everybody in New Zealand working in the field as the sort of lead organisation and to have an international reputation as well so that people overseas, if they’re looking for exciting and innovative aspects of teacher education and education in general, would look towards this particular College. (KPM17)

It is interesting to note that a number of key players professed (confessed!) to not having a vision for the merger, “*I didn’t really have a vision. I was just a worker in the ranks*” (KPC3), “*I didn’t have a very specific vision myself for exactly what could be done for teacher training.*” (KPM4), only one key player saw vision as having a process, as well as a product, component. For her, vision asked two questions: What are you aiming for and how do you envisage getting there? She expressed it this way:

It’s, I suppose, what it’s the vision to what it actually wants to achieve and how its going to achieve it. And I think both of those things, I think, go hand in hand. I think you can’t just sort of set yourself up to work as one group of people without knowing where you’re heading for. On the other hand you’re not really going to achieve what you’re heading for until you’ve worked pretty hard on some of those nuts and bolts, the process to begin with. (KPC23)

6.1.1.7 Question Seven

What criteria would you believe appropriate for judging the success of the merger, both in the short and longer term?

(a) Criteria For Judging The Success Of The Merger

In the context of this question “success” referred to the implementation phase of the merger. “Short term success” was defined as that relating to the first five years of the merger with “long term success” referring to that of the ensuing years.

Many of the respondents felt that this would not be easy to judge, particularly “short term” success. Even in the long term, with the benefit of history, it would not be easy to obtain truly objective measures of success. Even so, they willingly offered their opinions as to criteria that would be germane to the task. These are presented under the two broad headings of: Process Criteria and Product Criteria, the former loosely encompassing the operational aspect of the merger, and the latter the outcome of the operations.

(i) Process Criteria

The major process criterion suggested related to the steps taken to ensure the high quality of the programme provided by the new College. According to most of the key players, this would be established by asking such questions as: Are the programmes being made relevant to the changing needs of society? Is a productive balance of theory and practice being provided in the programmes? Are the programmes innovative and forward looking?

For one respondent a useful indication that this quality criterion had been met would be the presence of, *“New, perhaps innovative programmes different from the ones we have now, that more explicitly embody contemporary developments from experience in research.”* (KPM29).

Frequent mention was made of the extent to which the formerly separate groups of staff would be able to work together as one. If the former College and Faculty staff were working collegially and productively together, then this criterion would have been satisfied. One key player pictured it as:

The two former lots of staff would be thoroughly integrated, trusting each other, sharing pretty much common views, which doesn't mean that you have to agree on everything, but pretty much sharing a common vision if you like, common views of what it is. That they would be socially integrated as well as intellectually integrated. That there wouldn't still be “They're the College people and they're the Massey lot.” (KPM24)

Conditions of success for which another respondent would be looking included, *“a clear indication if the merger was generating a new amalgam from what both the parties brought to the merger.”* (KPM13). While commending the application of this criterion, one respondent noted, *“I don't have any utopian visions of about how that might be. There will always be difficulties and problems.”* (KP29).

Also considered an important criterion of success was the necessity for a high level of morale amongst the staff. They would be genuinely enthusiastic and would display energy and sincere commitment. Their enthusiasm would “rub off” on their students who, in turn, would be enthusiastic and satisfied with the programmes they received.

(ii) Product Criteria

Two main product criteria were suggested by the key players. The first related to the perceived quality of the graduates from the programmes and the second to the research outputs of the staff. This was summed up briefly by one respondent who said the criterion for judging success was simply, *“the reputation thing”* (KPC5). This was stated in more detail by another person who felt that:

In the short term I guess you're going to have to use perceptions. It's very difficult to get quantitative measures for some of these things. You're going to have to use perceptions that, say the people in the Ministry have, the people in the schools have, and probably people in other Colleges of Education around the country. Now how you measure that, is one of those (things) where you sort of have to look for a

little basket of measures, like, how often do people in the College get invited to speak at conferences or in a forum that's being organised, or whatever. If our people are sought after then you know that they must be doing something interesting and unusual. And to what extent is the Ministry willing to let contracts to our people. And to what extent do the schools come in pursuit of our College whenever they want certain things. (KPM17)

One key player suggested that the number and quality of persons wanting to come to study or teach at the new College would be a useful criterion to consider. He would:

Look to see if the new College of Education was a favoured institution for people enrolling for the teaching profession. In other words, whether it was seen as a reputable organisation. And I'd look to see if it had an international focus or attraction as well. Great universities are always known to be great when people clamour to get into them. (KPM4)

One conclusion was: *"At the end of the day the criterion for success is, 'What's the product you're turning out at the end?' If the product you're turning out at the end, after a reasonable period of time, is excellent, then it's worked."* (KPC31).

The College's research programme was the focus of the other nominated relevant product criterion. The work of newly established research teams receiving national and international recognition would be a strong indicator that, at least in this aspect of operation, the merger was a clear success.

6.1.1.8 Question Eight

What do you consider to be the change principles that should be applied to the process of change involved in an organisational change such as a merger?

(a) Change Principles That Should be Applied

Responses to this question have been grouped under the following eleven headings that emerged as best revealing what the key players were saying: Vision, Valuing, Communication, Consultation, Continuity, Culture, Commitment, Courage, Compromise, Timing, Trust. These categories were identified by using the constant comparative method of data analysis (Merriam, 1998). Through a process of progressive inspection and reflection, the responses were examined to determine similarities and differences and then grouped together on similar dimensions. These groupings were tentatively given a name and, after further consideration and modification, they were confirmed as the categories most accurately reflecting the data.

(i) Vision

The importance of having a clear vision to guide any organisational change was highlighted in a variety of ways by nineteen of the key players. Very succinctly one said: *"You have to have a very clear vision of where you are going."* (KPC2). A second person pointed out the need to think through this vision before trying to implement it, *"People managing change have to have a very firm idea before they begin of what they are on about."* (KPC9). Another respondent suggested the need to keep restating the vision in a variety of ways, offering the opinion that the failure to do this was one of the weaknesses in the merger negotiations.

Well you really want to know why you're doing it. So that is why the vision is important. So that's why I think you keep repeating the vision in various formats, in styles, in ways, in forums and groups so the vision, you keeping coming back to. That's why I felt so hungry for that. We lost that at certain points... I see that (the lack of restatement of the vision) as a major problem in the whole thing. People got hung up on details around them rather than the big picture. (KPM25)

A number of the key players saw the process aspect of vision as being as important as the product. *"Well, I think in terms of processes and procedures. Ideally you should look at what the new process should be before you actually do it"* (KP12), *"You have to look at how (the intended action) is to be done"* (KPC9). Speaking of these two aspects of vision, one person said:

Both of those things, I think, go hand in hand. I think you can't just sort of set yourself up to work as one group of people without knowing where you're heading for. On the other hand you're not really going to achieve what you're heading for until you've worked pretty hard on some of those nuts and bolts, the process to begin with. (KPC23)

Others stressed the need to be very clear about the vision and to consult wisely with those who are involved. *"Try, as far as possible, to gain clarity of definition and purpose through processes of careful analysis and discussion. Not to the point though of democracy through exhaustion."* (KPM13).

Many key players emphasised the need to ensure that the vision is a shared one, although they were aware of the practical limits to which this sharing should extend. *"Try to get as many people in the same canoe as possible, or at least in canoes that are going in the same direction."* (KPM21) but realise that, *"You'll never get everybody on board."* (KPM26). Effective communication was seen as very important in this "crew recruitment" task.

One key player noted the importance of developing a vision that gave firm direction but which was not so rigid that it could not accommodate any unforeseen and compelling circumstances. He used the metaphor of a shell to describe the formulation of a vision for change. The shell sets the broad outer limits but within it, *"You set up structures that allow for development within that shell."* (KPC30).

For many, the leader's role in establishing a vision was vital. *"You've got to have a leader who has said 'I believe in this vision and this is what we're going to do.' The second task to that is, if you like, to bring the troops along behind him"* (KPM27). *"It (leadership) can't impose a vision... it has to be shared."* (KPC30). One respondent indicated what should be done if the leaders' best efforts to develop a shared vision fell on barren ground.

They (those leading the change) have to develop the philosophy. They have to develop their vision and they have to work from a human resource point of view to bring on board all those people who are responsible for delivering the education product and they have to enable those people to buy into the new philosophy and vision and if they can't they have to be ruthless in terms of getting rid of the people who are not prepared to work on that basis. (KPC31)

(ii) Valuing

Twenty one key players expressed the belief that all persons need to be valued, and their personal concerns taken into account if change is to be successful. This belief was expressed in a variety of statements: *"I think there needs to be more attention to the people thing... You must take account of the staff and how important they are in the process."* (KPM8). *"I think it's people having their voice heard, having their views respected, having their opinions respected, that's probably a critical factor."* (KPM21).

It is important in the process to go out of the way to show respect for individuals... Where you have a demoralised staff, or people who feel they've been pushed aside, or not considered, no personal ownership or ego involvement in what's happening, that sometimes can never be changed and that's a risk. (KPM6)

With specific reference to the merger, one key player noted a deficiency in attending to the principle of valuing. *"I go back to my understanding that people were going to be important in the merger. I don't think that really happened. I think that staff in some ways became second to another principle, to get it merged as soon as possible."* (KPC20).

Another key player was of the opinion that the later Massey University-Wellington Polytechnic merger had been more successful, *"Because we've been a bit more sensitive to the concerns of*

people... I think we've been a lot more successful in addressing the human relations problems." (KPM16).

This regard for the "people" side of the process was summarised by one key player who declared:

If we want to facilitate positive change or development, however we want to put it, then I think we have to value things that people do well and their points of view. We have to take those into account and give them opportunities to express their points of view but also to challenge them to work constructively and positively to resolve differences and forge a way ahead. (KPM29)

(iii) Communication

The need for effective communication was stressed by nineteen key players as a vital aspect of all change processes. As one respondent expressed it, when asked what was important in bringing about change in an organisation, "*Communication. Communication. Communication. I've said this for twenty years... You need to keep people informed while all this survival process is going on.*" (KPC7). Others said: "*People need to be well informed of what's happening at all sorts of levels.*" (KPM8), and, "*Keep talking. Keep communications open.*" (KPM12).

Of the merger negotiations themselves, one key player confessed that:

With the benefit of hindsight I would now say that I probably assumed more people knew more about what was going on than actually did. Dealing with a lot of issues every day just became bread and butter to you. But then other people picked up snippets and those snippets quickly turned to rumour and the rumours became facts. So it's regular communication with those involved that's so important. (KPC2)

(iv) Consultation

The business of consultation means much more than, as one key player put it, "*Just talking to somebody about something.*" (KPM6). It takes the process of communication one step further by involving, not only an exchange of information but also, and very importantly, a predisposition to modify or enrich that exchange by actively seeking input from other sources.

Twenty five key players saw such consultation as an important part of the change process. They emphasised the need for the consultation to be, and to be taken to be, genuine and they sounded a warning note about any consultation that was excessive and inappropriate. One said that those

leading a change must be, “*very careful to consult people and do their best to take people with them,*” (KPM4) while another saw that effective leadership and management is, “*leadership and management by consensus, by consultation and through systematic data gathering.*” (KPM29). The need for the consultation to be genuine, if support for the change is to be developed, is expressed here, “*When people believe they have been listened to in a genuine way and with sincerity, that they have been understood, that their views are respected, I think when that happens an unpopular decision is palatable.*” (KPM21).

As well as highlighting the importance of appropriate consultation, a number of respondents issued a caution about its inappropriate employment. “*The danger when you want to have consultation is that you can bleed the process to death, which is probably what we did with the Joint Steering Committee.*” (KPM21). This danger was graphically reported by one key player who recalled that, on his arrival as a staff member at Massey, he was warned, “*You can bring everything to a screeching halt here by uttering one phrase – ‘I was not consulted!’*” (KPM6).

For most key players, knowing when to consult and when to bring consultation to a conclusion was a critical factor. “*The principles of consultative process are appropriate at some time*”, (KPM10) but at other times, “*the principle of the quantum leap*” (*loc. cit.*) is the one to follow.

(v) Continuity

A smaller number (seven) of key players emphasised the place of continuity in any organisational change. They pointed out the need to maintain a link with the past while, at the same time, not allowing it to become a brake on the future. The difficulty is to tread the fine line between these two extremes, “*We have to salute the history, the individual histories, but move on into a more integrated future and all that that implies.*” (KPM25).

Suggestions as to how this balance might best be achieved were offered. One person warned, “*If you just want to come and ignore everyone and think everyone knows nothing and start from scratch, well you take a big risk.*” (KPM3). Another person suggested that leaders, or change managers, should:

Start with a very clear analysis of the current situation. I think the notion of just launching out into the deep and trying a new way is always a mistake. I think you say, we’ve had this going, it’s got its problems no doubt, but it’s got its success and good points. Let’s get them clear and let’s hold on to what is good and then let’s start to tinker with the things that are not so good. (KPM24)

A much more forceful approach was advocated by a key player who believed that, while continuity was important, it shouldn't hold you back. *"You can take from the old, only when it's absolutely beneficial, otherwise you do live in the past. You continue to say, that's the way we did it. That's the way we will continue to do it."* (KPC31).

More of a middle position was taken by another key player, with particular reference to the merger:

Well I think you have to have a basic stance respecting what existed before in its widest sense. That doesn't mean that it's not appropriate to change some of that, but respecting it because people, staff and students, have had huge investments in those things that have happened before... I do think you have to keep that respect for history but acknowledgement of the future. (KPC3)

(vi) *Culture*

The importance of recognising the culture of organisations is well documented in the literature on change. (Chapter Two, pp. 26-32). Key players (fourteen) also acknowledged this importance in their responses. One respondent emphasised the value of making explicit the nature of the organisation's culture so that, while the playing field may not necessarily be level, at least it is marked out:

What defines culture is the way we act towards each other, the assumptions that we make, the beliefs that we have and the values to which we subscribe. So you've got to get those out on the table. And you've got to get them out if for no other reason than to dispel misunderstandings and myths or stereotypes. (KPM29)

Another respondent observed that, *"It's as important to attend to what is not said as it is to what is said. And that's a kind of culture specific thing"*, (KPM6) while another offered a word of warning to leaders coming into an organisation from the outside and attempting to bring about any major change:

There's always a risk when you come in from the outside that you impose your own value systems and your own cultural experience on it (the change) and sensible people keep their head down and learn about that. (KPM26)

Referring to the merger, one key player made the point that, *"It's important that the two parties understand the cultures, and I'm not quite sure that the culture of the College at the time, was fully realised."* (KPC20).

(vii) *Commitment*

Commitment featured as an important element in the change process for eleven of the key players. In the merger process the equivocal nature of commitment in the first phase, and the unequivocal demonstration of it in the second, were seen as significant factors contributing to the different outcomes.

The necessity for commitment was highlighted by one key player, *"I think without commitment you have a flawed organisation and to get commitment you need some degree of involvement and mutual agreement about whatever's going on."* (KPC5). The same person added that it is very hard for someone to give commitment to something which they don't feel they own or to which they don't belong. Another emphasised that commitment doesn't come without a cost, *"Time and the effort and commitment... they're all part of the quantum of energy that is needed to bring people to the task, whatever their other jobs were."* (KPM13). What is needed is, *"Somebody who's whole-heartedly committed to it. Not just emotionally but in terms of time and energy."* (KPM26). Two other respondents offered commitment advice to those responsible for leading a change. *"Start with commitment at the top and work down to the finer detail later on."* (KPM16). *"I think the key is to get 'buy in' from the senior executives."* (KPM28). A third person warned, *"If you don't have leadership from the top you can't generate it from the grass roots. It's not possible."* (KPC30).

(viii) *Courage*

Courage was an essential ingredient in the change process, six key players said. Without courage, when the situation became difficult, commitment was likely to evaporate. Often, in change situations, difficult decisions have to be faced and fortitude is required if they are to be made effectively. One key player emphasised this point by saying, *"I think also in the final analysis they (the leaders) have got to be quite firm about where they're going and to actually go there and do it, within the first two years."* (KPM4). Another person felt that leaders should have the courage to outline their intentions explicitly. *"I think the principle has to be 'Let's be hard nosed about how we draw this up. Don't try to underestimate it. Tell it like it is.'"* (KPM13).

"Leaders", said one, *"need to have the courage to make decisions, whether they are popular or unpopular",* (KPM27). They need to be able to manage the change process in times of difficulty, *"So that it doesn't spin out of hand when the going gets tough or the differences are starting to be accentuated."* (KP14), said another.

(ix) *Compromise*

One of the factors, in the abandoned first phase of the merger negotiations, was the reluctance of many key players to compromise. In listing the principles that should be followed when effecting an organisational change, they pointed to the importance of this compromise element.

One key player spoke of the “give and take” required for any negotiations to be productive. *“It may mean that you know that there may have to be changes made from one side to the other side, or both sides of the merger, as it were.”* (KPM12). Another respondent felt that a key feature of compromise, when “giving and taking”, was not to give away aspects of the situation that were essential to one’s own position. *“I think to be intelligent is to adapt, to try and make the best possible use you can of the resources and opportunities available without forfeiting really fundamental things.”* (KPM13).

(x) *Timing*

Sixteen key players said much about timing. When to act and when not to, when to proceed, at what speed and when to pause, or to call a halt, were all seen as important aspects.

Speaking of the concept of readiness, one key player believed that, in organisational change, it is important to, *“factor that (readiness) into your implementation plan.”* (KPM25). With specific reference to the merger, this person recalled that, while some changes could be initiated straightaway, others, *“were too delicate... too delicate even to start on and yet they needed to be started on but we eventually said, no just leave it.”* (*loc. cit.*). Others highlighted the need to adapt the pace of change to the particular circumstances of each change situation. On the one hand, when there are massive changes occurring at many levels and simultaneously, *“It’s often necessary to respond very quickly or just get left in the dust”* (KPM6). On the other hand, if you, *“just ram through change very quickly”* (*loc. cit.*) you are likely to switch people off and lose both their respect and their cooperation.

As an aid to getting the timing aspect right, one key player advocated the judicious use of milestones. He suggested that it was important to have a realistic time frame and within this to, *“Set some milestones to be achieved and a time frame for these milestones.”* (KPM13). In light of the difficulty the Joint Steering Committee had in keeping faith with their projected time lines during the first phase of the merger negotiations, this reminder is particularly apposite.

Reflecting on his experience, one key player said:

It seems to me in change processes you either get people who go at it like a bull at a gate and the new Chief Executive comes in today and tomorrow half the staff are fired. The whole structure is turned upside down. In other words you clean it all out and start again. Or else people come in and they spend a year getting some feeling for what it's like and then they try to bring about change and find that really they've lost momentum and it's too late and they can't do it. And they spend the next five to ten years wondering why they got into this sort of situation. (KPM4)

Both of these extremes need to be avoided.

(xi) *Trust*

Directly, and indirectly, key players emphasised that, underpinning successful change, there needs to exist a state of trust between all players. One person pointed out the responsibilities of leaders in respect of this.

It is important that the leaders in both institutions are open with one another and to feel they can be frank with one another... but these things can be pretty tricky and a lot depends on personalities. So I think establishing a pretty good base of understanding and trust at that top level before one gets too far down the track is probably really very important. And I suppose the further you can push that down into the organisation the better. (KPM4)

Another respondent pointed out that trust was facilitated by a high degree of openness on the part of those leading the change, *"There is no respect for leadership if you don't have complete open communication and accountability and transparency in what you are doing."* (KPC7). One key player was aware that, while openness was an important basis for trust, there were occasions when external factors placed constraints on what leaders were free to reveal at any particular time. *"Occasionally there's sensitive information etc. and that can be the reason for decisions being made autocratically. But that should be the exception rather than the rule."* (KPM8). Openness, one key player maintained, along with a largely democratic style by those leading change, was essential if trust was to prevail and productive change was to result. *"The only principle I think would probably work, and goodness I don't want to set myself upon a limb here, is openness... You know, the problem with autocracy is you set yourself up in an adversarial position against all comers."* (KPC30). He also felt that trust must be mutual and he suggested that, by, *"putting people in charge who enjoy the respect and confidence of their colleagues and making them accountable,"* (*loc. cit.*) leaders were far more likely to gain a positive response to their change efforts. When people feel they are trusted then they more often than not uphold that trust.

Table 15: Important Principles Of Change
Vision
Valuing
Communication
Consultation
Continuity
Culture
Commitment
Courage
Compromise
Timing
Trust

6.1.1.9 Question Nine

What barriers to the success of the merger do you consider need to be addressed?

(a) Barriers To The Success Of The Merger

The areas of concern signalled by key players in response to this question fit into four broad groupings: Policy Barriers, Resource Barriers, Process Barriers and People Barriers, the last being by far the most frequently cited area of concern.

(i) Policy Barriers

Policy decisions by the government were seen by a number of key players as possible barriers to the future success of the merger. They were concerned that the government’s free market, competitive ideology would have direct adverse effects on the University’s operation and impact, and, negatively, on the outcome of the merger. One person expressed this concern by highlighting the limitation of a competitive philosophy when related to things cultural and educational:

External barriers are, I think... the enormous weight that people are placing, rightly or wrongly, on competition and I’ve argued (in) a number of places that whatever competition might be like when you’re selling goods it’s not very good for cultural and educational things... so with all these organisations, universities and other colleges and private agencies all trying to compete for education students this seems to have placed enormous restrictions on what can be done in the merger. (KPM24)

This view received support from another key player who added that the government's shifting policies for teacher training and teacher supply had created, "*a very turbulent environment*", (KPM13) which was not at all conducive to a productive merger outcome. A consistent government education policy, focusing on co-operation, not competition, was seen to be a more supportive environment in which the merger could flourish.

(ii) *Resource Barriers*

Inadequate resourcing was seen as another factor likely to restrict the success of the merger. "*Of course if the resources are not sufficient, well that could stymie a lot.*" (KPM18). A likely side effect of a lack of resources was expressed this way, "*Whenever you get a squeeze on finance you get a squeeze and a reprioritisation of effort all the way down and that often shifts the professional matters out to the edge until you have solved the main survival problem.*" (KPC7). The importance of adequate financing was taken up by another key player who declared, "*Of course finances can be a barrier*" (KPM4). He went on to suggest that, had the College been carrying a large debt, the University would have thought very hard about merging. Instead the College brought to the merger a substantial dowry and the merger went ahead. Of concern to another player was the fate that had befallen this dowry. He understood that the considerable financial resource the College had brought to the merger would be retained in some form of "ring-fenced-budget" so that it would be used specifically to combat any resource difficulties that teacher education might face in the merged institution. That this did not appear to have happened caused him to enquire and comment:

Whatever happened to the ring fencing of funding for this particular institution?... I was interested to see how fast ring-fencing fell over and funding was subsumed and surprise, surprise, the Massey Council even found they had a surplus last year! (KPC9)

(iii) *Process Barriers*

Key players cited process barriers such as lack of effective communication channels, inadequate consultation procedures and leadership support, and inappropriate pacing of the change, as likely problem areas. "*To facilitate the merger process mass communication needs to be right up there... The communication needs to keep going all the time so that you can prevent some of the rumours because, before you know it, the rumour becomes fact.*" (KPM1).

If lack of consultation was not to become a barrier then, *“The absence of structures to involve people”* (KPM22) and the, *“Need to find a way of investing more time in the concerns of the staff and giving them opportunities to make comments”* (KPM1) should be carefully considered.

Consultation should be genuine. Leaders of change should scrupulously avoid, *“pretending to consult people and yet making an autocratic decision anyway.”* (KPM8).

With respect to the timing of the changes involved in the merger development there was a clear message to be careful to proceed at a pace that doesn't over stretch all those involved and to realise that real change takes time to achieve. *“People have to remember that we always said it was going to take time you know because of the evolutionary process... You can't make a merger happen in one year. It's crazy to even think you could.”* (KPM1).

One key player stressed the need for leaders to be perceived as genuinely supportive of all those being faced with the challenge of change. *“The motions seem to be being gone through, but in terms of the actions that are followed up there seems to be a mismatch, or that's perceived by most people as being the case”* (KPM8).

(iv) *People Barriers*

One of the main “people” barriers to the success of the merger, offered by the key players, centred on the difficulty of bringing together the “cultures” of the two formerly separate institutions. In general terms, the staff of the former Faculty had a strong focus on research while the staff of the former College had a prime concern with teaching. This different emphasis, and the different environments within which each staff group worked, created two distinct academic cultures. In the eyes of many of the key players, this difference presented a very real barrier to the success of the merger. As one put it:

The two groups had quite significantly different working practices; everything from holiday arrangements through to workload and planning. And I think... that probably represented one of the barriers 'cos it was very hard to get past some of the issues. (KPM17)

In order to remove this barrier, one key player suggested that staff would have to learn to work together to, *“feel that they do operate as a team and not what used to be two different teams”* (KPC2). They would have to create an atmosphere of mutual respect where feelings of superiority or inferiority were entirely absent. To ensure that this would actually happen, all concerned must be prepared to compromise and be genuinely committed to making the merger

work. The problem was to create a climate in which territories could be negotiated happily because it was a “plus-plus” negotiation arena where both groups felt satisfied with the outcome. As one key player viewed the situation:

I think if the merger is going to succeed it will only succeed because the people who are part of it genuinely want it to succeed and are prepared to shift the way they think about things in order to do it... The paradigmatic shift has got to come from both the Faculty people and from the College people. (KPM13)

As well as the particular difficulties arising from the “clash of cultures”, key players also mentioned the general problem of, “Resistance to change per se” (KPM21), where groups or individuals are, at least initially, adamantly resistant to change of any sort. One key player highlighted this problem at some length:

The barriers to the success of any change I think are people. Not in the sense that people are automatically against a new direction, but people become uneasy and concerned for their own position when the status quo is upset and disrupted. So I think that people are the biggest barrier, which means you've really got to handle the people particularly well and especially that's true in a professional organisation like an educational institution where people are no fools. They're all trained and articulate. They deserve to know what is going on. They can understand what's going on. They should be told what's going on. So I think people are the barriers because they are distrustful of change. They are concerned for their own position. (KPM4)

One key player made the telling observation that, because people become emotionally attached to the traditional ways of operating in an institution, relinquishing these ways represents a major hurdle. Another respondent pointed out that, in a change situation, people tend to say, “Well this is what happens to me and I've always done it this way and I always want to keep doing it this way” (KPM12). The same person concluded:

Well the biggest one (barrier) in these sort of things I always think, are human barriers, in actual fact, because people have actually got entrenched in their ways and there is always room for people to drag their feet on both sides of the, whatever the merger is. (ibid.)

Compounding this general attitudinal difficulty is a specific one that has an historical basis. According to one key player, this related to the way in which the staff of the formerly separate institutions regarded each other. It was his belief that:

There are residual attitudes left over within the University, probably within the College, that will lead to initial difficulties in arriving at a trust situation. I believe there's always been a measure of contempt, I don't think that's too strong a word, that existed in the minds of some of the academics at Massey, for professional teacher education and for the profession of teacher education. That probably remains. I believe there's a measure of distrust in the minds of the professionals at the College for the academics and the way they play their games. I do believe that one of the barriers is going to be the unfamiliarity of the College staff with the academic talk game. (KPC5)

One of the key players however, saw things quite differently and responded much more positively than most. When asked what barriers he thought might exist to prevent the success of the merger he replied, *"None. And I don't regard any sort of little ones of concern or controversy as being at all important or worthy of consideration."* (KPC31).

6.1.1.10 Question Ten

How apt do you think the term "merger" is as a description of the organisational change we're talking about?

(a) Aptness Of The Term "Merger"

A number of key players were at ease with the term "merger", *"In the long run it (the name) may not matter very much"* (KPM10), *"Merger. No, it's not ideal but it's better than amalgamation, I think."* (KPM8), *"I can't think of a better one (word)."* (KPC9). Others considered that the disestablishment of the College and its incorporation into the University would, indeed, be more accurately described as a takeover. Some expressed this view forcefully. *"There is no way that this has been a merger"* (KPC20), *"No, there's no doubt in my mind that takeover is the word, the description I would use."* (KPC9). Others were more relaxed, *"It was a takeover, totally, but it was a willing takeover. It wasn't a hostile takeover."* (KPC31).

This difference of opinion and the difficulty of finding the right descriptor, *"Words are slippery things despite what any dictionary may say and people have their own connotations of them"* (KPM18), was well expressed by one key player who suggested that a different approach to the situation may have been more helpful:

No, I don't think it's (merger) is a good description and it's reflected in the kind of cynicism, or the comments, let's retract the word cynicism, that people worry that it's not so much a merger but a takeover. The University taking over the College of Education. It's more like assimilation. I don't know what might have been a good term. Perhaps it might have been better had we addressed the problem, or the topic or whatever, less as a matter of a merger or amalgamation and more as an enterprise that might bring together two groups of people in the interests of devising exciting and innovative educational programmes. (KPM29)

It is interesting to note here the problem that the Steering Committee had in agreeing upon a term to describe the reorganisation they had been charged to effect. Initially, they steered away from the term “merger” and instead described their activities as the pursuance of “CER” (Closer Educational Relationships). After some time, the term “merger” came into favour, the earlier objections to it having faded from the Committee’s collective memory.

6.1.1.11 Question Eleven

If you are in a position to make a judgement, how effective, up to the present time, do you consider the process of change has been in giving effect to the merger?

(a) Effectiveness Of The Process Of Change

As this question fell outside the redefined parameters of this study, the responses to it are not reported here. However, should the suggestions made in Chapter Ten, concerning further research, be taken up, this data could be made available to the researcher or researchers involved. This material could be useful in providing reactions to the early stage of the implementation phase of the merger.

6.2 Questionnaire Data

As a means of providing a validity check on the data obtained from the key players’ interviews, a follow-up questionnaire was sent to all the key players who had been interviewed. The questionnaire (Appendix 3), sent in mid-October 1998 to twenty-eight key players who had been closely involved in the merger negotiations and who had been interviewed during the previous twelve months, consisted of two questions and an invitation to make any further comments about the process of change as it related to the merger negotiations, or to organisational change generally. Twenty-seven replies were received.

First, the key players were asked to indicate if they agreed, disagreed, or were not in a position to respond, to ten reasons suggested during their earlier interviews for the initial failure of the negotiations (Part A) and to another ten reasons suggested for their subsequent success (Part B).

Second, the key players were asked what they considered to be the three most important principles that should guide those persons who have the responsibility for bringing about a significant organisational change, such as a merger.

6.2.1 Question One

6.2.1.1 Part A: Reasons For Failure Of The Negotiations

Responses to Part A of the first question, reasons for initial failure of the negotiations, are presented below in Table 16.

Note: No question was responded to by all key players.

Table 16: Reasons For Failure Of Negotiations			
	A	N	D
1. Major differences in the College and the University cultures.	19	3	3
2. A lack of shared vision for the new organisation.	18	4	2
3. An unwillingness by both groups to compromise.	16	6	3
4. A breakdown of trust between the College representatives and the University representatives.	15	5	4
5. A clash of personalities restricting objective discussion.	10	10	5
6. A feeling that contributions from both groups were not equally valued.	10	10	5
7. A lack of firm commitment to the merger by the University representatives.	9	10	6
8. An over emphasis on consultation with all interested parties.	9	4	12
9. A lack of firm commitment to the merger by the College representatives.	7	10	7
10. The proposed new programme presented by the Programmes Sub-Committee was not sufficiently innovative.	5	15	3

Key: **A= Agree** **N= Not in a position to respond** **D= Disagree**

These responses provide an indication of the overall weighting which the key players collectively gave to some of the reasons suggested in the individual interviews for the failure of the first phase of the negotiations. A clear majority of respondents agreed on the important reasons for this initial failure: culture differences between the College and the University, a lack of a shared vision for the new organisation, an unwillingness of both groups to compromise, and a breakdown of trust between the College and University representatives.

A smaller number (ten) agreed that a clash of personalities or a feeling that contributions from both groups were not equally valued, were important reasons.

Four other reasons that had earlier been advanced: over emphasis on consultation, a lack of a firm commitment by both the College and University representatives and the proposed new programme not being sufficiently innovative received less support.

Four key players indicated that they had difficulty in commenting on some of the statements which, they felt, were too generalised to be able to elicit an accurate response. *"I have tried to respond to these statements, but find them rather too broad (inclusive of various assumptions) to do with any real validity."* (KPM22). *"I'm not sure how consistent my short answers are - for one or two I wanted to make a qualifier (e.g. re statement 9), sometimes the small group would compromise (e.g. Programmes Committee) but the other participants would refuse to compromise."* (KPM10). Two responses were accompanied by several pages of additional comments making absolutely clear what those key players' views were.

6.2.1.2 Part B: Reasons For Success Of The Negotiations

Responses to Part B of the first question, the reasons for the success of the second phase of the negotiations, are presented in Table 17.

Table 17: Reasons For Success Of Negotiations			
	A	N	D
1. The negotiations were conducted with a greater sense of urgency.	19	4	1
2. The earlier phase had laid a foundation for successful resolution of remaining differences.	15	2	7
3. A less participative management style facilitated more rapid decision making.	14	7	2
4. With the resolution of the site question the commitment by the College to the merger was strengthened.	14	5	5
5. A clearer vision of the process to be followed was agreed.	14	4	6
6. Changes in the membership of the negotiating team brought a stronger commitment to the merger.	13	5	6
7. Staff from both institutions had become more accepting of the merger.	11	5	7
8. The length of time between the two phases allowed distrust to dissipate somewhat.	10	4	10
9. A greater appreciation of the different cultures of the two institutions had developed.	8	6	9
10. Both groups had developed a greater mutual respect for the contributions each had to make.	8	6	9

Key: A= Agree N= Not in a position to respond D= Disagree

These responses show that a clear majority of key players considered seven of the ten statements presented an accurate picture of the reasons for the success of the resumed phase of the negotiations. All but one of the respondents, who felt that they were in a position to respond, agreed that the sense of urgency that accompanied the negotiations was an important factor leading to the success of the negotiations. Most respondents also agreed that, in the second phase of the negotiations, a clearer vision, a less participative management style, the resolution of the site question, changes in the membership of the negotiating team and a greater acceptance of the idea of merging, were all important.

Key players were evenly divided in their responses to the other three statements: the length of time between the two negotiating periods, a greater appreciation of the different cultures of the two institutions and a greater mutual respect between the negotiating parties.

The responses to these questions largely confirm the opinions earlier expressed by the key players as to the reasons for the different outcome of the two phases of the merger negotiations. They also emphasise the complexity of the negotiation situation and the multiplicity of perceived causal factors leading to either failure or success.

6.2.2 Question Two

6.2.2.1 Most Important Principles

Question two asked key players what they considered to be the three most important principles that should guide those persons responsible for bringing about a significant organisational change, such as a merger.

A summary of these responses, using the categories already employed in this chapter, are presented in Table 18.

Table 18: Most Important Principles	
Principles	No. Of Responses
Vision	31
Valuing	12
Consultation	11
Timing	6
Commitment	6
Trust	6
Communication	5
Compromise	2
Other	2

From the eighty-one principles suggested, the principle of vision was the one most frequently cited and this accounted for almost one-third of the responses. This principle found expression in a variety of ways. One key player said that, in terms of establishing a vision, what was required was a, *"Rigorous analysis of issues/problems - sound out data - to generate a clear vision."* (KPM29). Another person spoke of the need to, *"Communicate (the) vision to the wider community"* (KPM10), while a third respondent gave a very comprehensive picture of what he believed vision should encompass:

The vision for change must be clearly understood. It must be initiated for all the good reasons, researched, scoped and planned. The outcome of any "vision for change" should be positive, productive and advantageous for staff, for students and must meet any financial implications that would have impeded the progress or viability of any of the merging parties. (KPC20)

The next two most highly rated principles were those relating to valuing and consultation. Respondents who considered that the valuing principle was significant felt this meant making sure, *"that the interests of all parties are respected and, as far as possible, catered for"* (KPM24), and ensuring that, *"the effects on people who will be affected by the merger, are thoroughly assessed on the basis of fairness."* (KPC11). In allowing for those people who had difficulty adjusting to the change, one key player suggested that the application of the valuing principle would ensure that, *"Wriggle room is available to those, who cannot come on board, to still make a contribution."* (KPC14).

Highlighting the importance of consultation, the necessity to, *"Try to take all, or most staff along at every stage"* (KPM24) was noted, along with making evident, through consultation at a personal level, that, *"no one will be trampled over, even though not everyone will get what they want."* (KPM20).

The next most frequently cited principles (trust, timing and commitment) received equal recognition, with communication receiving similar but slightly less attention. Speaking of trust, one key player pointed out that, *"Personal and sectional views, interests and agendas, must not intrude"* (KPM4). Another person indicated that it was necessary, *"That those at the top have faith and confidence in each other"* (KPC4), while a third key player declared, *"Building/establishing trust is critical... going through the motions of consulting people, while having a predetermined strategy in mind, does not build co-operation or trust."* (KPM8).

One key player, speaking of timing, suggested that those at the top should use their authority to, *"Move quickly, or at least steadily towards the merger... i.e. expedite decisively"* (KPM10).

Another person believed it was necessary to, "*Act decisively and quickly so that rumours get quashed and details get decided i.e. move on past the festering.*" (KPC3). A contrary view was expressed by another respondent who felt it was important that there was, "*A recognition that major organisational change will take time (years) and having a plan and strategy for managing and facilitating change is necessary.*" (KPM21).

Commitment, one key player said, required that, "*All parties in any merger must have a shared commitment to its success*" (KPC20), while another recommended, "*A 'top down' approach i.e. a commitment to merge by the governing bodies of the institutions unless insuperable obstacles are later found to arise.*" (KPM16).

The importance of communication brought forth responses such as, "*Communicate as openly as possible with the affected parties i.e. give out information.*" (KPC3), "*Consult and communicate among all of the identified interested parties.*" (KPM13), and, "*Communicate fully and with sensitivity.*" (KPC7).

The remaining change principle suggested that compromise involved a, "*Readiness to change and to accept change and difference, diversity.*" (KPM26).

Of the eighty-one responses to this question, two responses did not seem to fit into the category of principles. One, advocating the, "*selection of key people to implement and pursue the organisational changes with the aid of professional change-maker or advisors, as necessary*" (KPM27), seemed more of a strategy to adopt rather than a principle to follow. The other, "*The interest of students and of the country and the advancement of education are paramount*" (KPM4), seemed more a statement of faith than a principle.

6.2.3 Further Comments

The third part of the Questionnaire invited respondents to make any other comments they wished about the process of change in relation either to the merger negotiations or to organisational change generally. Fourteen people responded to this invitation and, in doing so, either they elaborated on the principles they had cited or made some encouraging comments to the researcher concerning the outcome of his research. No further explanation is provided, therefore, on "other comments".

6.3 The Data Summarised

In this chapter, the key players' recollections and beliefs about the negotiation phase of the merger have been presented. Responses have been recorded to the eleven focus questions asked during the interviews and to the follow-up questionnaire sent to key players.

The following chapter presents the staff perspective on aspects of the merger.

CHAPTER SEVEN

The Merger: As The Staff Tell It

In this chapter two, sets of staff responses are reported and discussed. In the first set, responses are from interviews conducted with eighty-one academic staff, sixty from the former College staff and twenty-one from the former Education Faculty. The group was broadly representative of the academic staff from both sectors with over half the total academic staff population being interviewed in July 1997, as a prelude to the main data collection exercise. Staff were asked the following two questions:

- (i) What do you consider to be the three most important principles that change managers should follow in attempting to bring about a significant organisational change?
- (ii) What principle do you consider is generally most often overlooked?

It was made clear to the staff that these questions referred to their opinion concerning organisational change generally and were not directed specifically to the merger. The questions were open ended with no prompts given. A principle was defined as, "A guiding idea that informs judgement and action."

The second set of responses reported were from a questionnaire (Appendix 4) completed by both general and academic staff in October 1997, just over a year after the merger had been approved. From an equivalent full time staff of 205 (135 academic, 70 general), 59 academic staff (44%) and 18 general staff (26%), responded to the questionnaire giving an overall response rate of 38%. (The major adjustment difficulties staff reported experiencing at the time appear to have been an important factor in the relatively low response rate.)

Some of the academic staff responding to the questionnaire also took part in the staff interviews. The questionnaire mainly sought staff perceptions of the reasons for the merger and the process of change involved. With a refinement of the parameters of this study, reporting of responses has been confined mainly to events that occurred before and up to 1 June 1996.

7.1 Staff Interview Responses

7.1.1 Three Most Important Principles

The responses provided a clear-cut pattern to the question “What do you consider to be the three most important principles that change managers should follow in attempting to bring about a significant organisational change?” Four particular principles readily identified themselves as those considered most important, well ahead of seven others. Principles cited only once, and not falling within the range of the categories that emerged, were given the classification of “Other”. There were 25 such responses.

To arrive at these categories of principles, the researcher followed a grounded theory approach. He had no preconceived notion of what these categories might be and simply listed all the responses and then progressively grouped them according to the commonalities that appeared. Eleven specific and one general category resulted from this procedure. Table 19 presents all 330 responses and this is followed by an explanation (with examples) of each principle.

Table 19: The Three Most Important Principles		
		Responses
1.	Vision: a clear vision needs to be enunciated and shared.	71
2.	Communication: there need to be appropriate channels of communication established and maintained.	66
3.	Valuing: all persons need to be valued and respected as individuals in their own right.	63
4.	Consultation: genuine and relevant consultation needs to occur.	56
5.	Timing: the importance of appropriate timing needs to be recognised and attended to.	13
6.	Continuity: recognition needs to be given to the antecedents of the change.	10
7.	Trust: As a basis for change in an organisation a climate of trust needs to be developed and maintained.	9
8.	Culture: the importance of organisational culture needs to be recognised and attended to.	6
9.	Commitment: a high level of commitment to the change needs to be maintained.	5

Table 19: The Three Most Important Principles		
		Responses
10.	Consistency: a high level of consistency between words and actions needs to be displayed.	4
11.	Courage: courage in the face of opposition to the change needs to be exercised.	2
12.	Other: principles referred to only once.	25
	TOTAL	330

7.1.1.1 Vision

Expressing their views on the importance of articulating a clear vision for the new organisation, staff said such things as:

Ensure that the decision to change is made on the basis of clear principles.

Share the vision from the top to the bottom.

Present a clear understanding and knowledge of the long-term plan for those involved to see.

Give honest projections for the immediate and medium term future.

Bring people on board by using an effective information process e.g. a brief abstract of the direction of the change, the projected end result. Explain and declare the vision briefly.

Have a clear model of the process of change.

Make clear the vision showing the move from "what" to "what".

Staff made clear the need for a vision to be soundly based, to be shared with all those who are to be involved and to express, in some detail, both the means by which the vision is to be achieved and the final shape it is likely to take.

7.1.1.2 Communication

Pertinent observations regarding communication included:

Ensure that there is effective communication. This is critical. People need to be informed of the process that is to be followed. They are quite happy with an autocratic process as long as they are fully informed of the process across a reasonable timeline.

Ensure a strong input of communication once a change is required. Time should be made for forums so that there is not just top down communication. There is a lot of institutional grieving involved in change.

Keep people fully informed throughout the change period.

Give people advanced warning about the change. The little seemingly unimportant things need to be taken into account.

Build in measures to ensure that if things are not working quite right the people involved need to know the "chain of command", where to go so that the problem can be addressed.

There is recognition in these responses that change invariably creates stress and that there are many important facets of communication to attend to in any change process. Staff placed high priority on the need for all involved in change to be kept fully informed about what was happening and what was likely to happen.

7.1.1.3 Valuing

Persons involved in the change need to be valued as more than "change units" submissively available for unilateral deployment in a master change plan. Staff required change managers to recognise, respect and value the role of each person involved, however minor that role may be. Their responses emphasised the importance of attending to the emotional as well as the physical needs of those being affected by the organisational change. The following responses sample these views:

Develop a mutual respect with the staff.

Ensure that the people in the institution are comfortable with the change or have the opportunity to leave in a dignified manner.

Treat people carefully. Be aware of how difficult change is for people who have to change.

See that those affected by the change actually value some of the outcomes i.e. are not just pawns in the process.

Treat people at the personal level and do not disregard their personal concerns.

Create an attitude where all opinions and feelings matter.

Put in place mechanisms to minimise personal anguish.

Ensure that people remain intact as people.

Recognise that any change is essentially a change of people and not of structures.

7.1.1.4 Consultation

The consultation principle features strongly in the responses. Staff emphasised the need for consultation, genuine consultation:

Seek ideas/opinions from those involved in the change and be prepared to listen.

Make sure that people feel that their voices are heard.

Encourage open collaboration and not lip service.

Provide opportunities for meaningful exchange of views. Real consultation. Genuine consultation.

Ensure that consultation does not just mean discussion but really takes notice of the input that is received i.e. is not just therapeutic.

Engage in real consultation. It counts. Not just the process. But there is only a place for consultation if there is a possibility that the consultation will change things. If there is not this chance then just tell people and save a lot of angst.

Staff were wary of consultation as one-way communication masquerading under a different name. It was seen as a two-way process involving the “consulters” and the “consultees” where the input from the “consultees” was carefully considered and, where appropriate, acted upon.

Lesser priorities advanced by staff were the principles of timing, continuity and trust.

7.1.1.5 Timing

Application of the timing principle evoked contradictory responses. The majority of staff cited the importance of timing. Seven respondents advocated a measured approach to change:

Allow time for the change to take place.

Ease into change so the workers are not put under stress. The less stress as possible.

Do not do things in a hurry. Consultation will take time.

Do nothing for six months while they listen.

A smaller group of four, however, took the opposite view.

Press ahead with a working consensus.

Do all the change in the first year. Do not wait to settle in.

It should not be allowed to linger and fester.

Such conflicting advice highlights the individuality of each situation. Staff responses indicate that the timing element of any change is essentially a situationally specific matter. One situation may require a cautious approach, while, in another, something more revolutionary may be needed. These responses suggest that the application of a timing principle, rather than a timing prescription, is appropriate.

7.1.1.6 Continuity

Referring to the need to link the projected future with the established present and the historical past, staff recognised the benefits of working with, rather than against, what has gone before. While, by definition, any change involves some departure from what has previously been the case, this principle highlights the value of retaining what has proved of worth and incorporating it within the new directions and new operations. Staff advise:

Acknowledge the history of the institution. Don't wipe the slate clean.

Examine what has happened prior to the change i.e. consider the environment prior to the change.

Always gather data which documents how things are working before the change, especially those things which are working well.

Don't throw the baby out with the bath water. Good things that have happened before should not be lost.

To take this metaphor further the staff seem to suggest: "At least give the baby a wash before deciding whether or not to throw it out!".

7.1.1.7 Trust

A high premium was placed on the trustworthiness of those leading any change. The concern of staff was that those responsible for leading change must be absolutely honest and open in all their dealings. A display of these attributes was seen as providing a sound foundation upon which trust could develop.

Display integrity.

Follow the principle of being open.

Be honest in giving reasons for change.

Be transparent and open.

It should be realised by all those involved in a significant organisational change that trust is a “two-way highway” and not a “one-way street”. For a trusting climate to prevail, mutual trust must exist between the leaders and the led. Both have the responsibility to act in a manner which is conducive to open and honest exchange of information and intentions. Being trustworthy is not the exclusive responsibility of the leaders of change. It is shared with those being led. It also needs to be appreciated that, sometimes, leaders of change may be constrained, for commercially sensitive or strategic reasons, in what they can divulge at particular stages of the change process. Only when a healthy climate of trust is present can this be accepted without a degree of cynicism or suspicion quickly developing.

From the remainder of the staff responses the four principles of culture, commitment, consistency and courage emerged as identifiable groupings.

7.1.1.8 Culture

Attending to the particular requirements of the various cultures present during an organisational change was identified as important. Staff indicated that it is necessary to:

Have respect for established mores.

Attend to new cultures, the way the new situation will operate, values, beliefs, aims as different from the original.

Appreciate the differences in culture.

Understand that while change is often seen as first a change of “outer structure” and then a change of “inner principles” this order needs to be reversed. The focus on structure is safe but it doesn’t act as a guardian for the values of the institution.

Understand the cognitions of those involved i.e. what the people believe. Change is about values. To be successful change has to address what we believe, a core set of values. They, the change agents, need to articulate and come in tune with the values and principles of those involved in the change.

These statements acknowledge the crucial importance of understanding the various “cultures” present in any organisation before attempts are made to change them.

7.1.1.9 Commitment

Commitment, in change, must be displayed by staff as well as leaders.

Have staff see the wider benefits of the change in order to gain their commitment.

Convince staff of the need to change.

Ensure that there is a shared vision with those affected by the change. This can be arrived at by imposition or by democratic means, but once it has been developed the people need to be committed to it.

Two interesting questions are raised by this last comment. If a vision is imposed upon people: (i) Can it be said that it is truly a “shared” vision? (ii) Is it likely that staff will readily become committed to it? The literature on these points suggests that the answers in both cases are likely to be in the negative (e.g. Bennis, 1997; Covey, 1992; Fullan, 1993; Hensey, 1995; Whitaker, 1993).

7.1.1.10 Consistency

Staff responses indicated the need for change leaders to be consistent in their actions and to display appropriate courage to see a change through to its completion. They suggested that if leaders did this and confronted difficulties with steady resolve, then the prospect of committed support from their followers is likely to be greatly increased. Respondents indicated that change leaders need to:

Have courage to do what s/he believes in so that it will be done properly.

Display consistency between the principles and the action to match.

Be consistent and continuous in their exchange of information with those involved in the change.

Ensure that action actually follows announcements. If there is going to be a change then let there be a change.

7.1.2 Principles Most Often Neglected

Table 20 sets out the responses of staff to the question:

Of the important principles that you believe change managers should follow in any significant organisational change which one do you think is most often neglected?

Table 20: Principles Most Often Neglected

		Responses
1.	Valuing: all persons need to be valued and respected as individuals in their own right.	31
2.	Communication: there need to be appropriate channels of communication established and maintained.	31
3.	Consultation: genuine and relevant consultation needs to occur.	17
4.	Vision: a clear vision needs to be enunciated and shared.	14
5.	Trust: as a basis for change in an organisation a climate of trust needs to be developed and maintained.	4
6.	Consistency: a high level of consistency between words and actions needs to be displayed.	3
7.	Other: principles referred to only once.	6
	TOTAL	106

The clear picture emerging from these responses illustrates the widely held staff view that the four principles they ranked as the most important for change managers to follow when introducing significant organisational change are the same ones that are most often overlooked. The two most serious omissions, of which staff consider change managers to be guilty, were the valuing and communication principles.

7.1.2.1 Valuing

Staff believed that change managers:

Show a lack of sensitivity to people's positions. They devalue people's qualifications.

Do not take into account other people's views.

Make people feel disempowered.

Ignore the principle of people. They are too caught up in the bureaucracy of change.

Fail to take into account people's psychological well being.

Neglect the human face and this leads to disillusionment.

Create a sense of alienation. They fail to recognise the personal elements involved in change.

The depth of feeling revealed by these statements, if widespread in a particular change situation, would be counter productive to the whole enterprise. Given the emphasis that change literature (e.g. Covey, 1997; Kanter, 1983; Marks, 1998; Peters and Waterman, 1984; Ramsay, 1993) places on the importance for change managers to consider seriously the feelings of all participants in an organisational change, it is surprising that such advice is, or is perceived to be, so widely ignored.

7.1.2.2 Communication

Equally neglected was the communication principle. With so much said about the necessity to communicate frequently, clearly and openly, especially during a period of organisational change, it comes as a challenge to understand why staff felt that, in so many cases, this did not appear to happen.

In quite unambiguous fashion, staff described the situation as they saw it. Change managers:

Fail to acknowledge the uncertainty of change. They fail to disseminate the information that is necessary to help remove much of this uncertainty.

They have poor communication skills. They leave gaps in the provision of information.

Show a lack of the need for communication and a lack of concern for the people "down the track".

Do not communicate clearly. People are not kept informed and as a result they form their own opinions and this immediately breeds negativity, a sort of chaos.

One possible explanation for this perceived reluctance of change managers to communicate effectively with their staff relates to a degree of insecurity and lack of skill change managers may have in dealing with the resistance that emerges with most significant change in an organisation. By keeping a tight control on information flow, they may believe that they can dictate the direction of the change process and can suppress any potential resistance. Change literature (e.g. Kirkpatrick, 1993; Kotter, 1979; McLaughlin, 1985; Peters and Waterman, 1984) and totalitarian media machines register the folly of this approach.

7.1.2.3 Consultation

Consultation may be seen as a sub-set of communication and, as such, its neglect by change managers accentuates their perceived inadequacies in dealing with staff. Closely associated with the process of consultation is the question of empowerment and the promotion of a feeling of

personal worth. The critical importance staff attached to applying the principle of valuing, of showing a sensitivity to people and their feelings, has already been discussed. The process of consultation is one way that this sensitivity and respect can be promoted. That often it is seen to be neglected is another indictment on the performance of change managers.

In detailing this deficiency staff said of change managers that they often:

Don't make allowances for staff input.

Fail to consult.

Fail to give people roles to play in the change.

Do not engage in real consultation. The call for consultation is a farce.

Manipulate the consultation process to bring about a predetermined result; the outcomes are almost predetermined.

7.1.2.4 Vision

The principle of vision, which was seen by staff as the most important principle to follow, was also seen as one of the four most neglected by those managing change. Staff considered change managers fail in this area because they:

Fail to make explicit their vision.

Haven't thought sufficiently of all the obstacles to change.

Don't make clear why there is a need for change.

Don't make clear the details of the vision that they have and the reasons for their position.

Do not foresee the wider consequences and implications of the change.

7.1.2.5 Trust and Consistency

The remaining two principles cited as most often neglected, trust and consistency, complete the picture. Staff change managers:

Fail to consult honestly and openly.

Fail to be transparent.

Engender a feeling of distrust.

Lack consistency.

Neglect to follow up on change.

7.2 Staff Questionnaire Responses

7.2.1 Reasons For The Merger

Four questions were asked concerning the reasons for the merger.

Question 1: What do you recollect to have been the reasons for the merger?

Question 2: To what extent do you believe these reasons for the merger were sound? Indicate the basis for your belief.

Question 3: If you believe there were other unstated reasons for the merger please indicate what you think these reasons were.

Question 4: To what extent do you believe these unstated reasons for the merger were sound? Indicate the basis for your belief.

The responses to these questions were grouped into the same two broad categories used to classify the key players' responses (*i.e.* strategic-financial and professional-academic). They were then further grouped into sub-categories.

7.2.1.1 The Stated Reasons For The Merger

Table 21 sets out the respondents' recall of the stated strategic-financial reasons for the merger.

Table 21: Stated Reasons For The Merger: Strategic-Financial		
		Responses
1.	To provide financial viability - a matter of survival for the College.	28
2.	To provide economies of scale.	11
3.	To secure resources for the University.	5
4.	To forestall competition in teacher education.	5
5.	To enable Massey to become a national provider of teacher education.	3
6.	Because of government pressure.	2
7.	To follow overseas trends.	2
8.	To gain university status for the College.	2
9.	To assist Massey expand.	1
	TOTAL	59

(a) **Comments**

Two main strategic-financial reasons were advanced for the merger of the two institutions:

- The merger was a matter of survival for the College in view of its doubtful continued viability; and
- The merger would provide economies of scale that would allow the new entity to gain a competitive edge in an increasingly competitive market economy.

The number of responses citing these reasons was almost double that of the combined responses for all the other seven reasons. In view of the external environment at the time, it is interesting to note that only two responses indicated that government pressure had been advanced as a reason for the merger.

Table 22 sets out the respondents' recall of the stated professional-academic reasons for the merger.

Table 22: Stated Reasons For The Merger: Professional-Academic		
		Responses
1.	To offer students better programmes, choices and qualifications.	25
2.	To combine the teaching and research strengths of the two institutions.	19
3.	To improve the overall quality of pre-service teacher Education.	15
4.	To provide better opportunities for staff.	9
5.	To improve the status and credibility of teaching qualifications.	9
6.	To enhance the University's programmes in sports and the arts.	1
	TOTAL	78

(b) Comments

The main professional academic reasons for the merger were:

- The merger would offer better programmes, choices and qualifications for the students;
- The merger would enable the teaching and research strengths of the two institutions to be combined and complement each other;
- The overall quality of pre-service teacher education would be improved.

When the strategic-financial and professional-academic responses are considered together, it is apparent that there was a relatively even balance between both categories of reasons advanced. Of the total 137 responses, 78, or 57%, could be broadly classified as professional-academic, and 59, or 43%, as strategic-financial.

7.2.1.2 Soundness Of Stated Reasons For The Merger

When the staff were asked how sound they thought the stated reasons for the merger were, the picture that resulted was unclear. As some of the respondents noted, it was very difficult to answer this question with any real accuracy because of the number of unaccounted variables involved. The question did not make it clear from whose perspective the soundness or unsoundness was to be judged. It was possible for a respondent to consider a particular reason entirely sound if it were to be judged from a University perspective but unsound if it was considered from a College perspective. Similarly, from a College viewpoint, merging to ensure survival, could rate as a very sound reason but would not have the same relevance to Massey staff. Also, the criteria upon which to base the judgement of soundness were not specified. If, for example, the criteria were based purely on long term strategic benefits, then the responses could conceivably be very different from those based on short term social costs. Finally, the question, as phrased, did not make clear whether the judgement called for was one which respondents made at the time of the merger or one made at the time of the questionnaire, with the benefit of hindsight. Given these shortcomings, the responses to this question and to the question relating to the soundness of unstated reasons, have not been included in this analysis. These same difficulties did not present themselves with the key players when they were asked this question. The face-to face interview situation enabled any queries to be clarified at the time.

7.2.1.3 The Unstated Reasons For The Merger

Table 23 sets out the respondents' recall of their belief concerning the existence of unstated reasons for the merger.

Table 23: Unstated Reasons For The Merger: Strategic-Financial		
		Responses
1.	To provide a financial advantage for Massey.	38
2.	To be part of Massey's expansionist programme.	15
3.	To ensure the College's survival.	7
4.	A power play by some individuals.	5
5.	To upgrade the College's status.	5
6.	To provide a rationalisation of resources.	2
7.	To respond to a government direction to merge.	1
TOTAL		73
Professional-Academic		
1.	To provide benefits for staff and students.	2
TOTAL		2

(a) Comments

A number of interesting factors emerge from these figures. The unstated reasons were seen to be almost exclusively those that related to strategic-financial motives. Only two respondents suggested that professional-academic reasons were unstated factors in the instigation of the merger. The overwhelming majority (53) saw it as a result of an unstated desire on the part of Massey to gain financial advantage, and to further what they saw as Massey's expansionist programme. A much smaller number (five) saw the move as a power play by individuals and as an effort by the College to upgrade its status. It seems reasonable to suggest that the large majority of respondents felt that those responsible for advancing the merger proposition had not been entirely open in their arguments. It could well be that the seeds of distrust, that later manifested themselves during the merger negotiations, had their genesis at this point.

Staff felt that the real reasons for the merger were more for the direct benefit of the University as an institution than for the students and staff involved in teacher education. The depth of this feeling can be sensed in some of the responses to the question.

We were part of Massey's projected future. We are a "tentacle of the octopus". It was inevitable.

From Massey's point of view the COE must have looked like a cash cow, full bank balance which had been hoarded and not put back into resource development - a Brierley type take-over; asset stripping to put us in a strong position in the market.

A takeover. A small institution with valuable assets to be exploited - all part of an overall expansionist plan for Massey to grow nationally.

From such comments, a degree of latent cynicism can be detected.

7.3 The Process Of Change

In this section of the questionnaire, the staff were asked three further questions:

- Question 1:* What barriers to change do you see existing that may prevent the merger being successful?
- Question 2:* What principles of change do you think should be followed in bringing about change in an institution?
- Question 3:* What criteria would you use to judge the success of the merger, both in the short and long term?

7.3.1 Barriers To Merger Success

Table 24 sets out the major barriers to the merger's success, as identified by the staff.

Table 24: Barriers To Merger Success		
		Responses
1.	Unresolved cultural differences.	46
2.	Feelings of being disempowered and undervalued.	21
3.	A lack of consultation.	18
4.	Inappropriate leadership style.	16
5=	Lack of a clear vision.	14
5=	Unwillingness of staff to adapt.	14
5=	Lack of effective communication.	14
8.	Too much change all at once.	8
9.	Personal concerns not addressed.	6
10.	Loss of trust.	4
TOTAL		161

In any significant organisational change it is almost inevitable that barriers will be erected. Sometimes these can be useful, providing time for reflective consideration of the necessity for, and the nature of, the change being contemplated. At other times, though, such barriers can be counter-productive and can prove a considerable hindrance to worthwhile progress. The “trick” is to be able to distinguish the difference, then make use of the one and remove the other.

In the merger situation, staff were able to identify a number of the counter-productive type of barriers which had the potential to prevent the merger being successful. Such identification is useful on at least two accounts. First, it could be helpful to those who will be responsible for managing the merger in its implementation phase. Being forewarned, by those most closely involved, of the potential difficulties that are likely to manifest themselves, provides an excellent opportunity for appropriate steps to be taken to overcome, or minimise, such difficulties. Second, it was very helpful for the researcher in this study as it provided him with useful experiential data for inclusion in the grounded theory that is later presented in Chapter Nine.

For the staff involved, unresolved cultural differences between the two staff groups, former College and former Education Faculty, were seen to pose the major potential threat to the long

term success of the merger. This factor had twice as many responses as any other factor. By cultural differences, respondents were referring to what they perceived as different philosophical perspectives of the nature of teacher education and the relative role of research and scholarship in relation to teaching and applied knowledge. Responses included:

A mismatch of the "university values" with student-centred "teacher values".

An over emphasis on academic qualifications - the climate of "take-over", "submersion" rather than "merging".

Too many vested interests in both MU and PNCE find it hard to accommodate each other's practices and viewpoints.

There is a feeling among former College staff that their "raison d'être" has been severely eroded by the imposition of an "academic university culture" which appears to be valued more highly than the quality teaching which has been the cornerstone of their work previously.

Staff from the Education Faculty and PNCOE are not able to "join hands in the spirit of the merger". There is still a "them and us" feel - and an unwillingness to try for common ground.

Such expressions highlight the need in any significant organisational change to face up to the problem of reconciling the culture of the old with that of the new. In the particular organisational change represented by the merger, those involved well recognised this imperative. As already indicated Chapter Two (pp. 26-32), understanding the culture of an organisation and knowing how to work with it and not against it, is acknowledged widely in the literature (e.g. Bainbridge, 1997; Covey, 1995; Kilmann and Kilmann, 1989; Kotter, 1997) as one of the keys to ensuring successful organisational change.

Twenty-one (21) respondents saw that dealing with staff who feel disempowered and not valued would be a potential barrier to the success of the merger. They expressed their feelings in a variety of ways. One spoke of the feelings of powerlessness among staff who had been "taken over" and others of not being heard or acknowledged for their individual and particular expertise; being treated as "work units" rather than as human beings. One respondent mentioned the, *"disenfranchising of experienced and formerly committed staff from the process of decision making"*.

Those familiar with the literature on change will understand the prevalence and intensity of these feelings. Much is made in the literature of the need to consider the "human face" of change; to attend to the affective as well as the intellectual dimension of the human psyche. The responses from the staff bear witness to this truth. They are saying that, if staff feel they are disempowered and are not valued for their potential contributions, then real barriers to the success of the change enterprise can be expected.

Lack of appropriate consultation was another potentially important barrier to the merger success as seen by eighteen respondents. Effective consultation must meet at least two basic criteria: it has to take place and it has to be regarded as genuine. The first requirement may appear self-evident but what often passes for consultation can be seen by those being “consulted” simply as a face saving formality where there is no intention whatsoever for their contribution to be taken into account. As one of the respondents put it, “*Consultation after the event breeds a healthy cynicism in the consultees.*” It is this cynicism, arising from pseudo-consultation, that can be such a destructive force in the change process.

Inappropriate leadership style was given as a potential barrier although what, in the respondents’ views, counts as inappropriate was not really made clear. A variety of leadership styles can have successful change outcomes, depending on particular circumstances and the criteria used to judge success. A “style”, inappropriate in one situation, may well be quite appropriate in another.

Much more definitive are the next three nominated barriers to successful change:

- Lack of vision on the part of those leading the change;
- Unwillingness on the part of the staff to adapt;
- Lack of effective communication between all parties concerned.

All three elements feature prominently in the literature on change. It is widely accepted that a coherent, unified and explicit vision is necessary (Chapter Two, pp. 19-26), that staff resistance is a major factor that has to be attended to (Chapter Two, pp. 46-48) and that a system for clear and frequent multi-directional communication is required throughout the change process (Chapter 2, pp. 39-41). In citing a failure to address these matters as potential barriers to the success of the merger, staff opinion is very much in line with current thinking as expressed in the literature (e.g. Bainbridge, 1997; Fullan, 1993; Hensey, 1995; Land and Jarman, 1992; Nanus, 1992; Prahalad, 1997).

The remaining three perceived barriers to successful change, although not figuring as prominently as those already reviewed, all deserve consideration. Too much change occurring simultaneously can readily lead to a feeling of bewilderment and a loss of heart. If personal concerns are not addressed, then cumulative stress can take a heavy toll on all those involved and a loss of trust between all parties can seriously erode confidence in the whole process. Each of these conditions has the potential to severely damage, and even bring to a halt, the change enterprise. Each needs to be carefully considered.

One respondent exhorted her fellow staff members to be positive rather than negative about the change they experienced, *“Actually resistance to change can be healthy. It makes us examine the issues - but it should be the first step forward, not the only step, or we get stuck and the change does not happen.”*.

7.3.2 Principles Of Change

Table 25 sets out the staff response to the following question:

What principles of change do you think should be followed in bringing about a change in an institution.

Table 25: Principles Of Change		
		Responses
1.	Vision: a clear vision needs to be enunciated and shared.	52
2.	Communication: there need to be appropriate channels of communication established maintained.	45
3.	Valuing: all persons need to be valued and respected as individuals in their own right.	44
4.	Consultation: genuine and relevant consultation needs to occur.	43
5.	Timing: the importance of appropriate timing needs to be recognised and attended to.	24
6.	Trust: as a basis for change in an organisation a climate of trust needs to be developed and maintained.	19
7.	Culture: the importance of organisational culture needs to be recognised and attended to.	7
8.	Commitment: a high level of commitment to the change needs to be maintained.	7
9.	Consistency: a high level of consistency between words and actions needs to be displayed.	5
10.	Continuity: recognition needs to be given to the antecedents of the change.	4
11.	Compromise: recognition needs to be given the role of appropriate compromise.	3
12.	Other: principles referred to only once.	23
	TOTAL	276

7.3.2.1 Vision

The principle of vision receives the highest response and requires careful attention. If a significant organisational change is being planned, then a detailed account of what is envisaged should be formulated early. Respondents highlighted different aspects of what is required of such a vision:

Understanding and knowledge about the reasons for the change so that most members of the institution have a deep seated belief that the changes are for the good of the institution and those involved.

The vision be turned into practice.

There should be collaboration, understanding of the reasons for change and both the "picture" and the "process" obtaining to it should be considered.

A shared vision and strategies designed to achieve that vision are developed collaboratively and articulated with commitment.

Have a clear vision for the future but an even clearer picture of the steps by which that future can be reached.

Together, these responses help define vision as being something that sets out the parameters of what is being sought in the change, that gives an indication of the steps to achieving the goal and that is developed collaboratively so that all involved have a vested interest in its successful attainment. These are not simple requirements to fulfil.

7.3.2.2 Communication

There is little disagreement in the literature over the necessity for communication during a time of organisational change but its high profile in staff responses suggests that it is often felt to be more honoured in the breach than in practice. Respondents make it clear that effective communication is a multi-directional process in which lines of communication between all involved parties should be kept open continuously.

Information is being disseminated at all times.

Excellent communication networks need to be established. Lots of culture sharing and socialising is needed.

Communication must be clear, honest and open.

Communication, communication, communication.

7.3.2.3 Valuing

Applying the valuing principle involves attending to what is sometimes described as “the human face of change”. All persons must be valued for their own worth and respected for what they, as individuals, may have to offer. Change literature and staff responses both highlight the pivotal role of valuing in all significant organisational change. As many writers claim, (Chapter Two, pp. 32-36), and as many “change agents” discover, failure to attend to the human aspect of change regularly leads to unpalatable outcomes.

Respondents’ useful insights into what is involved in applying this principle include:

Honouring differences.

Being heard and having contributions listened to.

Fair treatment of staff and students, maintaining a humane people-first, people-matter, approach.

The integrity and rightful respect due to people will be positively and actively regarded.

Consider social and emotional climate.

Support is given to those involved throughout the process of change so that they feel confident of the process and any outcomes that may follow.

No one should feel disempowered, undervalued, or put upon because of change.

Application of the valuing principle does much to ensure a satisfactory outcome to change.

7.3.2.4 Consultation

Again, there is little disagreement, at the conceptual level, about the value of consultation during organisational change but, at the action level, what rightfully qualifies as consultation often becomes a matter of debate. The respondents, in this study, had no doubt, and saw it as an essential principle to be followed. For them, consultation involved:

Genuine and meaningful dialogue.

Truly searching for a compromise, not the asking of opinions which are then ignored.

Providing opportunities to speak and be listened to - a willingness to reverse decisions and an opportunity for all staff to be involved formally and informally.

Being totally open information sharing and decision making based on lots of discussion using a consensus model.

7.3.2.5 Timing

Responses counting the timing principle as important centred on the pace of the change process.

There was advice for change leadership:

Pace moves to allow personnel to come on board thoughtfully and to keep momentum.

Take time to develop appropriate processes.

Change needs to occur at a pace that, while progressing forward, doesn't leave the participants winded.

Implement change a step at a time, not all at once.

Staff indicated that the momentum of change should be maintained at a level which does not bewilder and leave behind those people directly involved or affected.

7.3.2.6 Trust

The trust principle demands a climate of trustworthiness and honesty. Staff felt that failure to establish a trusting environment in a time of change would be a major deficiency. They spoke of:

Transparent policies and processes.

Trust and respect.

Genuine involvement.

7.3.2.7 Culture, Commitment, Consistency, Continuity, Compromise

While these principles received less attention in staff responses, they were still regarded as significant in organisational change. Change literature supports the concerns expressed.

Literature in recent years has given increasing recognition to the important role organisation's culture plays in any change activity. Identifying and working with the significant elements of such culture enhances opportunities for successful outcomes. Sustaining commitment, being consistent but prepared to compromise and maintaining some form of continuity with the past in

order to move more smoothly into the future, are all widely accepted aspects of effective change management.

7.3.3 Criteria For Merger Success

Table 26 sets out staff responses to the question:

What criteria would you use to judge the success, or otherwise, of the merger: (a) in the short term (*i.e.* in the first five years after the merger date of 1 June 1996)?

Table 26: Criteria For Merger Success – Short Term		
		Responses
1.	Client satisfaction.	44
2.	Staff satisfaction.	38
3.	Resolution of staff cultural differences.	34
4.	Continued and improved quality of programmes.	22
5.	Increased quality and number of student applicants.	15
6.	Development of an increased research base for pre-service education.	7
7.	<i>Other</i> : Criteria referred to less than five times.	62
	TOTAL	222

Client satisfaction, staff satisfaction and resolution of staff cultural differences were the three most significant criteria cited in response to the question.

Client satisfaction encompasses an acceptance by students, schools and the education community generally that the merged institution is meeting their needs well.

Students are overwhelmingly satisfied with the learning experiences that are presented to them.

The teaching community value the work of the College.

There is perceived credibility of the new B.Teaching Degree in the educational community.

Closely associated with client satisfaction is the criterion of staff satisfaction. High staff morale and strong commitment to providing the best for the students and making the merger a real success would be evidence of this.

Lecturing staff enjoy a high level of morale and a genuine belief and confidence in what they are doing.

Staff morale is good and highly skilled staff are retained.

There is a positive MUCE culture - this includes general atmosphere and mood of the place and staff and student morale.

Achieving the resolution of cultural differences involves the establishment of a common culture with the merging of the previously separate entities (the College and the Education Faculty), a culture where staff, with a common set of values and mores, work together for the betterment of the students they serve and the institution which employs them. This criterion would be met when:

The successful merging of the two distinct and perhaps disparate cultures occurs.

Relationships and trust has developed and grown between staff from both parties involved in the merger.

Staff are unified in their pride of the institution.

Staff from the previously separate institutions have knitted together to form a new institution and to share their strengths i.e. research and teaching.

Closely related to client and staff satisfaction, but detailed separately in a number of responses, was the criterion of continued and improved quality of programmes. This would be satisfied when:

Quality courses were being successfully implemented at the same or higher level than before the merger.

There would be continuing excellence in teacher education at pre-service and in-service levels.

Two other criteria rated more than five responses: increase in the quality and number of student applicants for entry to the College and the development of an increased research base for pre-service education. If more and higher qualified applicants were seeking entry to the institution and, if the programme were underpinned by a greater emphasis on research, this would be regarded as an indication of the merger's effectiveness.

7.3.3.1 Comment

If programme providers, consumers and vested interest parties are satisfied they are being well served, the merger can be judged a success, at least in the short term. Staff placed high priority on this judgement. To achieve this level of satisfaction, staff pointed to two other conditions that must be met. Cultural differences of the two formerly separate staff groups must be resolved and the quality of the programmes offered must be maintained or enhanced. The experience of mergers in other countries (*e.g.* Australia, England, Scotland) indicates that a good deal of goodwill is required by all those involved to accomplish this difficult task.

Table 27 sets out staff responses to the question:

What criteria would you use to judge the success, or otherwise, of the merger in the long term (*i.e.* subsequent years)? Only criteria additional to those already reported in Table 26 are reported here.

Table 27: Criteria For Merger Success – Long Term		
		Responses
1.	Recognition of the merged institution, nationally and internationally, as a provider of excellence.	32
2.	The provision of new and relevant programmes.	10
3.	<i>Other</i> : Criteria additional to short term criteria and referred to less than five times.	34
	TOTAL	76

The responses here are unequivocal. Staff believed that, if the merged institution is to be judged a success in the long term, then it will have to obtain national and international credibility. As part of this development, it will need to develop new and relevant programmes that will ensure its place as a leader in its field.

7.4 Interviews And Questionnaire: An Overview

From these two sources of data, staff views concerning organisational change generally, and the merger change specifically, have been presented.

The interview responses indicated the four principles of vision, communication, valuing and consultation as being particularly important in effecting organisational change. The same four principles were also nominated as being those most often neglected in practice.

The questionnaire responses supported the same four principles. The stated reasons for the merger, as drawn from the questionnaire responses, were both strategic-financial and professional-academic. The former related mainly to the survival of the College and the economies of scale which the merger would provide. Of the latter, three addressed the improved professional offerings of the merged institution. The unstated reasons were seen to be almost entirely strategic-financial and were directly related to the provision of financial advantage for Massey University as part of its overall expansionist programme.

Unresolved differences between the “cultures” of the merged staff were seen as the major barriers to the effectiveness of the merger. Further barriers were feelings of disempowerment, lack of consultation, an inappropriate leadership style, lack of a clear vision, unwillingness by staff to adapt and lack of effective communication.

Criteria suggested for judging the short term effectiveness of the merger stressed client and staff satisfaction and resolution of staff cultural differences. Continued and improved quality of offered programmes and student applicants received considerable attention too. Criteria for long term effectiveness pointed to national and international recognition of the merged institution as a provider of excellence and as a provider of innovative and relevant programmes.

In the next chapter the data from this and the preceding two chapters are synthesised and “The Merger Story” is presented.

CHAPTER EIGHT

Effective Organisational Change The Merger Story: As Analysis Reveals It

In the previous three chapters, data were presented from written records of the merger, key players' and staff interviews and questionnaires. The focus in those chapters was on providing evidence that would enable the two goals of the research to be achieved:

- The provision of an objective, analytical account of the merger of the Palmerston North College of Education with Massey University; and
- The provision of a substantive principle-based theory of change.

From this evidence, a comprehensive “merger picture” was obtained and a wider “change story” was developed. The focus in this and the next chapter is on presenting these two stories.

In this chapter, an analysis of the “merger story” is presented using the framework of the five research questions posed in Chapter One:

1. *What were the reasons for the merger?*
2. *What caused the breakdown of the merger negotiations in 1993?*
3. *Why were the resumed negotiations successful?*
4. *What criteria should be used to judge the effectiveness of the merger?*
5. *What are the barriers to the success of the merger?*

Responses to questions two and three occupy the major part of this presentation.

While acknowledging the potential difficulties resulting from the author of this “story” also being part of the “story”, the writer considers that the account presented here is an accurate representation of the events as they occurred. Every effort has been made to ensure that the

“lenses” through which the merger events have been viewed have been subjected to regular and rigorous scrutiny to remove any discolourings or distortions that may possibly have crept into the story.

8.1 Question One: Reasons For The Merger

There was a high level of general agreement from the staff and the key players concerning the stated and unstated reasons for the merger. Both groups recalled that the stated strategic-financial reasons for the merger were those that arose from the concern the College had over its future viability as a stand-alone institution, along with the University’s concern to secure its future in the face of a possible decline in projected student enrolment numbers. These concerns, whether well founded or not, provided, at least, a *prima facie* case for both institutions to investigate the merger path.

The recorded professional-academic reasons rested on a widely shared assumption that the synergy resulting from the two institutions, working together, would be able to provide much better programmes, choices and qualifications for students. An overall improvement in the quality of pre-service teacher education was seen as the likely outcome.

Responses to the unstated reasons for the merger question again indicated widespread agreement. Most of the reasons were felt to be strategic-financial in nature and related directly to a wider expansionist plan of the University. The dominant view was that the driving force behind the University’s desire to merge were commercial rather than educational considerations.

Of considerable importance was the general political and economic climate of the time. Factors external to both the University and the College, and over which neither had any real control, combined to create an environment where the merging of the two institutions became both a possible and a feasible option.

As indicated previously (Chapter Three, p. 57), a series of antecedent activities had created a climate where, for many, a merger was both a logical and desirable outcome of more than two decades of close educational co-operation. In February 1989, the release of *Learning for Life*, the Government’s statement of intent for the organisation and delivery of post-compulsory education and training, provided the catalyst for this situation to be translated into action and the notion of merging the two institutions to be revisited. Eight months later, this process began. The Vice-Chancellor of the University wrote to the Principal of the College and the first formal steps of the merger process had been taken.

Table 28: Reasons For The Merger	
Stated reasons	The questionable future viability of the College The possible decline in the University’s student Enrolments Resulting synergy providing improved programmes
Unstated reasons	The University’s desire to expand The wider political and economic climate

8.2 Question Two: Causes Of The Breakdown Of Negotiations

The conclusion reached, based on the evidence of the key players’ perceptions¹ and the written merger records, is that:

- The breakdown in the negotiations was not caused by a single factor but resulted from interrelated causal factors; and
- These factors can be grouped under three headings: Contributing Factors, Crucial Factors and Precipitating Events.

8.2.1 Contributing Factors

Consideration of the accumulated evidence identified eleven factors as being significant contributors to the breakdown of the initial phase of the merger negotiations.

8.2.1.1 Composition of the Joint Steering Committee

A number of the key players suggested that the composition of the Steering Committee was not ideal with “personality clashes” between some members of the Committee being counter-productive to the Committee’s efforts. An example is an objection raised to the presence on the Steering Committee of the Chairman of the College Council, a former Dean of the Education Faculty at Massey. At the 26 February 1991 meeting of the Joint Steering Committee, over a year after the Committee first met, the appropriateness of the Chairman’s membership was raised. As he was not present at the time, the matter was held over until the next meeting. It remained on the agenda for the next five committee meetings until, on 23 April 1991, it was resolved to proceed no further with the issue and to retain the current membership of the Committee.

¹ Staff views were not sought on this question. See Chapter Ten, p. 291, Reflections On The Methodology.

Whatever the justification for raising this issue might have been, the matter had a markedly counter-productive effect on the interpersonal “chemistry” of the Committee and was one of the contributing factors that led eventually to the Committee being unable to fulfil its mandate. Given that both the College and the University had the right to appoint its own members to the Committee, the University, if it saw fit, could have appointed its own Council Chairman, the University Chancellor, and restored any perceived imbalance of representation. This did not occur, making it difficult to escape the conclusion that, in pressing for the removal of the College Chairman, there were covert considerations at work. The “personality clashes”, to which a number of the key players referred, supports this conclusion.

A further illustration of the ongoing difficulty with the Committee’s membership is that eighteen months later, at its special meeting of 27 October 1992, the same matter was again raised, by a different University representative. As it transpired, a resolution to remove the College Council Chairman from the Steering Committee, “effective immediately”, (Steering Committee notes, 27/10/92) was not put, but its raising reflected the tenor of the meeting and the lack of trust that existed between some members of the Committee.

8.2.1.2 Joint Leadership of the Steering Committee

At its meeting of 24 November 1989, the College Council accepted the Vice-Chancellor’s invitation to consider further the College’s relationship with the University and empowered the Council Chairman and the College Principal to nominate up to two other persons to be the College’s representatives on a proposed Working Party. The Council suggested that the chairperson of the Working Party would need to be of high quality and without vested interest. When the Working Party met in February 1990, and later transformed into the Joint Steering Committee, this suggestion had not been actioned. The Steering Committee had not one, but two chairpersons, both with vested interests. One, the Dean, had the responsibility of representing the interests of the University’s Education Faculty, and the other, the College Principal, had the responsibility of representing the interests of the College. A number of key players saw this as a structural weakness and one that contributed to the difficulties that the Committee experienced over its lengthy lifetime.

A joint leadership arrangement is difficult to manage and, where different, though legitimate, vested interests are present, the difficulties are exacerbated. This was certainly the case with the joint chairing arrangement of the Steering Committee. In spite of repeated declarations that the discussions should proceed with alacrity, this did not happen and set timelines were not kept. In his initiating letter of 25 October 1989, (Appendix 5) the Vice-Chancellor had indicated that, if

progress had not been made by about the end of the first term 1990, a combined approach would not be viable. The Working Party, at its first meeting on 13 February 1990, expressed similar sentiments and indicated that they would prefer the outcome of any discussions to move along quickly and that nothing would be gained in allowing matters to be drawn out. However, matters were drawn out and the Memorandum of Understanding, approved by both Councils in November 1990, set 1 January 1992 as the amalgamation date. By July 1991, it was agreed that this date would be unattainable and a revised timeline was constructed. It was not until 23 July 1993, almost four years since they began, that negotiations were finally and formally brought to a close.

While there were other interrelated factors contributing to this state of affairs, the joint chairing arrangement was an obvious one. It caused important matters (*e.g.* the site issue) to be lost in the “no-mans-land” between the Chairpersons’ individual areas of responsibility. A sense of urgency was not generated and matters of moment drifted from one inconclusive meeting to the next. Had the College Council’s original management suggestion been followed, and a single independent chairperson been appointed, this difficulty may have been avoided.

8.2.1.3 Vision Articulation

In such a major organisational change as that involved in the merging of two tertiary educational institutions, it is important to have a vision of what the merged institution might look like and how this vision might best be realised. The point was well made by Prahalad (1997:65) who observed that not only is a vision of the new future required but also of the migration path that will need to be followed in order to arrive at that vision. In their deliberations, the Steering Committee were hindered by deficits in both these areas. As a number of key players noted, there did not seem to be any clearly articulated, shared vision around which the Committee could focus its attention, on either what was being sought, or how it was to be achieved. Two examples from the Committee’s deliberations illustrate this claim.

There was a significant difference of opinion between two influential members of the Committee concerning the means whereby the vision could be achieved. One key player (KPM6) believed that the focus should be on working hard to put in place the structures of the merged entity so that the essential framework was established, leaving other matters until later. Another key player, however, (KPM24), considered that the way to achieve the desired vision was to concentrate much more directly on what the final product would look like. For him, getting right the basic shape of the academic programme that would operate in the future was of far greater concern.

The related question of the shape of the desired vision also brought disagreement; disagreement that manifested itself only after the Committee had been at work for almost two years. In this case, there was another major difference of opinion between one of the Co-Chairpersons of the Steering Committee and a number of the Committee members regarding the shape the new programme should take. The Committee Co-Chairperson found the draft programme presented by the Programme Sub-Committee gravely deficient in this respect and totally inadequate as a means to realising a new vision. With such different views, it is not surprising that discussions faltered at this stage.

In both these cases, if care and time had been taken at an early stage, to co-operatively develop and articulate more precisely the actual vision for the merger and how it was to be achieved, it is highly likely that these difficulties would have been minimised. This deficiency of vision articulation proved to be yet another factor that limited the Committee's ability to make progress.

8.2.1.4 Consultation Policy

One of the recurring themes in change literature is the need for leaders of change to invest considerable time and effort in consulting those who are to be affected by the change (Chapter Two, pp. 41-44). This precept is one which the Steering Committee followed, but, arguably, to excess.

As the negotiations proceeded, consultation, instead of being a means to an end, almost became an end in itself. Numerous key players recalled the strong desire to be participatory and inclusive but this caused the process to become excessively democratic and cumbersome. The increasing size of the Steering Committee as the negotiations proceeded illustrated this point. When the Committee was first formed at the end of 1989, it had seven members. In February 1991, a further five members were added; a University representative from the Education Faculty and two representatives from each of the two Advisory Groups that had been formed the previous year. In July 1991, the membership was further increased by the addition of two student representatives and a Maori representative, even though the Principal of the College had reported that he agreed with the Vice-Chancellor that to increase the membership at this time might be counter-productive (Steering Committee minutes: 30 July 1991).

At its meeting of 15 October 1992, the Committee agreed to further expand its membership by inviting two additional representatives to join its ranks; one from each institution. From an initial membership of seven, the Committee had more than doubled in size to seventeen members. In the words of one key player, *“Every time we thought of a group that was overlooked we brought someone on and the group got bigger and bigger, and the bigger it got the less it could do.”* (KPM24).

In the opinion of a number of key players (KP’s M12, M13, M24), the Committee became so enamoured of an, *“inclusive-democratic-bottom up”* philosophy that it, metaphorically speaking, *“Shot itself in the foot”*. *“When you have fifty people participating you don’t get a hell of a lot of management. You get lots of participation but little management.”* (M27). This was a case of the best of intentions being thwarted by the inappropriateness of the means.

8.2.1.5 Communication With Staff

In spite of the extensive consultation undertaken by the Steering Committee, there were, nevertheless and somewhat paradoxically, considerable deficits in the communication networks that developed during the course of the negotiations. For many staff from both institutions, the communication provisions were felt to be seriously inadequate. They felt that they were not being kept in the picture and were being only sporadically informed. This view was expressed by staff of the Education Faculty on 16 March 1992, when the College Principal met with them to share his assessment of the current merger situation.

One key player admitted that, at the time, he probably assumed that more people knew more about what was going on than they actually did. He recalled:

Dealing with a lot of those issues every day, it just became bread and butter to you. But then other people picked up snippets, and those snippets quickly turned to rumour and the rumours became fact... Regular communication with the people involved, that is so important. (KPC3).

From the outset the Committee was concerned that it establish and maintain very clear communication links with all those people who were involved. At their first meeting, the Working Party agreed to, *“Keep everyone informed of proposals step by step, as much as is possible.”* (Working Party notes: 13/2/1990). To this end, they adopted the practice of publishing, soon after each meeting, summary notes of what had transpired and what action was being taken. They also made available their meeting minutes. However, the system faltered and, often for weeks, no official communication made its appearance and rumours took hold. This

deficiency of the communication network was not addressed and, as a result, became a contributing factor in the eventual breakdown of the negotiations.

8.2.1.6 *Over Concern With Detail*

Several key players felt that the Steering Committee's pre-occupation with attention to detail contributed to its failure to make progress and to the ultimate breakdown of negotiations. Over almost four years, hundreds of "person hours" were spent attending to matters which, though important, were not of immediate consequence and could well have been left for resolution after the merger became operational. Some matters (*e.g.* the number of compulsory papers in the new programme, the number of car parks that would be available on the new site and the location of the new computer laboratory) occupied able and sincere minds that could have been much more profitably engaged in resolving some of the more general issues such as the new power structure of the merged institution, the integration of the research and teaching cultures and the safeguards that would be needed to ensure that no staff from either institution would be disadvantaged by the merger. Attention to the smaller matters diverted attention from the larger ones and the activities of the Committee and its Sub-Committees, became, "*bogged down in detail.*" (KPM1).

Two factors already raised, inadequate articulation of the vision and a flawed consultation policy, contributed to this state of affairs. In the absence of a clear vision of the process, the Committee became caught in the "trivia trap" from which they seemed unable to extricate themselves.

8.2.1.7 *Staff Opposition*

The willing co-operation of those most affected by any proposed organisational change contributes greatly to the success of that change. In the case of the merger proposal, however, this condition did not prevail; yet another factor militating against a successful outcome of the Committee's endeavours.

As already noted, (Chapter Six, pp. 154) staff from both institutions were not enamoured by the merger prospect, with some Education Faculty staff voicing particular opposition to it. For one key player, "*The Faculty had all kinds of reasons why they didn't want the merger to go ahead*" (KPM27) and these were expressed in a variety of forums throughout the period of the negotiations. Their resistance, in 1992, to the employment of a consultant (Chapter Five, p. 120), was seen by many at the College as an expression of this opposition.

Some staff from “both sides of the river” lacked enthusiasm for the merger but Faculty staff were more forthcoming in expressing this feeling. In one key player’s words, “*And there were some quite senior people who were spokespersons for that viewpoint. And that viewpoint didn’t hesitate to find itself expressed.*” (KPC5).

8.2.1.8 Differences Of Institutional Culture

It is now widely acknowledged that organisations have particular cultures which need to be understood when any organisational change is contemplated (Chapter Two, pp. 26-32 and Chapter Three, p. 77). For the merger negotiations, the existence and importance of this cultural dimension added another difficulty. Both the College and the University had distinctive cultures with elements which were inimical to each other.

The University had what could be described as a typical university culture where the emphasis was on scholarship and research and where advancement up the career ladder depended heavily on the ability to have publications accepted and credibility established in a particular area of expertise. The College culture, however, focused on initiating beginners into the craft of teaching, both by example and by specific instruction. It was in recognition of pedagogical achievements in this area that career advancement was obtained. In the context of this type of culture, the possession of advanced formal academic qualifications and involvement in academic research were seen to be less important. The “knowing how”, rather than the “knowing about”, took more precedence than it did in the University culture.

This dissimilarity in orientation resulted in frequent significant differences of opinion and perceptions during the negotiations over both serious and trivial matters. Heated discussions arose over such items as the shape of the future programme, the instructional means to be employed, the criteria for staff promotion and the establishment of equitable workloads.

Feelings of inferiority-superiority emerged from time to time, with detrimental effect (Chapter Six, p. 153). Whether justified or not, it became clear through the course of the negotiations that a sizeable group of the College staff harboured feelings of inferiority in relation to their University counterparts and, not infrequently, accused them of acting in an arrogant and superior manner. Observation of the declarations and actions of some University staff did little to neutralise these feelings. When this state of affairs was added to the existing situation, the task of the Committee became even more difficult.

8.2.1.9 Reluctance To Compromise

Many of the key players recalled that, within the Steering Committee, there were people whose strong personalities frequently led them into “dead-end debates”. Whether these confrontations were triggered by personality differences or, as suggested earlier (Chapter Six, p. 152), by historical antagonisms, or both, is a matter for speculation. Nevertheless, these confrontations had a negative effect on the proceedings. An example of this unwillingness to compromise is provided by the “stand-off” situation within the Steering Committee, at the beginning of 1992 (Chapter Five, pp. 120-121), over the appointment of a consultant. The College’s suggestion that a consultant be employed to facilitate the negotiations was flatly rejected by the Education Faculty representatives on the Steering Committee. The minutes record that, after substantial discussion, it became apparent that a compromise could not be reached. It was suggested that the College, separately, and using its share of available funding, employ an “adviser” to meet its own needs (Steering Committee Minutes: 17 March 1992). The College did not do this and it was not until the Steering Committee reconvened, on 15 October 1992, that the consultant issue was revisited.

It is instructive to note here that, in some of the smaller group situations, some very productive compromises were reached. The Programmes Sub-Committee, for example, was cited by one key player (KPM10) as being a group where compromise did result and where considerable progress was facilitated. In other sub-committees, similar willingness to compromise was reported as being evident (KPM8).

8.2.1.10 Change In Faculty Representation On The Steering Committee

At the beginning of 1992, the two original Faculty representatives on the Steering Committee completed their appointed term and were replaced by two new members. A number of key players felt this had an adverse effect on the Committee’s ability to make progress. The two original Faculty representatives had established very good working relationships with the College representatives. Differences of opinion had been addressed openly and resolved through objective dialogue and sensible compromise. This co-operation led to better understanding of each other and respect for each other’s viewpoints. Rapport was lost with the introduction of two new representatives and this impacted adversely on the functioning of the Committee. One University key player recalled:

But there was a hardening of attitude, as you recall, from some on the University side and I don’t know what they were afraid of but they certainly changed their membership of the Committee at that time. They brought in some who argued very strongly for each point and in some ways, many of us feel, held up the proceedings. (KPM18)

A College key player said:

And there was the injection of other personalities... and I guess my impression was that the injection of their more obviously oppositional confrontational approach got up (...)’s nose and I think (...) went into a defensive mode. You know, “Well stuff them.” That was my impression. (KPC14).

8.2.1.11 The Site Issue

The early deliberations of the Steering Committee were based on the understanding that, “the University could not accommodate a ‘Teacher Education division’ for at least 10 years on the Massey Campus” (Steering Committee notes: 19 June 1990), and teacher education would remain at the College site. In October of that year, however, external factors intervened and the meeting called by the Ministry of Education (Chapter Five, p. 111) required this premise to be re-examined. The possibility was raised, for the first time, that the funding, which the Government had approved for the Polytechnic nursing complex, could be made available to facilitate a College move to a Massey site. In July the following year, 1991, it was accepted that any new entity resulting from the merger would initially operate from a split-campus but it was desirable that a re-siting on the Massey campus should take place as soon as possible. By the end of the year, however, the possibility of making use of the Polytechnic nursing complex funding to build on the Massey campus, like the funds themselves, had evaporated.

The effect of these events on the committee’s activities was deleterious. In the face of this changing “playing field”, the Committee had to cope with two sets of staff with, by and large, diametrically opposed views as to where any merged entity should be physically sited. The Education Faculty did not wish to shift from their campus and the College staff did not wish to shift from their site on the city side of the river. One College key player expressed the College view as follows:

And absolutely on principle we felt that this (a Massey site) would mean that there would be serious disadvantage to the delivery of teacher education if the move had to take place. To get a similar quality of structures through a move, we felt, was unlikely. (KPC11).

Staff of the Faculty were similarly adamant. For them, their reasons for wishing to stay on the Massey Campus, although different, were felt to be equally compelling. Efforts to resolve this impasse generated as much heat as they did light and the time and energy spent by the Committee trying to resolve the issue contributed to the eventual failure of the negotiations.

Table 29: Factors Contributing To The Breakdown Of The Merger Negotiations

- Composition of the Joint Steering Committee
- Joint Leadership of the Joint Steering Committee
- Vision articulation
- Consultation policy
- Communication with staff
- Over concern with detail
- Staff opposition
- Differences of institutional culture
- Reluctance to compromise
- Change in Faculty representation on the Joint Steering Committee
- The site issue

8.2.2 Crucial Factors

In addition to the eleven contributing factors, two further factors, lack of commitment and lack of trust, were even more important. They were crucial in determining the fate of the first phase of merger negotiations.

8.2.2.1 Lack Of Commitment

Carrying through any enterprise requires an element of commitment by all those involved. The complexity of a merger demands that this commitment be considerable (Chapter Two, p. 49, Chapter Three, p. 80, Chapter Six, p. 175). In the first phase of the merger negotiations, the absence of commitment was a crucial factor in determining the ultimate fate of the negotiations. While there were some members of the Steering Committee who were consistently and openly committed to the success of the merger venture, there were others who were not. They took every opportunity, both overtly and covertly, to derail the process. One key player recalled:

I know that there were some quite severe personality clashes that went on and gossip has it that there were one or two very powerful people who simply didn't want to do it (promote the merger) and they were able to stop it. Now whether that's really true or not I don't know, but it's certainly firmly believed by a lot of people...I certainly observed remarks and happenings that tended to confirm that conspiracy theory. (KPM26)

Somewhere between these two was a third group who appeared ambivalent in their attitude and commitment level. At times they seemed to be fully behind the enterprise but, when difficulties arose, their resolve tended to dissipate and they, “steered towards less turbulent waters”. The combination of conflicting attitudes and lack of commitment to a commonly held vision severely impeded the Committee’s progress.

Ambivalent commitment to the notion of a merger was not confined to members of the Steering Committee. Staff from both institutions experienced similar difficulties. As some key players observed (Chapter Six, p. 154), it was clear there was never a united mandate from the staff of either the College or the University, to proceed full-speed with a merger of the two institutions. Some staff from “both sides of the river” were never going to be in favour of a merger and they expressed their views frequently and forcefully. Others, by far the greater number, were in favour only if it was to be on their own terms. As already noted (*loc. cit.*), the terms demanded by the two sets of staff were incompatible. When this state of affairs was added to the Committee’s own equivocal commitment, the move to merge was crucially constrained.

For the merger negotiations to be successful, a clear and decisive commitment to the proposal, from both the College and University Councils, was vital. In the first phase of negotiations, this commitment was absent. Some College Council members were cautious about the merger proposal and, while not firmly opposed to it, required further convincing before they were prepared to offer their full commitment to it. They wanted reassurance that the good reputation the College had established over the years would not be damaged by merging with the University. Before giving their full commitment, they sought assurances that the integrity of teacher education would be maintained in the future. Others were even less wholehearted in their commitment.

On the College Council itself I believe that there was a small group of people who very much liked the present organisation and who would have been happy to see the College retain its autonomy and its integrity and who did not favour the merger. (KPC5)

The University Council’s commitment was somewhat different. It was not that they were not committed to the merger proposal, or, were divided in their commitment, but that they failed to demonstrate their commitment publicly. The College Council Chairman and the College Principal were both on the Steering Committee and took a very active part in the negotiations, whereas neither of the two senior executives of the University, the Chancellor and the Vice-Chancellor, took any direct part in the day-to-day proceedings. This was interpreted by some key players as a lack of firm commitment by the University to the merger and, as a result, a

sense of urgency about the negotiations was often missing. The second phase of the negotiations saw this anomaly overcome with significantly different results.

One underlying cause of these commitment deficiencies can be traced to an inadequate understanding of what was meant by the “Agreement In Principle” adopted by both Councils in November 1990 (Chapter Five, p. 113 and Chapter Six, p. 151). An Agreement in Principle can mean different things to different people. On one hand, such an agreement signifies a firm intention to proceed with the stated course of action only to be halted if insuperable obstacles are encountered. On the other hand, it means that there is a general intention to explore a certain line of action to see if it is feasible and worthy of pursuance. The distinction between the two meanings is crucial. The first connotation entails a commitment that will only be withdrawn if the proposed action proves impossible. The second entails no such commitment and provides a convenient escape clause if “the going gets tough” or if some of those involved have a change of heart. During the first phase of the merger negotiations, this distinction was never made clear and the second meaning of “Agreement in Principle” was called into service. When the going got tough, the escape clause, in the form of a consultant’s report, was used and the negotiations were brought to a halt.

8.2.2.2 Lack of Trust

The literature on change (Chapter Two, pp. 36-38 and Chapter Three, p. 76) identifies the critical importance of establishing and maintaining a climate of trust whenever any organisational change is contemplated. It is this trust that acts as the foundation upon which the new organisation can be constructed. Its absence is inevitably a recipe for disaster. Many key players (Chapter Six, p. 155) emphasised this fact when they cited the important principles they considered should be followed in an organisational change. They pointed out the importance of establishing an atmosphere of openness where all involved felt comfortable with one another and were prepared to be absolutely honest in all their dealings. Staff shared this view (Chapter Seven, p. 196-197). During the first phase of the merger negotiations, this “relational condition” was severely compromised.

Early in the Steering Committee’s negotiations, an element of distrust manifested itself in a number of ways. In October 1990, after the first full year of negotiations, concern was expressed by some members of the Committee that secretive discussions with the Ministry and other parties had taken place and that the Steering Committee was not being fully informed (Chapter Five, p. 112). Despite reassurances that there had been no “back room dealing”, the seeds of distrust remained, albeit relatively in dormant form.

Early the following year, this lack of trust reappeared when the College Council Chairman’s membership on the Steering Committee was questioned at some length (Chapter Five, pp. 115-116). “*I think that event did not create terribly much goodwill and I think contributed to the general attitude of dismay that was creeping into the negotiations.*” (KPC5).

Events throughout 1992 saw the trust within the Committee further eroded; reaching a point where, at the Steering Committee’s special meeting of 27 October, the College representatives were openly accused of being untrustworthy. What trust remained was dealt a final blow in April, the following year, with the culmination of what one key player described as, “*The rather infamous situation of the Deloitte Tohmatsu study.*” (KPM24).

This dissipation of trust, combined with the equivocal commitment of some key players, was the other crucial factor in the final demise of this phase of the merger negotiations.

Table 30: Factors Crucial In The breakdown Of The Merger Negotiations
<ul style="list-style-type: none">• Lack of commitment• Lack of trust

8.2.3 Precipitating Events

Two particular events had major significance in precipitating the final decision to abandon the first phase of the merger negotiations. The first was the repudiation of the Programme Sub-Committee’s Draft Report, in October 1991, and the second was the commissioning and release of the Deloitte, Ross Tohmatsu consultants’ report in late 1992 and early 1993 respectively.

8.2.3.1 Reaction To The Programme Sub-Committee’s Draft Report

At the Steering Committee’s 22 October 1991 meeting, the Programmes Sub-Committee presented its Draft Report. The Dean of the Education Faculty indicated that he found the report gravely deficient. According to one Massey key player, “*It was absolutely and dramatically blown out of the water by the author of the original proposal.*” (KPM10).

The members of the Sub-Committee pointed out that the Report had been prepared by a group of both University and College staff, that it represented a compromise of views and that it was a first draft of the Sub-Committee’s recommendations. The Dean remained unconvinced and indicated his continued dissatisfaction in a written memorandum to the Programme Sub-Committee with copies being sent to the Steering Committee and the Vice-Chancellor. The

result of this action was that the Vice-Chancellor wrote to the Steering Committee indicating his agreement with the Dean's judgement and suggested that he was very much tempted to recommend that the merger discussions be brought to a close forthwith. This did not happen but the negotiations had been dealt a severe blow from which they never fully recovered.

The Sub-Committee believed they had come to a workable compromise and had presented a programme outline that, in the future, could be developed into a shape very similar to that suggested in the Vice-Chancellor's initial letter of 25 October 1989 (Appendix 5). That the Dean did not see it this way, and felt compelled to express his disapproval in the strong terms that he did, provided a major stumbling block to the Committee's efforts to negotiate its way to a successful merger. While not, the "*singular action*" (KPM29) that caused the merger negotiations to breakdown, the rejection of the Sub-Committee's Draft Programme was certainly one of the two major precipitating events which eventually led to that outcome.

The failure, at the outset, of the negotiations to establish, share and articulate a clear vision, both for the process and the product of the Steering Committee's activities, proved critical to this eleventh hour realisation that not all parties were, "heading down the same path". Had this vision been adequately formulated at the commencement of the negotiations, it is likely that this barrier to their successful resolution would never have arisen. As it was, it took two years of protracted discussions before this deficiency became evident and irreconcilable differences were brought into the open by which time the damage had been done.

8.2.3.2 *The Deloitte, Ross, Tohmatsu Report*

From the time that it was first suggested, through to its actual commission and final presentation, the report of the Deloitte, Ross, Tohmatsu consultants had a troubled existence. When the employment of a consultant was first mooted in February 1992, it was strongly opposed by the representatives of the Education Faculty and the proposal was not pursued again until the following September when an expanded Steering Committee group met and gave further consideration to it. On 15 October, when the Steering Committee reconvened on its own, it agreed to approve the Terms of Reference for the consultant. It also agreed that the Resources Committee should explore these further with Graham McNally of Deloitte, Ross, Tohmatsu, aiming for the date of Monday, 14 December 1992, for receipt of the consultant's report.

At the special meeting of the Steering Committee on 27 October 1992, a particularly acrimonious meeting, the proposal to employ consultants was further debated but not resolved. It was not until the final Steering Committee meeting for the year that, "The proposal to employ

an independent consultant to conduct a feasibility study” (Steering Committee minutes: 15/12/92) was agreed. Even then, there were differences of opinion over what had been decided and this came to public attention in April 1993, shortly before the Report was due to be released. In a media report of a College Council meeting, the University representative on the Council was reported as maintaining that there were serious discrepancies in the commissioning of the Report and he was adamant that:

As Joint Chairman of the Committee I can say Deloitte, Ross, Tohmatsu have not been contracted and no Report is near draft stage. There have been no negotiations by the Joint Steering Committee with this firm... I think it is a matter of principle. The Committee was the body set up by the two Councils to proceed with possible amalgamation and it acted in good faith, but since December this has assumed a life of its own. (Evening Standard, 17/4/93)

In response, the College Principal, “Agreed the Committee hadn’t formally agreed to commission any firm to prepare a feasibility study, but the situation had snowballed.” (*loc. cit.*). The Council responded by supporting the actions the Principal had taken and asked that the Report be completed as soon as possible and presented to the Council. It is clear from this public disagreement between the two Co-Chairpersons of the Steering Committee that the Deloitte, Ross, Tohmatsu Report had a devastating effect on the elements of trust that still remained between various members of the Committee.

When the Report was finally released in June, the last vestiges of commitment to the merger evaporated and the drawn-out proceedings were brought to a close. A face saving announcement from both Councils indicated that the Joint Steering Committee had been unable to negotiate solutions to the practical problems associated with implementing the earlier decision of Councils to approve the amalgamation in principle. As a result, the Joint Steering Committee’s deliberations were to cease and the Committee was to be disestablished.

In metaphorical terms, the Deloitte, Ross, Tohmatsu Report, if not the straw that broke the camel’s back, was certainly the straw that informed the public that the camel’s back had been well and truly broken.

Table 31: Precipitating Events	
●	Reaction to the Programme Sub-Committee’s draft report
●	The Deloitte, Ross, Tohmatsu report

8.3 Question Three: Reasons For The Success Of The Resumed Negotiations

There were three major reasons for the success of the resumed negotiations: (1) a change in the level of commitment; (2) changes in personnel directly involved; and (3) a change in management style.

8.3.1 Change In Level Of Commitment

With the failure of the first phase of the negotiations, there was considerable pressure for the second attempt to succeed. As some of the key players observed (Chapter Six, pp. 164), this pressure came from a number of directions.

The members of the original Steering Committee who were involved in this second attempt had strong motivation to see that their efforts did not fail again. In a very real sense, their professional credibility was at stake. For some, commitment to the success of this renewed attempt was unequivocal. This represented a last chance to bring about something to which they had been committed for a long time and for which they had worked unsuccessfully to this point.

This time, both Councils had been involved from the start and had shown a much greater interest in, and commitment to, the success of the merger proposal. At the informal dinner meeting that reactivated the proposal, the Chairmen of both Councils were present and gave their support unreservedly to the re-opening of negotiations. This expression of support indicated a level of commitment that had been largely absent during the earlier negotiations. Its presence, this time, was a crucial factor in laying the foundation for an eventual successful outcome.

While the commitment to the merger from the staff of the two institutions was not noticeably any greater, the lack of avenues for the expression of opposition to it and, particularly from the College staff, the air of resignation towards its inevitability, worked together to make it easier for the merger to proceed.

With a very high level of personal commitment from many of the key players, the University and College Councils, and the absence of clearly expressed opposition from the staff, the scene was well set for this second merger attempt to succeed. It was against the interests of too many key people to have it fail.

8.3.2 Changes In Personnel

When the negotiations resumed, there had been significant changes in the membership and size of the new Working Party. The former Chairman of the College Council had retired from the Council and had been replaced, while the Dean of the Education Faculty had resigned from the University and had also been replaced. The Working Party consisted of only four members, in contrast to the seventeen who had formed the Steering Committee of the first phase.

The collective result of these changes was the prevalence of a much more “productive chemistry”. The historical antagonisms that a number of key players had suggested were at work in the Steering Committee’s activities (Chapter Six, p. 162-163) were no longer present, and a much greater willingness to listen to other points of view and to accept compromise was evident.

Of particular significance to this remodelled management team was the presence of the new Chairman of the College Council. With his extensive background in national and local politics, he brought a wealth of expertise in the area of change management. This, coupled with his enthusiasm for the merger and his personal drive to see it achieved, was singularly significant. His public response to the Polytechnic’s attempt to derail the merger provided an excellent example of this support, and of his willingness to do battle with any who would seek to be obstructive (Press Statement: Appendix 29). He was convinced that the merger was in the best interests of both parties and was determined to ensure that, “*by hook or by crook,*” (KPC31) it would go ahead.

8.3.3 Change In Management Style

A marked change in management style was evident. The highly democratic, bottom-up approach taken in the first phase became so democratic and inclusive that very little progress was possible. In the first phase, everyone who could be affected by the merger was consulted. Much attention was paid to detail and considerable time was spent trying to, “cross the ‘t’s and dot the ‘i’s””. The “Agreement In Principle”, entered into by both Councils, served to operate as a mandate for procrastination and “Management” appeared to prefer a “Drift Theory” to a “Steering Theory”, with the inevitable result that the negotiations, “drifted slowly onto the rocks.”

With the renewed negotiations, management style changed. The Working Party “drove” rather than “drifted” and worked on a “top-down” management model. With commitment from the

senior executives of both institutions, they felt they had been given a mandate to act, and act they did.

A small working party of four members, plus two administrative officers, was appointed. It was charged with preparing a Report and a Memorandum of Agreement for both Councils to consider and approve. Attention was not focused on detail but on more general matters that related to the overall principles that would underpin the merged institution. The Working Party and its two administrative officers worked diligently and, after nine months, the Report and Memorandum of Agreement were prepared, approved by both Councils and confirmed in a public signing ceremony at the University on 15 May 1995. From conception to birth, the enterprise had taken only nine months.

With the Memorandum of Agreement signed and the work of the Working Party completed, a Merger Implementation Group (MIG) was appointed and left with the task of implementing that which had been agreed. A last minute challenge from the Manawatu Polytechnic caused a five month delay in the official disestablishment of the College and the emergence of the new Massey University College of Education. A different and more directive management style had succeeded where the earlier, more open, democratic approach, had failed.

In the next chapter (Chapter Nine, pp. 255-257), ten principles for achieving effective organisational change are presented. It is important to note here that in neither phase of the merger negotiations were these principles fully followed. The first phase saw most of them, if not disregarded, then only partially attended to; while in the second phase, though “successful” in the narrow sense that the merger was agreed, only a few of the principles were in operation. The argument presented in this thesis is that a consideration of all these principles is required if an organisational change, such as a merger of this kind, is to be regarded as successful in the broadest sense.

8.4 Question Four: Criteria For Judgement Of Success

While, as noted (Chapter Six, p. 161), the focus of this study is on the negotiation phase of the merger, a brief consideration of what would count as success in its implementation phase adds a further dimension to the merger story. Such a consideration also provides useful base data for any future researcher wishing to pursue this line of study.

In their response to the research question concerning criteria for judging the success of the merger, both staff and key players agreed that, in the early stages, the focus should be on the

process. In the later stages, the focus should shift more directly to the product that results from this process. They speak of three questions as being of particular importance in assessing the process success:

- Are the staff satisfied with the process?
- Are the students satisfied with the process?
- Are the cultural differences between the two formerly separate staffs being resolved?

It is important, as the change literature suggests, (Chapter Two, pp. 32-36), that the change process has staff support. Staff need to feel that they have a place in the process and that their contribution is being valued. If this criterion is not met, if staff morale is low and discontent is widespread, then the likelihood of a successful outcome is not high. The satisfaction of students is similarly important. When students feel that what is being offered them is meeting their needs, there is a positive indication that the new organisation is being successful. Finally, acknowledgement and resolution of University and College cultural differences provides a useful indicator of the merger's success.

When assessing the product success of the merger, three basic questions need to be considered:

- Has the new College established itself as a centre of excellence?
- Are large and increasing numbers of students and staff seeking to come to it?
- Are its teaching and research programmes attracting national and international recognition?

If these criteria are all met, then it would seem reasonable to claim that the merger has been a success. Whether this will be the case, however, only the passage of time will make clear.

8.5 Question Five: Barriers To The Success Of The Merger

To complete the merger story, it seemed appropriate to consider possible obstacles to the merger's ultimate success. To this end, both key players and staff were asked what they believed were the barriers that needed to be addressed in order for the merger to be successful. A range of responses were evoked by this question (Chapter Six, pp. 178-182 and Chapter Seven, pp. 206-210). This information could be instructive for those who are responsible for seeing that the implementation stage of such a merger is successfully handled.

Responses from the key players fell into four categories: Policy Barriers, Resource Barriers, Process Barriers and People Barriers.

Policy decisions by successive governments and the prevailing free-market, competitive ideology, were seen as potential threats, as were diminishing resources, inappropriate management procedures for effective communication and consultation. Difficulty in integrating the cultures of the former institutions and in overcoming resistance to change generally, were further likely barriers.

Staff responses focused mainly on “people barriers”. Like the key players, they saw the failure to resolve cultural differences of the two staff groups as a major problem. They also highlighted the pivotal influence of the management style adopted, the need for consultation and effective communication and the necessity to ensure that no-one involved in the change felt disempowered or undervalued.

If they want the merger to be accounted successful, in the fullest sense, then those responsible for the implementation phase could benefit from careful attention to the possible problem areas these responses indicate. Change literature (Chapter Two pp. 32-36) makes much of the view that, in an organisational change situation, people are the greatest available resources. It behoves leaders of change to take careful note of this point. Treated well, dealt with compassionately and valued for what they can offer, people can be the most valuable asset for change leaders. Treated poorly, they can become insuperable obstacles.

8.6 Implications For The Leadership Of Organisational Change

From this interpretive account of “The Merger Story”, seventeen implications for the leadership of organisational change are suggested. It should be remembered, however, that all leadership is context specific and any implications for action should relate to the particular contexts within which the changes occur.

8.6.1 Implications Suggested

8.6.1.1 Care needs to be taken to be, and to be seen to be, honest and open.

Responses to the question concerning the reasons for the merger revealed a widespread view that, along with those publicly stated, there were other, important unstated reasons (Chapter Six, pp. 144-147, and Chapter Seven, pp. 205-206). There were suspicions that, right from the outset, some of the persons proposing the merger were not being entirely honest and open about

their motives for the change. The University's interest in a merger was suspected as being more related to its own expansionist designs than to the publicly stated educational reasons. Whether these suspicions were justified remains debatable but that they existed and had a bearing on the attitude of a number of people involved in the merger is a matter of record. The implication for leaders relates to the necessity, not only to be honest, but also to be seen to be honest. Decisions made and actions taken under a cloak of secrecy or confidentiality allow suspicions to germinate and rumours to flourish. By being manifestly honest, leaders can do a lot to prevent this situation developing.

8.6.1.2 The development of a climate of trust within the organisation is very important, particularly during a period of change.

As the first phase of the merger negotiations proceeded, it became apparent that an overall climate of trust did not exist within the Steering Committee itself. There were some members who were deeply suspicious of others although not prepared to reveal the basis of these suspicions or to work openly together. This led to open rifts and accusations which contributed to bringing this phase of negotiations to a halt.

Suspicion and mistrust outside of the Committee also had a negative effect on the proceedings. Leaders' motives were questioned and there were elements of distrust between the two staff groups themselves over the respective positions they held toward the merger.

This situation should remind change leaders of the importance of diligently establishing and maintaining the element of trust in any change situation.

8.6.1.3 Care needs to be taken to articulate clearly what it is intended that the change will achieve and how this will be effected.

Lack of specificity, over what the merger hoped to achieve and what the merged institution would look like, led to problems during the first phase of the negotiations. The anticipated outcome, stated only in very general terms, was justified on the grounds that the synergy resulting from a combined approach would create a much stronger institution than the two institutions remaining separate and in competition. Little attention was paid to what the new institution would actually look like. It was some time before the significant differences of opinion became apparent between some key players of what would constitute the merged institution (Chapter Six, p. 149). This lack of a shared understanding helped bring the negotiations to a close. Similarly, little attention was paid to the details of the path to be followed in achieving the merger objectives. A committee was appointed to steer the

negotiations but, in the absence of any clearly specified plan of action, the negotiations very soon lost momentum and the process drifted to its unsuccessful conclusion.

Shared understanding of the vision, the route to its fulfilment and the shape of the finished product, must be established at the outset when significant organisational change is being contemplated. Absence of this level of specification can readily lead to misunderstandings and loss of direction.

8.6.1.4 Support for the established vision needs to be gathered.

While it is seldom possible for leaders to gain complete support for any proposed organisational change, a smoother path and successful outcome are more likely if they can obtain a large measure of support for what they have in mind. Widespread commitment to change is a powerful force working towards its achievement. In seeking support, wise change leaders identify those highly regarded and influential persons in their organisation. Aligning these opinion leaders, or “critical persons”, with the proposed change greatly increases the probability of many more persons in the organisation becoming committed to it.

During the first phase of the negotiations, the degree of equivocation demonstrated by several of the key players with respect to their commitment to the merger did little to encourage any widespread support for the change. The much smaller group leading the second phase had no such equivocation. Their absolute commitment and their “top-down” approach provided a clear position and one with which many could identify and were prepared, if not to support, at least not to actively oppose.

8.6.1.5 The term “agreement in principle” needs to be fully understood.

After initial discussions, the University and College Councils “agreed in principle” to explore the possibility of engaging in a merger (Chapter Five, p. 113). This agreement proved to be a “two-edged sword”. It allowed the freedom both to examine the notion in general terms and to avoid facing directly more problematic issues and to withdraw from the exercise if the process became difficult. This latter freedom was exercised. Lack of shared understanding by key players, of what the term meant, played its part in the final collapse of the negotiations.

This example underlines the importance of being absolutely clear what the term “agreement in principle” means. As the term has both strong and weak connotations, it is essential, before entering into an “agreement in principle”, to be absolutely clear which connotation is operative.

In its strong connotation, an “agreement in principle” means that the intended action will be pursued with full commitment and will be abandoned only if insuperable obstacles bar the way. In its weak sense, an “agreement in principle” implies a much lower level of commitment where the agreement can be terminated for a variety of less compelling reasons.

Failure to make this distinction can prove very costly in terms of time, effort and goodwill and highlights the need to clarify precisely any decisions that have been made, or agreements entered into, during the course of the change process.

8.6.1.6 The mix of persons in working parties needs to be carefully monitored.

One source of the difficulties experienced by the Steering Committee during the first phase of the merger negotiations stemmed from the composition of the committee itself. As a number of key players suggested (Chapter Six, p. 148), and as the records confirmed (Chapter Five, pp. 115-116), the “chemistry” of the Committee was not right and this had a negative effect on its activities. This experience provides a timely reminder that those playing a leading role in the change process should be carefully selected. They should represent a cross section of views, be able to rise above any personal conflicts and work objectively together in the interests of the group as a whole. The difficulty some key players had in working together in this manner contributed to the eventual failure of the negotiations.

8.6.1.7 The timing element of change needs to be carefully considered and managed.

In any change situation, the element of timing is extremely important. Change literature (Chapter Two, pp. 52-54, and Chapter Three, pp. 67-69), reinforces this point and emphasises the need to carefully judge the moment of readiness to initiate a change, the pace at which to proceed and the time to pause, or abandon, the activity.

These judgements were not well handled in the first phase of the merger negotiations. The change process was initiated at a favourable time but quickly lost momentum and it was allowed to drift without any decisive steps being taken to remedy the situation. In the second phase, tighter control was kept of the timing element with a successful outcome being achieved in relatively short time (Chapter Five, p. 135).

This example highlights, for change leaders, the critical role that timing plays in any change activity.

8.6.1.8 Constructive compromise has a positive part to play in the change process.

Reluctance to compromise, by a number of key players, exerted a brake on progress during the merger negotiations. Two examples of this were the unwillingness to agree to the employment of a consultant and the difficulties of agreeing over the visual identity of the new College (Chapter Eight, pp. 227 and 246).

The only way to overcome difficulties of differences of opinion is to compromise. Change leaders must be flexible enough to allow this compromise without abandoning the essential elements of their position. Effective compromise involves a willingness to accommodate the views of other parties but not at the expense of conceding fundamental principles.

8.6.1.9 The cultures of the organisations undergoing change must be understood and respected.

Reconciliation of the major differences between the University and the College cultures, that became apparent during the merger negotiations, presented considerable problems. Staff from both institutions had their own ways of operating and their own views as to what was really important and they were concerned that a merger would intrude upon these beliefs and value.

It is important that change leaders are aware of the powerful influence that the culture of an organisation exerts upon its members. Any changes must be carefully addressed. Change literature (Chapter Two, pp. 26-32) emphasises that change leaders should be sensitive to, and respectful of, an organisation's culture; both that of the present and that of the past.

8.6.1.10 People who are valued will become valuable people.

It is important for change leaders to recognise that, during change, people are particularly sensitive to any attacks, perceived or real, on their personal worth. If they feel undervalued and that their contributions are not receiving the attention they deserve, then their willingness to support the proposed change is likely to be markedly reduced. During the merger negotiations, particularly during the first phase, it was evident that some people, and their contributions to the negotiations, were not valued.

Within the Steering Committee, the air of mistrust that existed led to a devaluing of many of the ideas put forward and, as a consequence, progress was severely constrained (Chapter Eight, pp. 231-232). Outside the Steering Committee, there was evidence also that some staff members from both institutions placed little value on what their counterparts had to offer. The feelings of inferiority-superiority that manifested themselves from time to time (Chapter Eight, p. 226)

reflected this situation. It is important that change leaders try to avoid such situations arising. Their own reactions, and the way they relate to people whose customary practices and expectations they are seeking to change, is very important. People who feel themselves to be valued are likely to respond positively and to do their best to promote, rather than impede, the change process. They will, in fact, become valuable people.

8.6.1.11 All those involved must be kept fully aware of what is happening, and is about to happen, during the change period.

One of the criticisms from the staff of both institutions, during the first phase of the merger negotiations, was that they were not kept fully and regularly informed about what was happening. Notwithstanding their original good intentions, the Steering Committee was not able to maintain an adequate communication network as the negotiations proceeded. Consequently, many of those likely to be directly affected by the change felt excluded from the process and disinclined to lend their support to it.

Change leaders should not presume that they are communicating effectively. Throughout the period of change they should be constantly vigilant to ensure that communication networks, in fact, are working. The Steering Committee's activities in this area illustrate how easy it is for what is self-evident in theory to become much less evident in practice.

8.6.1.12 Consultation is important but it must be genuine and not carried to excess.

Staff responses to the question relating to the change principles that they considered most important revealed considerable concern over the need for genuine consultation (Chapter Seven, p. 195). Effective consultation must provide opportunities for meaningful exchange of ideas. It should not be merely a public relations exercise. As well as being genuine, consultation must not be excessive. The Steering Committee became "carried away" with the notions of democracy and inclusion so that the excessive consultation that ensued hindered, rather than facilitated, their efforts to resolve their difficulties. (Chapter Six, p. 150).

It is important that change leaders ensure that consultation is appropriate and genuine.

8.6.1.13 The external environment within which change is taking place requires careful monitoring.

Frequently, factors outside the immediate control of those leading an organisational change impose themselves upon the situation and have to be addressed decisively. The actions of the

Manawatu Polytechnic, throughout the period of the merger negotiations, provide a relevant example of this. In pursuance of their own interests, the Polytechnic sought ways to have the proposed College relocated on the main Massey University Campus (Chapter Five, pp. 135). The culmination of this effort was the Polytechnic's 10 November 1995 proposal to the Minister of Education: that he provide them with funding to enable them to purchase the Palmerston North College of Education's interest on the Hokowhitu Campus. This was strenuously opposed by the College and the University (*loc. cit.*). Only after almost six months of discussion and negotiation between all interested parties was a resolution found that allowed the new College to be established on the Hokowhitu Campus and the Polytechnic to be progressively relocated to a central city site. On 30 April 1996, the Minister announced that an agreement had been reached and that the merger would proceed. (Chapter Five, p. 139).

In all organisational change situations, change leaders need to deal decisively with external events which may influence their own operations.

8.6.1.14 Capitalise on the opportunities that chance events may offer.

During a period of organisational change, even with the very best of planning, chance events will often occur. These can produce "windows of opportunity" to which change leaders need to react.

The chance 1994 "coffee cup meeting" of the four Massey University senior officials is an excellent example of this point (Chapter Six, p. 160). At this meeting, the hand of serendipity showed itself with all four persons discovering that they were of a mind that one more attempt at negotiating a merger should be initiated. The opportunity that this discovery presented was taken, negotiations were resumed and, within a relatively short time, an agreement to merge had been achieved (Chapter Five, p. 128). A chance event had been capitalised on and the histories of two major educational institutions were significantly altered.

8.6.1.15 Preoccupation with details, at the expense of dealing with the bigger issues, should be avoided.

During the first phase of the merger negotiations, over-concentration on some of the finer detail directed attention away from matters of real moment. A number of key players cited this as one of the weaknesses of this phase (Chapter Six, p. 150).

It is important that the distinction between minor and major issues, though not always clear, be attempted and that change leaders focus on matters that are central to the success of the

enterprise. The danger of not seeing the wood for the trees needs to be constantly guarded against.

8.6.1.16 Choice of leadership style has a direct bearing on the change process.

One of the marked differences between the manner in which the proceedings were conducted during the two phases of the merger negotiations concerned the leadership style adopted.

The highly democratic, inclusive leadership style, adopted in the first phase, was seen by many key players as placing severe constraints on their ability to progress the discussions (Chapter Six, p. 150). When the negotiations were renewed, a very clear “top-down” management approach was put in place. A small working party was formed and given precise instructions to prepare a report for consideration by both Councils. Senior officials of both the University and the College had no doubt that the merger would proceed and the Working Party was charged to prepare the path for this to happen.

This experience illustrates the importance of adopting a leadership style most appropriate to the circumstances.

However, while, in this instance, a less than democratic “top-down” management style proved to be effective, this may not have been the case in a different change environment where a “bottom-up” management style, may have been equally, or more effective. Management style must fit the circumstances.

8.6.1.17 Overt reactions do not always reveal covert concerns.

During a time of change, people usually feel extremely vulnerable and many of their deeper concerns are masked by apparently unrelated behaviours. An examination of the official records (Chapter Five, pp. 131-133) revealed a striking example of this. It concerned the matter of the visual identity of the new College and provides an excellent example of the extent to which, during a time of change, matters apparently trivial, can actually be a cover for concerns which are, in fact, very deep and very seriously regarded. Change leaders need to be alert to this possibility.

8.7 In Conclusion

In this chapter, using the structure of the five research questions outlined earlier (Chapter One, p. 4), the “Story of the Merger” as it relates to the negotiation phase has been presented. The full

story will only be available some years from now when the implementation phase has run its course.

The reasons given for the merger, the difficulties the negotiations encountered and why they were eventually successful, have been examined. A basis for future research has been provided by looking at criteria that might be used to judge the effectiveness of the implementation phase and the barriers that might hinder its success. From this examination, seventeen implications have been identified that change leaders should carefully consider when they are embarking upon a significant organisational change.

In the next chapter, the focus of the research is broadened. The “Wider Story” of organisational change is considered and a principle-based theory of change is presented.

CHAPTER NINE

Effective Organisational Change The Wider Story: As A Theory Informs It

The focus in this chapter is expanded from the “Story of the Merger”, as presented in the previous chapter, to the wider story of organisational change generally. On the basis of a detailed case study of one significant organisational change and an extensive review of relevant change literature, a principle-based theory of organisational change is presented. In the exposition of this theory a case is made for a principle-based approach to effecting organisational change and ten fundamental principles are presented and discussed.

Set in the context of educational literature, this theory is what Moore (1974:5) describes as a “practical theory”. As distinct from an “explanatory theory”, it does not aim to explain, but rather, “its primary function is to guide educational practice.” (*ibid*:7). It does not attempt to explain how organisational change occurs but instead suggests how such change might best be managed. Eisner (1979) makes a similar distinction and speaks of “normative” and “descriptive theory”; the former having a practical focus and the latter having an explanatory focus.

From a change management perspective, this theory can be seen as a development of the contingency theory approach to organisational change. In the contingency approach it is recognised that, “no two organisations will face exactly the same contingencies” (Burnes, 1992:39) and, therefore, steps to meet contingencies need to be situationally specific. The theory advanced here recognises this point but adds to it by nominating the general principles that underpin, and are applicable to, all organisational change situations, whatever the contingencies. Viewed in this light, the theory might be described as a “Contingency-Plus” theory, with the “plus” encompassing the principles that apply to all contingencies.

9.1 A Principle-Based Theory For Organisational Change

In its most direct form, this theory can be represented syllogistically as follows:

- **Premise one:** A principle-based approach to bringing about organisational change is potentially more effective than any rule-based, or recipe, approach.
- **Premise two:** There are certain basic principles of change that need attention for organisational change to be implemented effectively.
- **Conclusion:** If these principles are elucidated, understood and applied, then the potential for organisational change to be effectively implemented is greatly enhanced.

9.2 The Theory Explicated

9.2.1 Premise One

In this premise, the claim is made that a principle-based approach to bringing about organisational change is potentially more effective than any rule-based, or recipe, approach.

9.2.1.1 Definitions

A principle-based approach is defined as one in which actions are based upon the application of fundamental principles of change. These principles act as guidelines providing a sound foundation for the change actions that need to be taken. A principle is defined as a guiding idea that informs judgement and action (Chapter One, p. 8).

A rule-based, or recipe, approach is defined as one that bases its actions on the assumption that all organisational change situations are basically the same and, as such, are susceptible to the application of essentially the same basic rules which come in the form of detailed and prescriptive strategies, tactics and techniques that can be universally applied. Different theorists offer different rules, or recipes.

While in a principle-based approach there are common matters requiring attention in all organisational change situations, the manner in which they are dealt with is essentially situationally specific and is based on the judicious application of a set of core organisational change principles.

Principles are ideas and, as such, as Eisner (1979) observes, they are guides, “They are not recipes. One works with them, one does not follow them.” (*op. cit*:273). With this approach, there is no specific recipe for success. What is offered is a foundation upon which each organisational change can be soundly constructed. Such an approach is in itself no guarantee that success will follow. It is a necessary rather than a sufficient condition for this success to occur.

Effectiveness, in this context, refers to the achievement of the goal or goals which the change was designed to achieve (Chapter One:8).

9.2.1.2 Approaches Compared

(a) A Rule-Based Approach To Organisational Change

(i) Advantages

Three advantages for a rule-based approach to organisational change can be proffered. The approach:

- Provides very clear implementation instructions,
- Is generally economical in terms of time involvement,
- Provides a secure framework from which to operate.

While clarity of procedure, economical use of resources and security of operational environment are all commendable attributes in any change situation, by themselves they are neither necessary nor sufficient conditions for this approach to be adjudged valuable. In making this judgement, the key question to ask is, “Have the change objectives been achieved with the minimum expenditure of time and effort and the minimum of financial and social cost?” With a rule-based approach, this question is most unlikely to be answered in the affirmative.

(ii) Disadvantages

An overall prescriptive approach does not suit change situations. By definition, change involves variation, and rules, although having their place in a controlled and static environment, are not equipped to deal with this variation. A rule-based approach to organisational change cannot take into account the uniqueness of each situation, nor can it successfully adapt to unanticipated changes that may occur. It is unrealistic to expect that it could.

Table 32: A Rule-Based Approach To Organisational Change

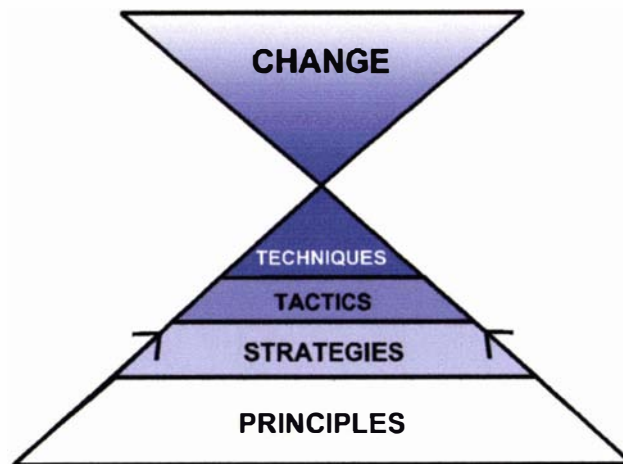
Advantages
1. Provides very clear implementation instructions.
2. Is generally economical in terms of time involvement.
3. Provides a secure framework within which to operate.
Disadvantages
1. Has very limited potential for generalised application.
2. Is not equipped to adapt successfully when a situation changes.

(b) A Principle-Based Approach To Organisational Change

(i) Advantages

Having a set of principles to follow establishes a point of reference from which change can be initiated and against which change actions can be measured. These principles identify the key elements and provide useful indicators of steps that need to be considered in attending to them. They do not provide a detailed prescription of the action required. This comes in the form of the strategies, tactics and techniques that are appropriate for each unique change situation. Strategies are the overall plans that are formulated to bring about the change. The tactics indicate how these plans are going to be approached and techniques detail the particular means to be used to convert the tactics into action.

For a change manager, or leader, coming into an organisation with the mandate for organisational change, the initial strategy adopted might be that of taking time to identify and understand the underlying culture of the organisation. The tactics employed to do this might consist of scheduling times for familiarisation with the workings of the various sections of the organisation. The particular technique for obtaining an insight into the norms, beliefs and practices that underpin the culture might be to adopt an open, non-judgmental approach, where the people of the organisation are invited to explain what they do, what they see as the history of the organisation and what improvements they could suggest. The closer these measures relate to the base principles, the greater the likelihood of their being successful. The progressively focused nature of this approach is represented diagrammatically in Figure 1.

Figure 1: The Role Of Principles

In this model, the foundation for action is provided by adherence to the relevant principle. From this principle, an overall strategy is devised and appropriate tactics and techniques are applied to operationalise the strategy.

In addition to providing the foundation for change action and a reference point for change actions to be evaluated, a principle-based approach has the advantage of being applicable to all organisational change situations. While no two organisational change situations are ever identical, they all have common elements. Applying principles to these common elements allows a wide variety of change situations to be constructively handled.

A principle-based approach creates opportunity for innovative and divergent solutions to be found to intractable problems. Following a principle, rather than a prescription, allows room for, and indeed encourages, solutions to be found to unanticipated problems that occur. It encourages “thinking outside the square” whereas a heavily prescriptive approach could be rendered inoperative as it has no firm basis from which to generate alternative solutions.

(ii) Disadvantages

It needs to be acknowledged that a principle-based approach to organisational change is not a panacea for all associated ills. It does have disadvantages, although the extent to which these disadvantages are imagined rather than real is a matter for debate. For some people, a principle-based approach to organisational change does not provide sufficient guidance. They favour a more prescriptive approach where guidelines are more clearly defined and an effective outcome depends less on individual competence and attitude. It is conceded that a principle-based approach may not suit everyone. However, this tends to beg the question of the suitability of

such people as leaders for the task of organisational change, rather than the suitability of the approach for the task.

A principle-based approach can be seen as overly time consuming to operate but the substantial investment in time promises a sizeable return for the time invested. Using the principles as a point of reference from which to generate appropriate strategies, tactics and techniques takes longer than following a given prescription but the results are commensurately more valuable. The real question is not, “How long does it take to apply?” but rather, “What does it achieve?”.

These perceived advantages and disadvantages of this principle-based approach to organisational change are shown in Table 33.

Table 33: A Principle-Based Approach To Organisational Change
Advantages <ol style="list-style-type: none">1. Provides a foundation upon which change actions can be based.2. Provides a reference point against which change actions can be evaluated.3. Can be applied to all organisational change situations.4. Allows for innovative solutions to individual change problems.
Disadvantages <ol style="list-style-type: none">1. May not provide sufficient guidance in some situations.2. Could be overly time consuming.

9.2.1.3 Assessment

When the advantages and disadvantages of these two approaches are reviewed, the case for accepting Premise One (*op. cit*:273) is strong. The principle-based approach has a much wider application than a rule-based approach. It is more adaptable to the variations of specific change situations; it provides a robust foundation upon which to build a tailored plan of action and it provides reference points against which actions can be measured.

A rule-based approach, however, by its very nature, is much more prescribed and limited in value to a narrow range of applications. If changes occur, or the situation differs greatly from that for which the rules were designed, then its effectiveness diminishes markedly.

To return to the culinary metaphor employed earlier (Chapter One, p. 2), a rule-based approach to organisational change would be appropriate if all organisational changes were identical and each change situation required the same basic ingredients and in the same relative proportions. Unfortunately, this is not the case and each organisational change demands its own particular ingredients in its own particular mix.

9.2.1.4 Support From The Change Literature

Considerable support for this principle-based approach to organisational change is to be found in the change literature. Fullan and Miles (1992) observe that, “Change is a journey, not a blueprint... There can be no blueprint for change, because rational planning models for complex social change (such as education reform) do not work. Rather what is needed is a guided journey.” (*ibid*:749).

Conner (1998) makes a similar point when he notes that, “Patterns and principles, not rules, are the key. Human transformation is too complex to be described by a set of rigid laws.” (*ibid*:10). Instead of relying on a rule-based approach, he declares, “Acknowledge the complexity of change by focusing on these patterns and principles for your direction.” (*loc. cit.*). Senge (1994), likewise, declares that what is required in effecting change, is “Not a cookbook, but a set of principles and guiding practices.” (*ibid*:9).

Concern however, that principles may not apply readily across a range of diverse change situations, was both raised and resolved by Kanter (1990). Initially, being an advocate of “contingency theory”, and concerned with organisational change in the business sector, she worried about violating her own principles by looking for commonalities in different business situations. Upon reflection, however, she realised that she was looking at, “Broad trends and broad strategies that hold true across many industries, however, the specific ways the strategies are interpreted and used clearly depend on each company’s history, environment, and current situation.” (*ibid*:12). Later, she supplemented this stand by declaring that:

The appropriate way of thinking about change implementation has less to do with obeying “commandments” and more to do with responding to the “voices” within the organisations, to the requirements of a particular situation, and to the reality that change may never be a discrete phenomenon or a closed book. (*ibid*:391)

Application of appropriate change principles provides the basis for these “voices” to be addressed.

9.2.2 Premise Two

In this premise, it is asserted that there are certain basic principles that need to be applied for organisational change to be effective. The question arises, “What are these basic principles?” Change literature provides a variety of responses. Pugh (1986) provides four principles for dealing with organisational change, highlighting the fact that organisations are organisms and not mechanisms which can be taken apart and reassembled as required. The Price Waterhouse Change Integration Team (1995) presents a group of fifteen principles to guide the implementation of organisational change. These include the need to confront reality, to focus on strategic contexts, to communicate effectively, to think big and to build a powerful case for the change. Land and Jarman (1992), speaking of the power of what they call “Future Pull”, suggest that developing a vision, being committed to it and being willing to follow an unknown path, are all important principles of change. Other writers, (Huse, 1985; Kilmann, 1989; Kirkpatrick, 1993; Jick, 1993; Covey, 1992, 1994, 1997) offer their list of principles involved in facilitating effective organisational change.

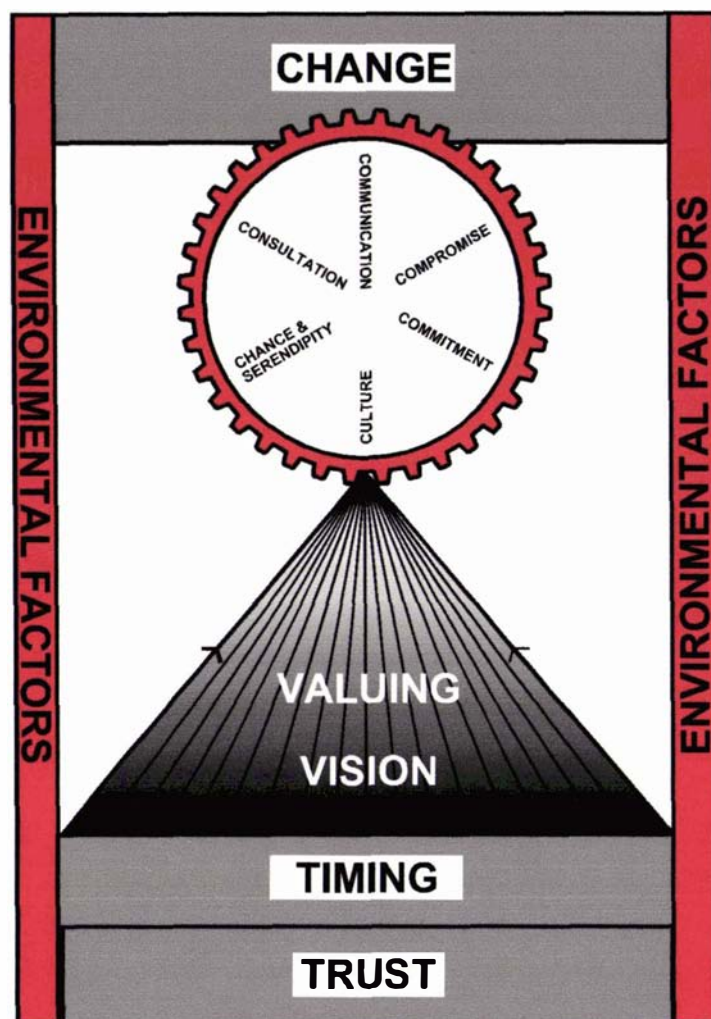
Mindful of the insights which change literature has to offer, the present study identified ten basic principles. The writer argues that these are the key principles that form the foundation upon which successful organisational change can be achieved.

9.2.2.1 *The Principles*

Using grounded theory methodology, four main principles were initially induced from the assembled data. During the course of the research, this number expanded to six, then to twelve. Next, the number was reduced to nine, then finally rested at ten. (Chapter Four, pp. 97-104, *The Path To A Modified Grounded Theory*).

The first four principles identified were coded as Vision, Communication, Valuing, and Consultation. Further input from staff resulted in Timing and Trust being added. Responses from the key players and reference to relevant literature revealed a further six principles worthy of consideration: Commitment, Courage, Continuity, Culture, Compromise and Consistency. Further reflection reduced this number to nine as Courage was subsumed under the Commitment principle, Continuity was subsumed under Culture and Consistency under Trust. Following discussion at a staff seminar, the principle of Chance and Serendipity was added, making a total of ten principles as the basis for the theory which was being formulated. These principles are presented diagrammatically in Figure 2.

Figure 2: A Principled-Based Model



9.2.2.2 Principles Stated In Essence

- **Trust:** A climate of trust needs to be developed and maintained.
- **Timing:** The importance of appropriate timing needs to be recognised and addressed.
- **Vision:** A clear vision needs to be enunciated and shared.
- **Valuing:** All persons need to be valued and respected as individuals in their own right.
- **Communication:** Appropriate channels of communication need to be established and maintained.
- **Consultation:** Genuine and relevant consultation needs to occur.
- **Culture:** Organisational culture needs to be recognised and managed.
- **Compromise:** Recognition needs to be given to the appropriate role of compromise.
- **Commitment:** A high level of commitment to the change needs to be maintained.
- **Chance and Serendipity:** Attention needs to be given to unanticipated but relevant factors that may arise during the course of the change process.

No claim is made that the principles advanced for effecting organisational change are the only ones that could be adduced. What is claimed is that, as they represent the core principles that need to be followed in the organisational change process, they warrant careful consideration by people seriously engaged in any organisational change activity. These principles were derived from a detailed examination of a major organisational change involving two tertiary institutions and an extensive examination of relevant change literature. It is claimed that their presentation offers a further increment to the understanding and implementation of effective organisational change.

9.2.3 Conclusion

The theory presented here concludes that, if the cited principles are elucidated, understood and applied, then the potential for an effectively implemented organisational change is greatly enhanced. While the argument presented does not permit the comfort of deductive certainty, the evidence in the forgoing premises suggests that such a conclusion is justified. The remainder of this chapter is devoted to the elucidation of the principles that have been identified as being central to this theory.

9.3 The Principles Elucidated

9.3.1 The Trust Principle

A famous tightrope walker successfully made his way across the Niagara Falls on a single wire stretched high above the Falls. Turning to the crowd he asked:

“Do you think I can return across this rope wheeling a wheelbarrow?”

The crowd in unison roared, “Yes”

“Great” the tightrope walker replied. “Then who will volunteer to sit in the barrow?”

The crowd was silent.

A climate of trust needs to be developed and maintained.

The application of this principle is fundamental to all organisational change endeavours. It is the foundation stone upon which the structure of change is built. In the absence of a climate of trust, as occurred during the first phase of the merger negotiations, the probability of a successful organisational change being effected is extremely low.

Change literature is both united and emphatic about the place of trust in the change process. For Bennis and Nanus (1985), “Trust is the lubrication that makes it possible for organisations to work” (*ibid*:43) while, for Covey (1994), “Trust is the glue of life.” (*ibid*:203). It is this trust that creates the environment where all the other elements of change can flourish. It is not given unreservedly but must be earned. Once earned, it cannot be taken for granted but, as Harrison and MacIntosh (1989) note, it must be carefully watered and nurtured (*ibid*:106). Pritchett (1987) warns that the considerable effort put into the constructive building of trust can be demolished very quickly by untrustworthy behaviour. (*ibid*:38).

To gain trust, one has to be “trustworthy” oneself. This trust must be reciprocal. Hazeldine (1998) observes that, “People who are systematically not trusted will eventually become untrustworthy.” (*ibid*:216). In any organisational change this situation is one that needs to be strenuously avoided, for both ethical and pragmatic reasons.

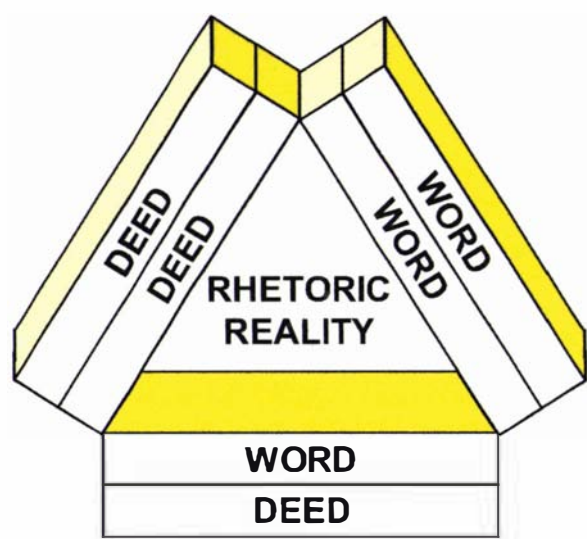
Should trust be lost, the consequences for effecting change can be counter-productive. This is well illustrated by the College-Massey merger proceedings where elements of distrust emerged at an early stage in the negotiations. These elements progressively developed and played a major part in the abandonment of phase one of the negotiations, eventually eroding what little trust remained. The extent of this loss of trust was revealed by one key player when he declared that he didn’t think there was good faith on the part of one of the negotiating teams, except for possibly one person. While the accuracy of this assessment is open to debate, the fact that it was made, in all sincerity, highlights the crucial role that trust plays in the change process.

Evidence from the change literature and from the merger study (Chapter Six, p. 177 and Chapter Seven, pp. 196-197) suggests that, to give effect to this principle of trust, there are at least five conditions that must be met, each of which is necessary but which, by itself, is not sufficient for trust to be secured.

9.3.1.1 Condition one: Consistency

Trust arises from the development of trustworthiness which ensues, in part, from a consistency of word and action. People are viewed as trustworthy if they can be relied upon to be consistent; if they are seen to be consistent in word and action; and if they act in a similar fashion in similar situations. Consistency ensures that there is no discrepancy between the “rhetoric” and the “reality”. Figure 3 illustrates this feature diagrammatically.

Figure 3: The Rhetoric Reality Triad



A threefold relationship exists between what is said, “the rhetoric”, and what is actually done, “the reality”. Deeds need to line up with deeds, words with words and deeds with words. Where this relationship breaks down, trust is put at risk.

9.3.1.2 Condition Two: Honesty

Being consistent is not a sufficient condition for trust to develop. Honesty is also required. There was a strong feeling that, during the first phase of the merger negotiations, this condition was not being met (Chapter Six, p. 155 and Chapter Eight, pp. 231-232), resulting in a markedly negative effect on the negotiations.

9.3.1.3 Condition Three: Openness

It is not sufficient just to be honest, one must be seen to be so. Openness can lay to rest any suspicion of distrust. Early in phase one of the merger negotiations, it became apparent that this level of openness was not present and that a growing sense of distrust was developing.

9.3.1.4 Condition Four: Fairness

If people are to be trusted then their actions need to be seen to be fair. Perceived unfair treatment erodes willingness to trust.

9.3.1.5 Condition Five: Competency

People need to be regarded as competent if they are to generate a relationship of trust. It is unlikely that one would place trust in a consistent, honest, open, fair and demonstrably incompetent person. Trust and incompetence are incompatible bedfellows.

For organisational change to have a prospect of success, all these conditions for the establishment and maintenance of trust must be satisfied. As Hazeldine points out, (*op. cit.*) trust is an essential element of the social capital of an organisation and, as such, it is a resource; like physical or human capital, that cannot be squandered or used carelessly. Kirk (1997), referring to the importance of this trust and the reciprocal trust that must exist between change leaders and those being led, has some pertinent advice for those leading organisational change. Speaking of legitimate authority, he observes, “And this seems to me to be the essence of leadership (except in times of successful revolution); leadership must proceed from legitimate authority. People must know you and trust you - as you know and trust them.” (Kirk, 1997:165).

9.3.2 The Timing Principle

There is a tide in the affairs of men which, taken at its flood, leads on to fortune.
Omitted, all the voyage of their life, is bound in shallows and in miseries.
(Shakespeare, Julius Caesar)

The importance of appropriate timing needs to be recognised and addressed.

The timing principle is another foundation change principle that requires serious attention. Change literature makes much of the need to consider carefully the timing element in any change operation. Pfeffer (1992), examining the matter of timing, declares that, with respect to change, “Timing is (almost) everything”, (*ibid*:227) while Conner (1998) speaks of it as being, “the crucial variable” in the change activity. Other writers attach similar significance to this key element of the change process.

Findings from the merger study also reveal the need to attend carefully to matters of timing. All key players indicated its importance in any organisational change. Insufficient regard for the element of timing during the first phase of the negotiations led to the proceedings being seriously impeded by failure to sustain the momentum of the discussions. Matters were allowed to drift (Chapter Eight, pp. 221-222) to such an extent that eventually the whole process ground to a halt. (Chapter Five, p. 128).

Considerations of the timing principle indicate a number of important dimensions that must be regarded if this element in the change process is to be well handled.

9.3.2.1 *When To Initiate Change*

First, there is the question of when to initiate a change. Pfeffer (1992) notes that, “Issues and events have the quality of ripeness - there is a time to act and a time to delay.” (*ibid*:244). “Actions that are well timed may succeed, while the same actions, undertaken at a less opportune moment, may have no chance of success.” (*ibid*:227). One key player, who laid great emphasis on the concept of readiness for change, believed that it was essential that, “*allowance for this concept be factored into any change implementation plan.*” (KPM25).

The necessity for those responsible for change to cultivate a sense of timing in order to introduce change at the right moment, is also emphasised by Farmer (1990) while Pritchett (1987) uses the metaphor of “The Time Window For Change” to make a similar point. Frequently, Pritchett observes, a window of opportunity develops for an organisation considering change and, “If that opportunity is not seized the window soon slams shut, or gradually slides shut, as the case may be.” (*ibid*:99). Application of the timing principle ensures that appropriate action is taken while the window still remains open.

9.3.2.2 *Pace Of Change*

As well as deciding when to initiate change, organisational leaders have to consider at what pace to proceed. Connor (1998) makes this point well:

Knowing when to push and when to ease back, recognising when the time is right and when other actions have finally met their goal are all part of timing and are important to successful change. All “correct” actions can be taken but if not at the proper time, they will not have the anticipated results. (*ibid*:130)

Change literature stresses the point that significant organisational change takes time, often considerable time. Change leaders should keep this point in mind.

One of the most important findings of the study by Ramsay and associates (1993) was that participants were more open to the idea of, and the need for, change when they had adequate time to discuss change. Numerous other researchers agree. Wilkins (1989) points out that, “Creating a new history will, of course, take time. There is no alternative.” (*ibid*:20) and Harvey-Jones (1988) declares that, with significant change, “Five years is absolute par for the

course of changing attitudes and even then that is only achievable if one is moving well within the established grain of thinking.” (*ibid*:280). Deal and Kennedy (1988) observe that, “Many managers underestimate the time it takes to achieve real and lasting change in an organisation.” (*ibid*:158). They advise that there is no substitute for allowing enough time for change to take hold. Belasco (1992) suggests, “Organisations are like elephants-slow to change.” (*ibid*:2).

These statements, to a degree, beg the question of what constitutes adequate time. There is no easy answer to this question, as each change situation must be considered on its merits. Arising from the merger study, there are, however, some general guidelines helpful for those responsible for organisational change.

(a) Take care to assess the momentum of the change process.

For change to occur, momentum is required both to initiate it and to maintain it. If this momentum is too slow, then the change is likely to stall and the whole enterprise is likely to grind to a halt. If the momentum is excessive, then the change is likely to outpace many of those whose support is vital for the success of the venture. Both situations are to be actively avoided. Staff responses highlighted the difficulties in achieving this balance (Chapter Seven, pp. 195-196).

Phase one of the merger negotiations fell victim to the first of these dangers. For a number of reasons, the pace of the negotiations slowed to such an extent that momentum was lost and the change process drifted, faltered and, eventually, fell over completely. More careful attention to monitoring the pace of the process may have revealed what was happening in time to have done something about it. A simple and useful, question for change leaders to keep in mind is, “Is the current pace of change appropriate?”.

(b) Check to see if there have been any modifications of the change vision that might require adjustments in the timing of the change process.

A feature of valuable visions is that they are flexible and capable of appropriate modification in changing circumstances. If more time is required then the pace of change needs to be slackened. When the vision becomes less comprehensive, less time is required and the pace of change can often be quickened appreciably and productively. All situations require careful reflection and flexibility to allow, when necessary, for original timetables to be adjusted to take into account the changed environment.

(c) Identify, and align with the envisioned change, the “opinion leaders”, or “critical persons”, in the organisation.

In all organisations, not necessarily in positions of responsibility, there are a core of people who hold the respect and support of the majority of the organisation’s staff. Because of their significant influence on the workings of an organisation, in a time of change, it is particularly important that these people are identified and, where possible, aligned with the envisioned change. If the support of these “critical persons” is obtained then the chances of successfully implementing the change are greatly increased. During the first phase of the merger negotiations, no real attempt was made to identify these “critical persons” and the process became so democratic and inclusive that progress was severely constrained. In the second phase, the senior executives of both institutions became the “critical persons” and their alignment with the envisioned change was crucial in bringing it to fulfilment.

(d) Make an assessment of the overall level of support for the change.

As well as “critical persons”, there is also a “critical mass” of support that must be considered in any change situation. During the unfreezing, restructuring and refreezing phases of change, (Chapter Two, pp. 17-18) there has to be a sufficiently strong level of support at each stage to allow the change process to proceed. Change leaders must assess this level of support and decide if a “critical mass” has been obtained.

What constitutes a “critical mass” will vary from situation to situation and it is most unlikely in any organisational change for there to be total support for the change being promoted. Different people will “come on board” at different times and some will never do so. Change leaders aware of these differing degrees of support will be prepared to act when they feel support is at a level that makes it highly likely the change can be, or cannot be, implemented. The notion of a “critical mass” reminds them of this point.

(e) Act decisively.

Having ascertained the level of support that the change has received, it is important to act decisively. If a “critical mass” of support has been established then it should be capitalised promptly. Delay can be counter-productive and can allow opponents of the change time to exert undue and unhelpful influence on the proceedings. Carr (1997) graphically states the case. “The fire of opponents is much less accurate if they have to shoot at a moving target.” (*ibid*:180). Some staff members (Chapter Seven, p. 195) expressed a similar view, suggesting it was best to,

“Press ahead with a working consensus”, so that, once a change had been decided, “it should not be allowed to linger and fester”.

9.3.2.3 *When To “Walk Away” From The Change*

If a “critical mass” of support has not been reached then it must be decided whether to seek further support for the change or to call the whole process to a halt and “walk away”. Both wisdom and courage are necessary here. Wisdom is required in order to ascertain correctly the state that the change process has reached. While it is unwise to bring the process to a halt prematurely because of some temporary difficulty, it is equally unwise not to recognise that insuperable problems have presented themselves and that any further progress is not realistically possible.

Just as it takes courage to continue to strive for success in spite of major problems it also requires courage to recognise and accept defeat. When it is obvious that no further progress is possible, steps need to be taken to bring the process to an end. Preparedness to accept this outcome, to accept that the considerable time, effort, resources and emotional commitment invested in the project have come to naught, requires considerable courage. It is never easy to make a public declaration of failure. In the case of the first phase of the merger negotiations, neither of these qualities was demonstrated. The proceedings, moribund for some time, “dragged on” for three and a half years before a “face-saving reason” (Chapter Six, pp. 156-159) was found to bring them to a halt.

9.3.3 **The Vision Principle**

“Would you tell me please, which way I ought to go from here?” said Alice.

“That depends a good deal on where you want to get to.” said the cat.

“I don’t know where...” said Alice.

“Then it doesn’t matter much which way you go.” said the cat.

(Lewis Carroll, *Alice In Wonderland*)

A clear vision needs to be enunciated and shared.

Vision can be seen as the mental picture of both the object of the change and the means whereby that object is to be obtained. It is an imaginative perception of the change outcome and how it will be effected. Change literature has a great deal to say about the importance of this element of the change process (Chapter Two, pp. 19-26). There is widespread agreement that the formulation of a clear, well articulated vision is a necessary precondition for successful change.

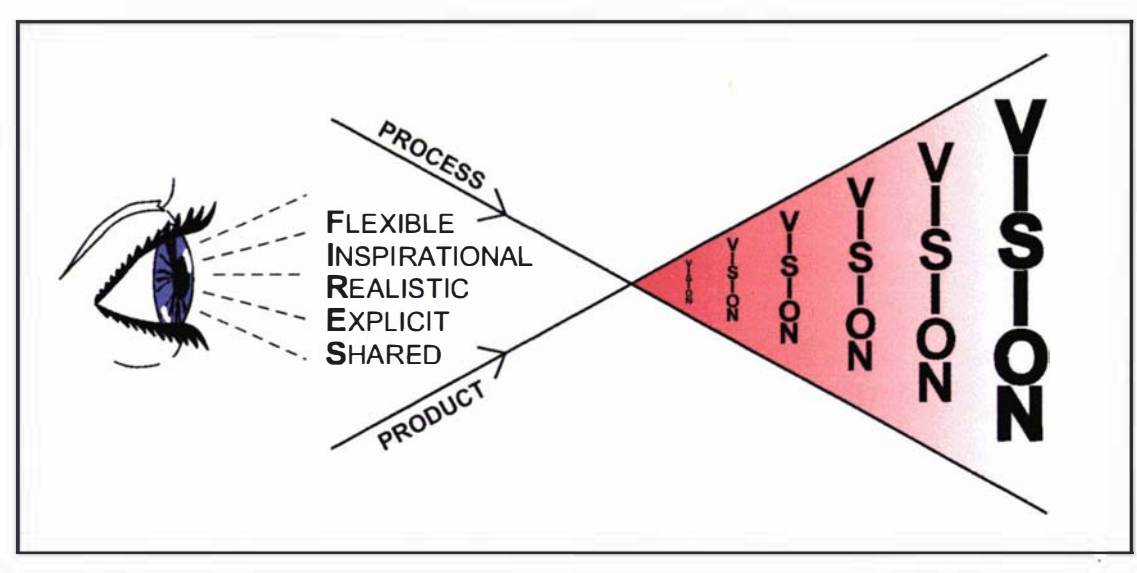
The Vision Principle acknowledges this point and gives some lead as to how this vital aspect of the change process can be addressed.

During the first phase of the merger negotiations, there were clear limitations in the way this aspect of change was managed. In the light of subsequent events, criticisms from some staff and key players (Chapter Six, p. 149), suggesting that a fully articulated, well reasoned vision, was never really presented, are well founded.

This became most evident during the handling of the Programme Sub-Committee’s Draft Report (Chapter Eight, pp. 222-223). At this time, it became apparent that there was considerable difference of opinion between key players as to what the envisioned programme should look like and what the process involved should be. A clear vision had never been articulated and agreed. This failure seriously limited the progress of the negotiations.

On the basis of understandings gained from the merger negotiations, the Vision Principle presents five criteria for consideration as guidelines for the formulation of effective organisational visions. These are represented diagrammatically in Figure 4 and then elaborated in more detail.

Figure 4: Criteria For Effective Visions



9.3.3.1 Visions need to be flexible

While effective visions need to state their intentions clearly, they should retain a degree of flexibility that allows them to adapt their shape should circumstances change significantly. One

key player (KPC30) used the metaphor of a shell in describing the nature of a vision. The shell, he suggested, establishes the broad outline of the vision but within it are structures to allow for any development that may need to be taken into account.

Paradoxically, visions need to be, like the mast of a yacht, at the same time “both firm and flexible”, prepared to be modified when necessary but not diverted from their main course. Wallace (1992) refers to this flexibility of planning as, “perhaps an oxymoron” (*ibid*:16) in that flexibility implies the ability to respond rapidly to changing circumstances, whereas the notion of planning suggests a more structured design.

Massaro (1991), using a nautical metaphor, warns of the need for visions to be carefully planned and yet to retain their flexibility. He advises, “You must plan and you must agree on your objectives, but don’t so over design your life jacket so as to turn it into a strait jacket.” (*ibid*:148). Massie (1991) sums up the situation by observing that the value of planning diminishes as matters become more complex and, hence, “Adherence to a plan deprives you of the flexibility which you need if you are to ride the course of events... You must have a goal... but to achieve it nothing is more important than that you retain fluidity of thought.” (*ibid.* in Massaro).

9.3.3.2 *Visions Need To Be Inspirational*

To assist in the change process, visions must have the ability to inspire the commitment of those people who are to be involved in the change activities. Visions need to be exhilarating so that they excite people to consider the possibilities that lie ahead and desire to be part of them. As Senge (1994) has said, effective visions are those that create the spark that lifts an organisation from the mundane and engenders excitement about the future. Visions can be the key to mobilising support.

For this to happen, those leading the change must themselves be inspired by the vision, be genuinely committed to achieving it and be sensitive to the impact it will have on the lives of all those people involved. In the first phase of the merger negotiations, because these conditions did not operate, commitment to the merger, by some key players, was never more than equivocal. (Chapter Six, pp. 154-155 and Chapter Eight, pp. 229-231) During the second phase, this lack of commitment was redressed (Chapter Eight, p. 235) and it was a crucial factor leading to the final success of the negotiations.

9.3.3.3 *Visions Need To Be Realistic*

At the same time that visions need to be inspirational, they also need to be realistic. The path to attaining them, and the resources required, should be carefully considered. This does not imply that tight, practical constraints should be applied in the initial stages of formulating a vision. Rather, it means that, when all the creative and divergent ideas have been assembled, the criterion of realism needs to be used so that, without losing the excitement of what might be possible, the vision that emerges is not a wishful fantasy but one which represents, as Yukl (1998) points out, “an attainable future grounded in the present reality.” (*ibid*:443).

9.3.3.4 *Visions Need To Be Explicit*

For visions to be useful, they need to be sufficiently explicit to ensure they are clearly understood. Explicit visions provide a strong sense of direction. One key player (KPM25) suggested that, to ensure this level of understanding, the vision should be repeated in various formats.

This degree of explicitness was absent during phase one of the merger negotiations (Chapter Eight, pp. 222-223), contributing significantly to its failure. Change leaders would do well to heed this lesson. Without going into specific “blueprint details”, the vision they articulate should be sufficiently explicit to allow all people involved to understand and react to it in a considered fashion. Visions act both as goals and guides. If they are not sufficiently explicit then they function as neither.

9.3.3.5 *Visions Need To Be Shared*

While there is some debate in change literature as to the most productive process for arriving at a vision (Chapter Two, pp. 23-25), there is none as to the necessity for a change vision to be shared by as many of those involved as possible. Responses from both key players (Chapter Six, p. 165) and staff (Chapter Seven, pp. 193) strongly support this position. The more the vision is shared, the more the likelihood there is of achieving it. Where a vision is not widely shared, the chance of the change being easily effected is severely constrained.

To have as many people as possible share the organisation’s vision, change leaders need to recognise two important factors that influence people’s attitude towards a change: self-interest and the interest of others.

(a) Self-Interest

When faced with impending change, people's natural reaction is to ask "How will this affect me? What will I stand to gain from it? What will I lose?" Their self-interest in the change process is of paramount importance to them. Before committing themselves they need to have reassuring answers to these questions. They are more likely to share in the vision, and work constructively to assist its attainment, if they are convinced that their interests have been considered and will be protected.

(b) The Interests Of Others

People generally are not motivated solely by self-interest. In an organisational change situation, they consider the effect of the proposed change on others. If the change seems logical and promises to benefit everyone, then this becomes a compelling reason for lending support to it.

When both these factors are taken into account, and change leaders work with, not against, the interest of the people most directly involved, empowering visions are likely to result. Such visions, as Belasco (1992) observed, "do not come from the mountain top - engraved in stone. Rather they are shaped - crafted-developed in co-operation with those who will live them." (*ibid*:119).

9.3.4 The Valuing Principle

He aha te mea nui o te ao?
He tangata. He tangata. He tangata.

What is the most important thing in the world ?
People. People. People.

(A Maori whakatauki-proverb).

All persons need to be valued and respected as individuals in their own right.

One of the most common declarations of change literature is that, in all change situations, people, not structures or systems, are the most significant element to consider (Chapter Two, pp. 32-36). Repeatedly, it is stressed that people are the gatekeepers of change and that it is their response to any contemplated change that is crucial to its ultimate success or failure. The Valuing Principle highlights this "truth" and reminds change leaders of their responsibilities in this area.

In all organisational change situations, dealing with the human face of change needs to be a priority. All people involved in the change need to feel valued as individuals, respected and having a place in the overall scheme of things. They should know they are not just “heads and hands” but are also “hearts and souls” with definite and worthy feelings. Regardless of their position, or their likely contribution to the change process, they need to be acknowledged as individuals who matter. There are both ethical and pragmatic reasons for attending to this need.

The ethical reasons relate to the dignity of human life and individual worth. Whatever their station in life or potential to contribute, people are worthy of respect and consideration. Fullan and Miles (*op. cit.* Chapter Two, p. 34) stress that those leaders, who disregard the human face of change and ignore the dignity and worth of those being affected, are, in fact, expressing profound contempt for the meaning of lives other than their own. Regardless of the value of their contribution, a person’s own value must be recognised. This is an ethical imperative.

The pragmatic reasons for valuing and respecting all persons involved in a change relate to the practical benefits that accrue from such an approach. People who feel good about themselves, who feel they are valued and that their concerns and contributions are worthwhile, are more positive in their approach. During a time of significant organisational change, it is vital that their willingness to contribute is established and nurtured. In sociological terms, this can be viewed as the building and harnessing of the social capital that exists within the organisation. (Hazeldine, *op.cit*:94). Through sensitive utilisation of this capital, the change process can be facilitated with greater ease.

In expressing their views on the principles that need to be followed for organisational change to be accomplished effectively, key players and staff gave strong support for this position. The key players (Chapter Six, pp. 171-172) spoke of the need to give attention to “the people thing” and to allow people to have their voices heard and respected. Staff emphasised the need to create an atmosphere where opinions and feelings mattered and where steps were taken to ensure that people remained intact as people. (Chapter Seven, p. 194).

A cautionary note for change leaders is offered. It is important to observe that, in expressing their value of, and respect for, all the members of their organisation during a time of change, leaders need to be both genuine and seen to be so. In dealing with their workforce, they need to be absolutely honest and show that, while they may have to make some difficult and unwelcome decisions, they do care for the members of their organisation. Where this is not the case, where the declarations of concern and respect are perceived to be counterfeit, the reaction can be counter-productive.

9.3.5 The Communication Principle

The root cause of almost all people problems is the basic communication problem. People do not listen with empathy. They listen from within their own autobiography. (S. Covey, 1992:45)

Appropriate channels of communication need to be established and maintained.

Most, if not all, change literature testifies to the importance of effective communication and it insists that the establishment and maintenance of protocols is essential (Chapter Two, pp. 39-41). There is general agreement that, "Communication is still, at all levels, a fundamental problem in human society." (Holcroft, 1985:45). People can live with change if they are kept well informed about what is happening and what is planned. When communication lapses, they become concerned and distrustful. Speculation leads to rumours, rumours quickly become fact and a general air of uncertainty prevails. As Kanter (1990) observed, (*ibid*:62), during a time of change a "window of vulnerability" opens up. Effective communication, that which is transmitted unambiguously to the receiver and is fully understood, helps close this window.

During the first phase of the merger negotiations, deficiencies in the communication protocols manifested themselves and contributed in no small measure to the overall difficulties that were experienced. Reflecting on these negotiations, and on organisational change in general, both staff and key players highlighted the importance of effective communication. Staff (Chapter Seven, pp. 193-194) declared that it was essential for those involved to be kept fully informed of what was going on and to be apprised of what was being planned in the immediate future. They pointed out that, in any significant organisational change, there is likely to be considerable institutional grieving but, with effective communication, this can be minimised. Key players endorsed staff concerns (Chapter Six, p. 172). One person said that she had been saying this for twenty years and insisted that, while the survival process of change was going on, what was vitally important was, "*Communication. Communication. Communication.*" (KPC7). Another person (KPC2) noted that, because of the absence of communication during the first phase of the merger negotiations, progress was severely constrained.

The merger experience and relevant change literature suggest that change leaders would find the following three questions useful guides to ensuring effective communication.

- What should be communicated?
- When should this communication take place?
- How best should this communication be delivered?

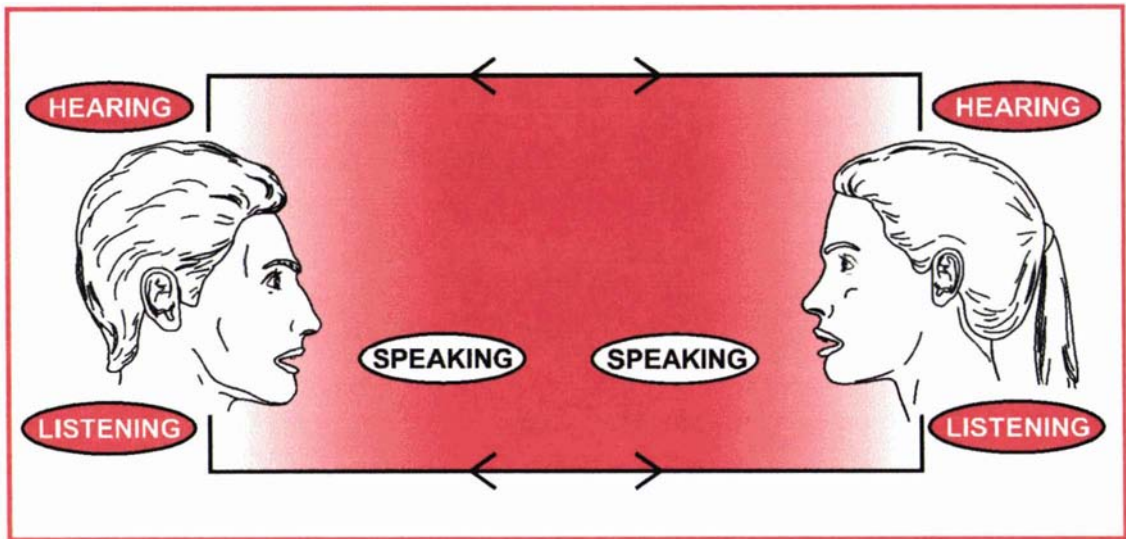
When answering the first question, it may be that, although the general rule is for communication to be open and unrestricted, there are times when matters of personal or commercial sensitivity indicate the need for some constraints. When members of an “organisation-in-change” feel that they are not party to what is going on, they can rapidly become concerned, suspicious, and uncooperative; but where negotiations involving outside confidentiality cannot be assured, a decision to withhold information may be in the best interests of all.

The general response to the second question is that communication should be continuous. Sometimes the need for communication is not so pressing. However, where those involved in the change can legitimately claim to have been uninformed about some matter that directly affects their future, such situations should be avoided by establishing and maintaining appropriate communication protocols.

The best method for communication delivery depends on circumstances at the time. For oral communication, change leaders may choose either an individual, face-to-face approach, or a more comprehensive, group approach. Appropriate written communication can be by personal letters to individuals or by e-mail to all staff. The specifics of each situation will determine which option is appropriate. All approaches have strengths and limitations. In the oral situation, body language often conveys a contradictory and more powerful message than the words being used. In the written situation, words can be misinterpreted and give an impression of finality that can be difficult to dislodge. These limitations need to be carefully considered.

When dealing with these three questions change leaders need to be sensitive to the fact that communication is a two-way process. As leaders of change they need to be receivers as well as deliverers. Effective protocols for promoting communication help ensure that this two-way transaction occurs.

In the oral situation, communication involves three elements: speaking, listening and hearing. Not only must the communication be listened to, but it also must be “heard”; that is, it must be “decoded” and comprehended. If it is not listened to, or is listened to but not “heard”, then effective communication has not occurred. The complementary relationship of these three elements is illustrated in Figure 5.

Figure 5: The Three Elements Of Communication

9.3.6 The Consultation Principle

A wise man is strong; yea, a man of knowledge increaseth strength. For by wise counsel thou shalt make thy war: and in multitude of counsellors there is safety. (Proverbs, Chapter 24, verses 5 & 6)

Genuine and relevant consultation needs to occur.

Consultation is the process of seeking the ideas and opinions of others in order to make more informed decisions. Consultation is an essential element of any organisational change. Change literature writers (Chapter Two, pp. 41-44) emphasise its vital role, and staff and key players involved in the merger negotiations also placed great importance on it. Staff required that consultation be genuine with those consulted having their concerns and suggestions fairly considered (Chapter Seven, p. 195). As one staff member observed, “Consultation after the event breeds a healthy cynicism in the consultees”. Key players, in agreement with staff, added a warning against excessive consultation, with one player (KPM21) recalling that excessive consultation during the first phase of the merger negotiations produced a very negative effect. (Chapter Six, p. 150).

In change, consultation is important for two reasons. First, it enables the pooling of all available expertise and knowledge so that optimum decisions can be made. Canvassing a broad area of opinion, entering into debate and putting up propositions for careful examination, increases the likelihood of producing the best of the available options.

Second, consultation empowers those being consulted and it harnesses their energies in support of a common goal. By being consulted, those people involved in the change develop ownership of the process and become committed to its success. The potential for active resistance is greatly reduced.

Experience from the “Merger Story” indicates that, for consultation to be effective, four conditions should be met. Responses suggested that staff were particularly concerned that these conditions be operative (Chapter Seven, pp. 195, 200-201).

Condition One: Consultation must be genuine. Those initiating the consultative process must do so with an open mind and be genuinely committed to considering what others have to offer.

Condition Two: Not only must the consultation be genuine but also it must be seen to be so. If those people being consulted are not convinced of the sincerity of those consulting them, then their co-operation is likely to be withdrawn.

Condition Three: At the outset, the parameters defining what is, and what is not, up for consultation, must be made clear. It can be destructive for participants to enter consultation in good faith only to discover some matters they thought were debatable were off limits.

Condition Four: All those persons being consulted must clearly understand that, while their contributions will be carefully considered, they will not necessarily be accepted.

Bearing in mind these conditions, change leaders have a number of decisions to make concerning whom to consult, when to consult and for how long consultation should continue.

Generally speaking, consultation should be as wide as possible but constraints, such as time and availability, sometimes force priorities to be established. Change leaders should identify, and consult with those people most likely to be responsive and who act as catalysts for change, the “critical persons” in the organisation. Involvement of these persons increases the potential for productive consultation. Key players pointed out that, in the first phase of the merger negotiations, consultation was so wide and unfocused that it became extremely counter-productive (Chapter Six, p. 150).

The timing of the consultation process requires careful consideration. On the one hand, premature consultation can be wasteful of time and resources. On the other hand, undue delay in beginning the process may lead to the belief that the important decisions have already been

made and the consultation is nothing but a pretence. The Deloitte, Ross, Tohmatsu consultancy episode during the first phase of the merger negotiations was seen by many observers as such an instance (Chapter Six, pp. 157-160).

Associated with the question of when to engage in consultation is that of when to bring the consultation to a close. Where speedy resolution of issues occurs, this presents no problem but, where agreement remains elusive, steps must be taken to promote a sensible conclusion. A judgement has to be made concerning the merit of continuing with the process or ending it. During the first phase of the merger negotiations, this judgement was delayed so long that, eventually, all realistic hope of a productive outcome had disappeared.

The following guidelines for action, derived from an examination of relevant change literature and the merger experience, are offered to assist change leaders in their application of the consultation principle.

9.3.6.1 Guidelines For Action

- Clearly state, at the outset, the parameters of the consultation; indicating clearly what is, and what is not, a topic for discussion.
- Listen carefully with an open mind to all the views being expressed.
- Be prepared to adapt a position if evidence suggests that this should be the case.
- Be prepared to hold to a position if this seems warranted.
- Be prepared to accept and reflect on criticism.
- Ensure that all those people involved have the opportunity to be consulted.
- State clearly, at the conclusion of the consultation, what action, if any, is to be taken as a result.
- Ensure that such action accurately reflects the understandings reached during the consultation process.
- Be sensitive to the needs of those persons whose ideas have not been accepted.

For most productive consultation, a collegial rather than a confrontational approach is indicated. The former engenders a climate of trust whereas the latter immediately sets the scene for dissent. Leaders who enter into consultation with the declaration, "I have a position. You convince me that I am wrong", prepare themselves for failure.

9.3.7 The Culture Principle

Social systems have an intricate complexity which is related to their historical and contemporary function. All too often we ignore this history and functionality. (Havelock & Huberman, 1978:23)

Organisational culture needs to be recognised and managed.

Change literature places great importance on the role of culture in the organisational change process and on the need for change leaders to understand how best to deal with it. (Chapter Two, pp. 26-32). Unless the culture of an organisation is well understood, the likelihood of any change being easily and effectively implemented is greatly reduced. The Culture Principle provides change leaders with some indication of how this aspect of the change process can best be handled.

Leaders are faced with two major questions when considering the culture of an organisation during a time of change. What aspects of the organisation's culture, if any, should be changed? How can this best be done?

The first question presents three factors for consideration.

9.3.7.1 The important aspects of an organisation's culture are often the most difficult to detect.

Much of an organisation's culture is more implied than explicitly expressed. The values that people have and the beliefs that they hold about what is important are often manifested through their actions, rather than their words. Change leaders need to be alert to the dangers of actions being misinterpreted. A change situation is often a time of vulnerability and stress; so what is said is not always what is meant and what is meant is often not said. Culture is very complex and its identification is problematic. Belasco (1992) highlights this feature of organisational culture with a story, which he claims is told too often not to be true. The president of a company had just attended a meeting where he had been, for the first time, exposed to the existence and significance of corporate culture. Turning to his vice-president he said, "This culture stuff is great! I want one by Monday." (*ibid*:201).

9.3.7.2 People in an organisation hold strongly to their culture.

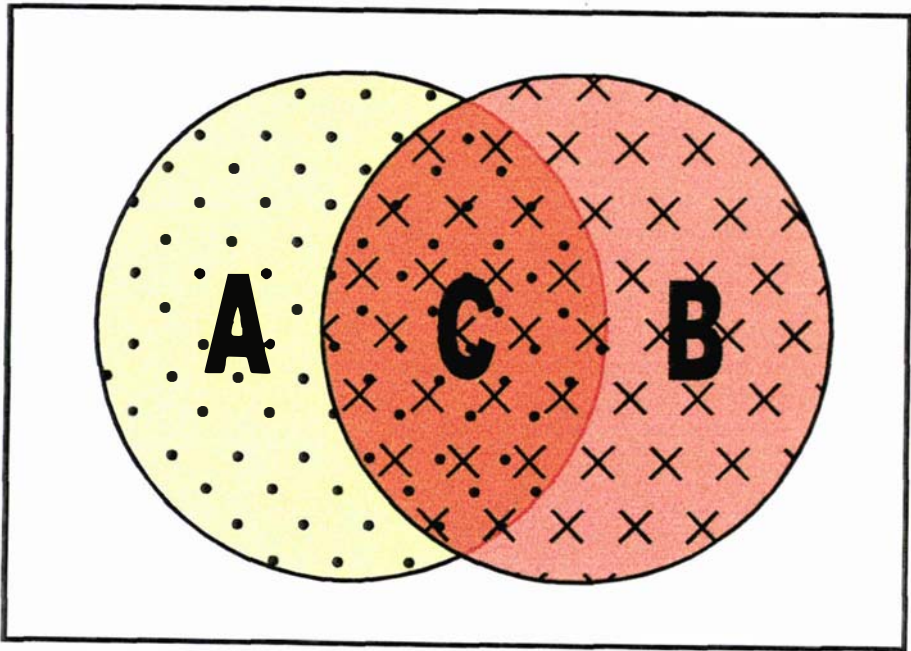
Even though they may not articulate it, the culture of an organisation is usually held dearly by organisational members. When it is challenged, they personally feel challenged and the natural

reaction is one of defence. With the distance between themselves and the culture of which they are part usually being small, rejection of the one can easily be taken as rejection of the other.

9.3.7.3 If the existing culture is understood and respected then it is more likely that persons holding to that culture will be willing to accept changes to it.

The culture of an organisation is embedded over a considerable period of time and those who subscribe to it have a vested interest in retaining it. A projected change that can be aligned with this culture is likely to receive favourable consideration. The more a change can, without compromising itself, effect a compromise between the existing culture and that envisaged by the change leader, the greater are the chances of it taking hold. Figure 6 illustrates this point by using a Venn diagram. A represents the change leader’s vision of the new organisational culture. B represents the existing culture. C represents the resulting compromise culture.

Figure 6: A Compromise Of Cultures



In addressing the question of how best to bring about any change in an organisation’s culture, change leaders have three basic approaches available to them. At one extreme, they can adopt “The Revolutionary” approach where leaders go for radical change without familiarising themselves with the culture of the organisation, or, if they are already part of the organisation, taking time to assess the degree of support for the change from within the organisation itself. They formulate a change plan, forge straight ahead and implement it, ignoring the existing culture and overriding all opposition to it. In metaphorical terms, this might be described as “The Bulldozer” approach, where leaders rush in with their bulldozer and “clear fell” the area,

removing all aspects of the existing culture that they perceive as possible impediments to the envisaged change. This approach has the seductive appeal of being decisive but it runs the danger of removing the proverbial infant along with its associated bath water. Without respect for established mores (Chapter Seven, p. 197), features of the existing culture, that might be valuable in the changed organisation, are swept aside, along with the persons who represent this culture. Such action creates fertile ground for change resistance to germinate.

At the other extreme, there is the “Conservative” or “Conservationist”, approach where the emphasis is on maintenance of the status quo and very little, if any, real organisational change is effected. This approach sees leaders as being so constrained by their conservationist philosophy that they are committed to leaving the cultural forest largely untouched and basking in its natural beauty. In times of change, this is neither possible nor desirable. Some excision, to make way for new developments, is inevitable. The conservationist’s reluctance adversely affects the change process.

Change leaders coming from outside the changing organisation are prone to adopting the bulldozer approach, whereas those within the changing organisation are most likely to suffer from the conservationist’s idealism.

Somewhere between these two extremes is a much more measured, and potentially more successful approach, the “Strategic” or “Brer Rabbit” approach. The emphasis here is on measured change, on taking reasonable time to assess the situation and to understand the culture of the organisation, before moving steadily forward to implement the changes that seem desirable. Here, the change leader, like Brer Rabbit, hops quietly into the cultural “garden”, assesses where dangerous weeds and tar babies might be lurking and, after careful reflection, decides how best the garden can be reshaped, utilising what already exists and making way for exciting new developments. Productive plants are nurtured and noxious weeds and tar babies are exterminated. Although in one sense just as ruthless as the “Bulldozer” approach, this approach is more sensitive to the culture of the organisation and, by working with the existing culture rather than against it, is more likely to be rewarded with success.

9.3.8 The Compromise Principle

There is, however, a seductive power in certainty. If you have no doubt, then you never see the need to compromise. (C. Handy, 1994:84).

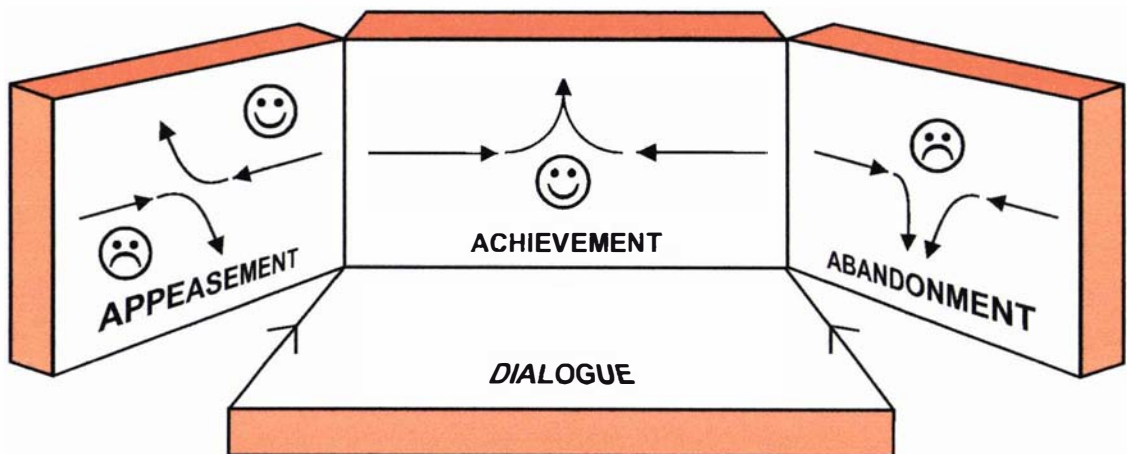
Recognition needs to be given to the appropriate role of compromise.

Change literature makes clear (Chapter Two, pp. 51-52), and key players (Chapter Six, p. 176) and staff (Chapter Seven, p. 213) confirm, that the role of compromise in the change process warrants careful consideration.

A common misconception about compromise is that engaging in it is a sign of weakness. It is better to be “strong and wrong” than to appear “weak but right”. Ironically, the opposite is actually the case. To be prepared to engage in productive compromise is a great strength, not a weakness, and its appropriate employment is a positive facilitator for effective change. During the first phase of the merger negotiations, an unwillingness to compromise was one of the reasons that led to the failure of these negotiations. *“Both camps had strongly held views that they weren’t prepared to compromise and I guess in a sense it was a stalemate.”* (KPM8).

Compromise, as shown in Figure 7, has three “faces”, only one of which leads to a productive outcome.

Figure 7: The Three Faces Of Compromise



The essence of compromise is that the participants be prepared to adapt their initial positions in the light of new evidence and logical persuasion but that they not sacrifice any principles that are fundamental to their cause. While willing to hear what the other parties are advocating, they must be prepared to remain true to their basic beliefs. When both parties are prepared to make concessions, without jeopardising their basic positions, resolution of the issue is often possible and the achievement face of compromise is revealed.

Where this does not occur, two other possibilities present themselves. Where one of the parties succumbs to pressure and gives away its fundamental position, the appeasement face of compromise results. No real compromise is achieved. One party wins and the other loses.

Where both parties fail to hold to their basic positions, the abandonment face of compromise emerges and neither party gains a favourable outcome. Through insufficient commitment, both abandon their positions and the result that transpires suits neither.

Both these faces of compromise are to be avoided. Inability to obtain compromise in the achievement sense needs to be recognised and other approaches considered. The “visual identity” exchange that occurred over a period of six months during the second phase of the merger negotiations (Chapter Eight, pp. 246) illustrates this. After considerable discussion it became clear that it was futile to pursue a compromise in the achievement sense and a temporary pragmatic arrangement was put in place with a view to reviewing the situation some time in the future.

While compromise is an important element in facilitating effective organisational change, it should never be pursued for its own sake. It is a means to an end, not an end in itself.

9.3.9 The Commitment Principle

Let me not to the marriage of true minds admit impediments.
Love is not love which alters when it alteration finds.
(Shakespeare, Sonnet CXVI)

A high level of commitment to the change needs to be maintained.

The Vision Principle indicated that, to be effective, any vision for change needs to be shared by those who are involved in bringing it about. The Commitment Principle builds on this requirement and asserts that this initial commitment must be maintained throughout the change process. Evidence from the change literature (Chapter Two, p. 49) and the merger case study (Chapter Eight, pp. 229-231) provides strong support for this position.

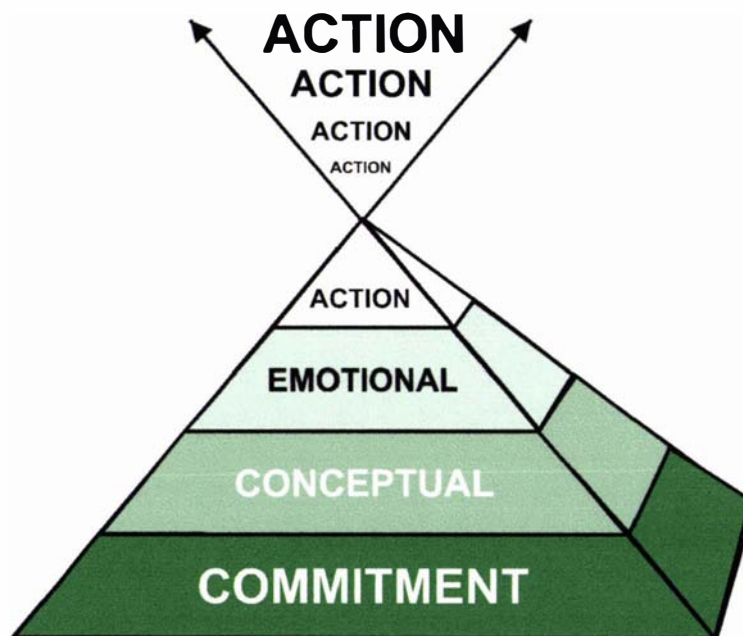
The following five factors warrant careful consideration by anyone responsible for implementing organisational change and is concerned to maintain a firm level of commitment to it.

- Commitment to change is an inclusive process. Not only leaders but also all participants in the change need to be demonstrably committed to it.
- Any equivocation of commitment by those leading the change invariably begets equivocation of commitment by those they are leading.

- It can be expected that people will exhibit different degrees of commitment at different times and will have varying ability to sustain that commitment.
- Commitment cannot be sustained indefinitely. If there is no apparent progress to the realisation of the accepted vision, then commitment is likely to wane rapidly.
- Commitment to change can be expressed at three levels: intellectual, emotional and action. Only at the action level does anything actually happen.

This tripartite structure of commitment is presented visually in Figure 8. For effective, sustainable commitment, all three levels need to operate.

Figure 8: The Three Levels Of Commitment



During the course of the merger negotiations, there was never a universally high level of commitment to the change process. In the first phase, the commitment by those leading the change was decidedly equivocal (Chapter Eight, pp. 229-231) while, from some sections of the staff of both institutions, there was outright opposition (Chapter Eight, p. 225). In the resumed phase, while commitment at senior management level was high, at staff level it was not noticeably greater than before (Chapter Eight, p. 235).

Throughout the negotiations, some people never wavered in the strength of their commitment but others quickly lost interest. Their level of commitment rapidly retreated, at best, to the conceptual level; at worst, to the level of direct opposition. An inadequate understanding of

what was meant by the term “Agreement in Principle” facilitated this development in the first phase.

9.3.10 The Principle Of Chance And Serendipity

Times go by turns and chances change by course. From foul to fair, from better hap to worse. (Robert Southwell, Times Go By Turns)

Attention needs to be given to unanticipated but relevant factors that may arise during the course of the change process.

The best planned organisational change, following the best available change principles, must be flexible enough to capitalise on events and opportunities that, quite by chance, present themselves. This was well illustrated during the merger negotiations where a number of chance events strongly influenced the change process. The first of these, perhaps the very first chapter in the merger story, was that which brought Hill and Whitwell together on a lengthy sea voyage to the United Kingdom (Chapter Five, pp. 105-106); a voyage which provided opportunities for them to share, in depth, their ideas for the future of teacher education. The second was their respective appointments, a decade later, to positions of responsibility at Massey University and the Palmerston North College of Education. With this more formal relationship established, the merger story was effectively under way.

During the actual merger negotiations a quarter of a century later, chance and serendipity continued to play a part. The chance meeting of four colleagues over a cup of coffee (Chapter Six, p. 160), where, serendipitously, they found themselves of one mind, was significant in triggering the resumed round of merger negotiations. Subsequent changes in some key office holders, through ill health and completion of appointments, provided more examples of the hand of chance and serendipity at work.

Change literature notes the role that chance and serendipity have to play in organisational change. Pascale (1990) provides an example from his study of the corporate scene in the United States of America where, in examining the major organisational changes that took place in the General Electric and Ford companies, he concluded that, “Serendipity has been a third factor in the transformation of these two companies” (*ibid*:261). Rowley (1997) noted the powerful force of chance and plain luck in many change situations and spoke of “strategy walking on two legs, one deliberate and one emergent”.

In highlighting the importance of these chance factors, the Chance and Serendipity Principle does not suggest that attending to them is a substitute for careful planning. What it does suggest, is that planning should never be so rigid that it cannot take advantage of situations that suddenly present themselves.

9.4 In Conclusion

In this chapter, the wider story of organisational change has been considered and a case has been made for a principle-based approach to accomplishing it. The application of a modified grounded theory methodology to a significant organisational change resulted in the derivation of ten change principles. These are offered as a contribution to the general understanding of the change process.

Effecting organisational change is never an easy task and those responsible for leading it require considerable skill, understanding and patience in order to bring such change to a successful conclusion. The writer, from his research, claims that judicious application of the change principles presented here provides a sound base for this to occur. While not offering a prescription for change, the principles highlight the essential areas that need to be addressed and they also suggest how this might best be done.

Lewin (1952) makes an interesting observation when he describes the stages new theories experience before gaining acceptance. He suggests:

The history of acceptance of new theories frequently shows the following steps: At first the new idea is treated as pure nonsense, not worth looking at. Then comes a time when a multitude of contradictory objections are raised, such as: the new theory is too fancy, or merely a new terminology; it is not fruitful, or simply wrong. Finally a stage is reached when everyone seems to claim that he had always followed this theory. This usually marks the last state before general acceptance. (*ibid*:43)

The last chapter presents a brief summary of the research and offers reflections on the methodology.

CHAPTER TEN

Conclusion

In this concluding chapter, the writer provides a brief summary of the research findings, reflects on the methodology of the study and makes suggestions for further research.

The research had two main goals. The first goal was to provide an objective, analytical account of a specific and significant organisational change; namely: the merger of Palmerston North College of Education with Massey University. The second was to generate a substantive theory of change.

To achieve the first goal, data were assembled over a period of twelve months, during 1997 and 1998, from four main sources: the staff of Massey University College of Education, the key players involved in the merger negotiations, the written records of the merger negotiations and the researcher's own direct involvement in the merger. When these data were analysed, the "Merger Story" emerged. Achieving the second goal involved assembling data over a similar period of time from two main sources: an examination of the implications of the merger experience and an analysis of relevant change literature.

Following examination of all the data, a "Wider Story" was produced and a substantive theory of change was developed as an analytical tool for application to organisational change.

10.1 The Merger Story

On 25 October 1989, the Vice-Chancellor of Massey University formally initiated the College-Massey merger proceedings with a letter to the Principal of the Palmerston North College of Education, suggesting that the relationship between the two institutions be examined with a view to working together more closely. The suggestion was accepted by the College and a joint Working Party was established to consider the proposal. This consideration occurred in two phases and spanned a period of almost seven years, from October 1989 until June 1996, at

which time the Palmerston North College of Education was disestablished and the merger with Massey University was effected. The negotiations that occurred during this period provided the focus for the present research. The five research questions (Chapter One, p. 4) provide a framework for the summary that follows.

10.1.1 Question One: What Were The Reasons For The Merger?

The stated reasons for the merger fell into two broad groups: strategic-financial and professional-academic. The strategic-financial reasons related to the viability of the College as a stand-alone institution and the concern the University had with the possibility of a decline in student numbers. The professional-academic reasons rested largely on the premise that the synergy resulting from the two institutions working together would produce a more favourable outcome than if the two institutions remained separate. Overall, these reasons were considered sound by the key players, although a small group was not convinced that the “survival argument” was valid.

The unstated reasons suggested for the merger were almost exclusively strategic-financial in nature and were mainly related to the perceived expansionist ambitions of the university. A number of key players and a large number of staff from both institutions, but particularly from the College, expressed the view that the University was driven by fiscal imperatives to become a leading national and international educational provider and that the acquisition of the College’s resources was the first stage in furthering this ambition. These key players and staff seemed quite convinced that the driving force behind the University’s desire to merge was its expansionary, rather than its educational, vision. The prospect, for some University officials, of being part of an expanding empire may well have shaped some of their actions but there is no “hard evidence” that proves this contention.

10.1.2 Question Two: What Caused The Breakdown Of Negotiations In 1993?

Examination of the available evidence revealed fifteen causal factors as having a significant part to play in the breakdown of the initial phase of the merger negotiations. They fell into three broad groupings: Contributing Factors, Crucial Factors and Precipitating Events.

10.1.2.1 Contributing Factors

(a) Composition Of The Joint Steering Committee

The “chemistry” of the group was not right and there were persons on the Committee who had difficulty in working co-operatively with others.

(b) Joint Leadership Of The Steering Committee

Ambivalence as to who should take a lead on certain issues resulted in matters, that should have been dealt with expeditiously, tending to drift and the negotiations lost their momentum.

(c) Vision Articulation

Enunciated in only very general terms, the vision proved to be of little help as either a guide or a goal.

(d) Consultation Policy

While a consultation policy was never formally discussed and agreed, the Committee, by default, became so inclusive and democratic that any new group mentioned was automatically included on the list of those who must be consulted.

(e) Communication With Staff

When the flow of information diminished, staff became increasingly suspicious about what they thought might be happening and their disenchantment had a negative effect on the negotiation process.

(f) Over Concern With Detail

The Committee seemed unable to distinguish between what needed to be examined immediately and what could be left until later. As a consequence, they became unnecessarily involved in a myriad of issues that could have been considered after the “big picture” had been completed.

(g) Staff Opposition

Enthusiasm for the merger, from the staff of both institutions, was never high and some groups were particularly strong and strident in their opposition to it.

(h) Differences Of Institutional Culture

While staff from both institutions were concerned with the advancement of knowledge and education, their focus and their practices were dissimilar in many respects. This was another factor that made it difficult for the negotiations to proceed smoothly and speedily.

(i) Reluctance To Compromise

Strong personalities, fixed positions and historical antagonisms contributed to an unwillingness to compromise. Concessions were not readily made and, as the negotiations became protracted, the situation progressively worsened, contributing significantly to the overall difficulties with which the negotiations were being faced.

(j) Change In Faculty Representation On The Steering Committee

At the beginning of 1992, the two Faculty representatives, who had been on the Steering Committee from the outset, were replaced by two new members. Established rapport was lost and productive discussion was constrained.

(k) The Site Issue

The ambivalence regarding the site of the merged institution was yet another factor that compounded the Committee's problems.

10.1.2.2 Crucial Factors

(a) Commitment

Consistent commitment was not present. While some persons were fully committed to the negotiations, others were equivocal about it and yet others were opposed, usually covertly, to it. Within the group of those committed to the idea, some did not raise the level of their commitment to much above the intellectual level.

(b) Trust

Lack of trust existed between some members of the Steering Committee. On the Committee were a number of people whose previous interactions had not always been positive and who had firm reservations about how much they could trust one another. This lack of trust became apparent early in the negotiations, making it very difficult for them to proceed in good faith.

10.1.2.3 Precipitating Events

(a) Reaction To The Sub-Committee's Draft Report

The declaration by the Dean of the Education Faculty that the report was gravely deficient and that it provided no basis for a future programme was supported by the Vice-Chancellor who indicated that he was tempted to recommend that discussions should cease immediately. This assessment and contemplated intervention was one of two events that precipitated the final collapse of the negotiations.

(b) The Deloitte, Ross, Tohmatsu Report

The presentation of this report did not cause the collapse of the merger negotiations but was a final precipitating factor. The report was the means by which failure could be acknowledged without too much loss of credibility. The underlying cause of the collapse was more long-standing and can be traced back, in very large part, to the equivocal commitment by a number of the key players' and the continual erosion of trust that occurred within the Steering Committee as the proceedings drifted.

10.1.3 Question Three: Why Were The Resumed Negotiations Successful?¹

The merger negotiations, which commenced in October 1989, failed to reach an agreement and ceased in July 1993. In August 1994 the negotiations resumed and, with the establishment of the Massey University College of Education on 1 June 1996, were successfully concluded.

10.1.3.1 Change In Level Of Commitment

During the second phase, the commitment of those people leading the negotiations was manifest and compelling. Those members of the original Steering Committee, who now formed the new Working Party, did not want their efforts to bring a merger to again result in a public and unhappy failure.

The Councils from both institutions were, this time, more directly involved from the start and gave full support to the resumed discussions. They, too, had no desire to see time, effort and valuable resources wasted on another fruitless exercise. With this higher level of commitment,

¹ Success in this sense refers only to the fact that the negotiations achieved their aim of reaching an agreement to merge the two institutions. It has no reference to the later implementation phase of the merger.

and an absence of overtly expressed opposition from the staff, a firm foundation for the ultimate success of the negotiations had been provided.

10.1.3.2 Changes In Personnel

When the discussions resumed in 1994, significant changes had occurred in the membership of the key players' group. Many of the historical antagonisms that plagued the first phase of the negotiations were absent and a distinctively different "chemistry" prevailed. Different power dynamics existed and those people involved demonstrated a greater degree of trust. Of particular significance in the new management team was the presence of the newly appointed College Council Chairperson who had a clear vision of what the merger could achieve and who was unrelenting in his determination to see that this vision be fulfilled.

10.1.3.3 Change In Management Style

In the first phase of the negotiations, an excessively democratic, inclusive, bottom-up approach prevailed. In the second phase, management was differently disposed. The senior officials from both institutions adopted a very clear top-down approach, taking control of the process from the start. Keeping the Working Party very small they focused directly on the merger outcome and refrained from getting "bogged down" in unnecessary details. In a relatively short time of nine months, a Report and Memorandum of Agreement was completed and signed and a Merger Implementation Group was formed to proceed with the work of accomplishing that which had been agreed. This tightly focused management style, very different from that adopted for the first phase of the negotiations, while not necessarily appropriate in all circumstances, proved in to be effective in this instance.

10.1.4 Question Four: What Criteria Should Be Used To Judge The Effectiveness Of The Merger?

Two sets of criteria can be usefully applied. The first set relates to the period immediately following the formalisation of the merger and it refers to the "interim success" of the merger. The second set relates to the longer term when the merger has moved from a "de jure" status to a "de facto" one and its "ultimate success" can better be judged.

During the first period, while the merger is "being bedded down", two main process criteria seem to be important: the degree to which staff and students are satisfied with the implementation process and the degree to which the cultural differences of the two former staff groups have been resolved. In the second period, product criteria relating to "the reputation

thing” are seen as important. If the new entity has confirmed its viability by establishing itself as a centre of excellence, to which increasing numbers of students and staff apply to come, and if it has built a national and international reputation for the quality of both its teaching and its research programmes, then it can be considered that the merger, in broad terms, has been a success.

10.1.5 Question Five: What are the barriers to the success of the merger?²

The responses to this question are valuable for two reasons. First, they provide potentially useful and specific information for anyone with responsibility for leading the implementation phase of the merger. By receiving, from those persons directly involved, an indication of any likely difficulties, change leaders will be able to consider ways of dealing with them. Potential barriers, if not removed, can be examined in advance. Being forewarned generally constitutes being forearmed. Second, responses to this question provide valuable insights into the principles that change leaders should acknowledge during the change process. By analysing the responses from those directly involved in a significant organisational change, a much clearer picture emerges of what is important for leaders to consider in bringing about change as effectively as possible.

Possible barriers to the effective implementation of the merger can be grouped as political, resource and people barriers. Leaders have limited control over the first two of these features. Over the third group, they do have considerable control and this has to be exercised with great care. There is ample evidence (Chapter Two, pp. 32-36) to indicate that, in the change process, where people are not treated sensitively, the chances of success are severely constrained.

As the “Merger Story” unfolded a number of insights into the change process were revealed. It is claimed by the writer that, through the presentation of this “story”, the first goal of this research project has been achieved. This goal embodied the provision of an objective, analytical account of a specific and significant organisational change; namely: the merger of the Palmerston North College of Education with Massey University (Chapter One, p. 2).

² The research reported in this thesis covers only the negotiation period of the merger, 1989-1996, and not the subsequent implementation period. Question five looked at this later period and was included to provide some base data that could be useful in any longer term evaluation of the merger.

10.2 “The Wider Story”: Towards A Principle-Based Model Of Change

On the basis of an in-depth study of a cross-sector tertiary merger and a comprehensive review of relevant change literature, the researcher developed a principle-based model of change (Chapter Nine, p. 249). In this theory, he argues that a principle-based approach to effecting organisational change provides a better basis for action than does a narrowly prescriptive rule-based or recipe approach.

A principle is defined as a guiding idea that informs judgement and action, and effective organisational change is defined as that which achieves the goal or goals it was designed to achieve (Chapter One, p. 8). The theory nominates the areas that need to be addressed and provides guidelines as to how this can be done. Rather than rules or recipes, the theory provides a set of principles upon which strategies, tactics and techniques for implementing a change, appropriate to each specific situation, can be based.

The rationale for a principle-based theory is presented, with the advantages and disadvantages of this type of approach being outlined. As distinct from a rule-based approach, a principle-based approach is applicable to all change situations. It provides a foundation upon which specific change actions can be based, it provides a reference point against which these actions can be evaluated and it allows for innovative solutions to individual change problems. Support from the change literature for this type of approach is considerable, with large numbers of commentators stressing the unpredictability of change and the limitations of any “blueprint approach” (Chapter Nine, pp. 254).

Through the employment of a modified grounded theory methodology ten principles (Trust, Timing, Vision, Valuing, Communication, Consultation, Culture, Compromise, Commitment, Chance and Serendipity) are advanced as providing the essential core for those undertaking organisational change to use as a foundation for their actions. In addition, the theory provides general guidelines to assist change leaders in their implementation tasks. These, like the principles, are not narrowly prescriptive but they suggest criteria that can be applied, and conditions that should be met, if the changes are to have successful outcomes.

If this theory of change does, in fact, “add to our knowledge of the change process” (Chapter One, p. 1), then the research project reported here will have successfully achieved its second goal: the generating of a substantive theory of change.

10.3 Reflections On The Methodology

10.3.1 Appropriateness Of The Methodology

In this qualitative case study research project a modified grounded theory approach to the collection and analysis of data was used. Considered reflection confirms this as an appropriate methodology for the task. It enabled the researcher to enter the field with an open mind and to explore the complexities of social interactions as they were revealed. Through the use of theoretical sampling, a broader base for the collection of data was facilitated. From this data, it was possible to progressively establish relevant categories that represented the realities of the situation. The “thick description” that resulted provided a substantial platform from which to develop a “practical” theory of change.

10.3.2 Methodology Revisited

With the opportunity to plan this research again, the writer would make three modifications to the application of this methodology.

- (i) From the outset, he would confine the scope of the research to the period of the merger negotiations (1989-1996). When he commenced his study, he envisaged exploring the initial period of the merger implementation (1996-1997) as well as the negotiation phase. It was on this basis that the Staff Questionnaire (Appendix 4) was designed. When the scope of the research was reduced, several of the questionnaire items became irrelevant and their responses could not be considered. In addition, at the time the research was being undertaken, it was premature to examine the degree to which the implementation phase of the merger was successful. Insufficient time had elapsed to allow a valid judgement to be made.
- (ii) In designing the Staff Questionnaire, he would have included questions seeking staff views on the reasons for the interruption to, and subsequent resumption of, the negotiations. In failing to do this, he deprived the study of a potentially useful source of data.
- (iii) When initiating the research, he would be particularly careful to take into account the sensitivities of all those people who might be affected by the findings of the study. His failure to consider these sensitivities resulted in some very delicate situations where reassurances had to be provided that ethical guidelines were being followed and professional reputations were not being challenged. This experience revealed the tenuous balance that can exist between the exercise of academic freedom and the preservation of individual rights.

10.4 Suggestions For Further Research

One of the fascinating characteristics of research is its asymptotic nature. In the absolute sense, research never reaches a point of finality. While its conclusions become progressively refined, they always remain tentative and they are subject to further confirmation, modification or refutation. The research reported here is no exception. It has presented two stories, the “The Merger Story” and “The Wider Story” and, some tentative conclusions. At the same time, however, the writer acknowledges the need for additional research to further examine such “stories”. There are two potentially useful directions such research might take.

The first direction concerns the implementation phase of the merger which is currently in progress. While the merger, in a “de jure” sense, is in place, it will be some time before, in a “de facto” sense, it will actually have been achieved. Any major organisational change usually takes considerable time to become fully integrated and the College-Massey merger is likely to be no exception. A study of the integration process should be a rewarding and illuminating area for research. The adoption of an action research methodology would be useful as it could be of valuable assistance to those people responsible for ensuring the success of the implementation of the merger. Baseline data for such research has already been provided in this study (Chapter Eight, pp. 237-239) in terms of criteria that might be used to measure the merger’s success and barriers that may exist to prevent it.

The second line of possible research relates to the general field of organisational change and the validation of the principles in that broader context. While the ten principles derived from the present research are based on reports of a large number of practical experiences, the developed theory remains a theory. It still needs to be put to the test. This could be the role of future research. Such research could consider mounting a project where the ten principles are given expression in a practical setting and their outcomes are measured against a more rule-based, recipe type of approach. As part of that research, the principles themselves could be subjected to close examination and modified or supplemented as the evidence suggested.

Research of this empirical nature, though difficult to structure and time consuming to undertake, could be of considerable value in increasing current knowledge of the processes involved in organisational change. Such research offers future researchers a challenge to consider.

10.5 A Final Word

From a detailed case study of one significant organisational change, and from an extensive review of relevant change literature, the researcher has highlighted the complexity of the change process. He has presented an account of one significant organisational change and has derived a set of ten principles as a basis for effective implementation of organisational change, generally. These principles are offered to those persons responsible for bringing about organisational change wherever it may occur. While the researcher hopes that this offer will be accepted and the principles put to the test, the matter is now out of his hands. It is up to those responsible for leading change to consider the principles, to build upon the foundation which this research has provided, and to put the principles to the test. In so doing, it may be found that brute sanity has, after all, an important role to play in the change process.

APPENDICES

Appendix 1

Focus Questions For Key Players

Appendix 1

Focus Questions For Key Players

1. What do you recollect to have been the stated reasons for the merger?
2. How sound do you think those reasons were?
3. Do you think there were any unstated reasons for the merger?
4. How sound do you think those reasons were?
5. Why, do you think, the merger discussions came to a halt in 1993?
6. Why, do you think, the merger negotiations were reactivated in 1994?
7. Why, do you think, the reactivated negotiations were successful?
8. What was your vision for the merger?
9. What criteria would you use for judging the success of the merger; in the short term and in the long term?
10. If you are in a position to comment, how effective do you think the process of change in the merger has been?
11. What change principles, in general, do you think should be applied to the change process?
12. What barriers to the success of the merger do you consider might exist?
13. Do you think the term “merger” is an accurate description of the organisational change that has occurred?
14. Have you any suggestions that might be helpful to facilitate the success of the merger?

Appendix 2

The Key Players

Appendix 2

The Key Players

- Professor R. Adams. Palmerston North College of Education. Council Chairman to January 1994.
- Mr D. Aitken. Palmerston North College of Education staff representative on the JSC (Joint Steering Committee).
- Mrs K. Broadley. Palmerston North College of Education. Executive Representative on the JSC and MIG (Merger Implementation Group).
- Dr J. Burns. Massey University Education Faculty staff representative on the JSC.
- Mr M. Carroll. Massey University Merger Implementation Group Joint Project Co-ordinator.
- Ms J. Carter. Palmerston North College of Education executive representative on the MIG.
- Mr D. Chapman. Palmerston North College of Education. Staff Committee Chairperson.
- Professor J. Chapman. Massey University Education Faculty staff representative on the JSC.
- Mr G. Collins. Palmerston North College of Education staff representative on a JSC sub-committee.
- Mrs M. Croxson. Palmerston North College of Education staff representative on the JSC and also a Massey University Council member.
- Professor G. Fraser. Massey University Assistant Vice Chancellor, Academic.
- Mr B. Hennessey. Palmerston North College of Education. Principal and Co-Chairperson of the JSC.
- Mr J. Hogan. Massey University. Assistant to the Vice Chancellor.
- Professor G. Malcolm. Massey University executive representative on the JSC.
- Mrs Y. Marshall. Massey University Maori representative on the JSC.
- Professor J. McWha. Massey University Vice Chancellor from January 1996.

- Associate Professor C. Nolan. Massey University. Education Faculty Committee Chairperson.
- Dr J. Poskitt. Massey University Faculty of Education staff representative on the JSC.
- Mrs W. Rockell. Massey University. Pro-Chancellor.
- Associate Professor B. Shaw. Massey University Faculty of Education staff representative on the JSC.
- Professor I. Snook. Massey University. Dean of Education and Co-Chairperson of the JSC.
- Mrs J. Strugnell. Palmerston North College of Education. Council Deputy Chairperson.
- Mr P. Sunderland. Palmerston North College of Education. Council member and College lawyer.
- Mrs M. Thomson. Massey University. Assistant Vice-Chancellor, Support Services. Massey Representative on MIG.
- Mr W. Tither. Massey University. Registrar.
- Professor W. Tunmer. Massey University. Dean of the Education faculty from 1994.
- Sir Neil Waters. Massey University Vice Chancellor to January 1996.
- Professor I. Watson. Massey University, Principal, Albany Campus.
- Mr H. J. Whitwell. Former Principal of Palmerston North College of Education.
- Justice H. Williams. Massey University Chancellor.
- Mr H. Wills. Palmerston North College of Education Registrar and MIG Joint Project Co-ordinator.

Not available for interview:

- The Palmerston North College of Education Students' Association's representative, Ms L. Hughes, attended only four meetings during Phase One of the negotiations and could not be traced. The Massey University Students' Association's representative Mr J. Downey attended only two meetings and also could not be traced.
- Mr B. Beetham, Chairman of the Palmerston North College Council from 1994, died in 1997.
- One Palmerston North College of Education executive member of the JSC was no longer on the College staff or in Palmerston North and because of very difficult family circumstances was not available for interview.
- One Massey University Education Faculty staff representative indicated that he was too busy to be interviewed.

Appendix 3

Questionnaire: Key Players

QUESTIONNAIRE: KEY PLAYERS.

Question1.

The statements that follow represent a summary of the main reasons 'key players' have given for the failure of the initial phase of the merger negotiations (1989 - 93), and for the success of the resumed phase (1994 -95).

Would you please:

First Circle A if you agree with the statement.
 Circle D if you disagree.
 Circle N if you are not in a position to
 respond.

Second Circle the number of the statement you
 consider to be the most important.

Reasons for failure of initial phase (1989 -93):

1. A breakdown of trust between the College representatives
 and the University representatives..... A D N
- 2.A lack of firm commitment to the merger by the College
 representatives..... A D N
- 3.A lack of firm commitment to the merger by the University
 representatives..... A D N
4. A clash of personalities restricting objective discussion..... A D N
5. The proposed new programme presented by the Programmes
 Sub-Committee was not sufficiently innovative..... A D N
6. A lack of shared vision for the new organisation..... A D N
7. Major differences in the College and University cultures... A D N
8. An over emphasis on consultation with all interested parties. A D N
- 9.An unwillingness by both groups to compromise..... A D N
- 10.A feeling that contributions from both groups were not equally
 valued..... A D N

Reasons for the success of the resumed phase (1994-95):

- 1.The length of time between the two phases allowed distrust to dissipate somewhat..... A D N
2. With the resolution of the site question, the commitment by the College to the merger was strengthened..... A D N
3. Changes in the membership of the negotiating team brought a stronger commitment to the merger..... A D N
4. A less participative management style facilitated more rapid decision making..... A D N
5. The earlier phase had laid a foundation for successful resolution of remaining differences A D N
6. The negotiations were conducted with a greater sense of urgency..... A D N
- 7.A clearer vision of the process to be followed was agreed A D N
8. Staff from both institutions had become more accepting of the merger..... A D N
9. A greater appreciation of the different cultures of the two institutions had developed..... A D N
10. Both groups had developed a greater mutual respect for the contributions each had to make..... A D N

Question 2.

What do you consider to be the three most important principles that should guide those persons who have the responsibility for bringing about a significant organisational change, such as a merger ?

1.

2.

3.

Further Comments.

If there are any other comments you would like to make about the process of change as they relate to the merger negotiations, or to organisational change generally, they would be greatly appreciated.

Please complete:

I agree / don't agree to be identified by name.

Name _____

Thank you.

Rex Dalzell
15/10/98.

Appendix 4

Staff Questionnaire

QUESTIONNAIRE

The Merger of the Palmerston North College of Education with Massey University

It is assumed that filling in this questionnaire implies consent.

Please tick all the following that apply to you.

- | | | |
|--|-------------------------------------|-------------------------------------|
| Male | <input type="checkbox"/> | |
| Female | <input type="checkbox"/> | |
| Academic Staff | <input type="checkbox"/> | |
| General Staff | <input type="checkbox"/> | |
| Teacher Support Staff | <input type="checkbox"/> | |
| Other | <input type="checkbox"/> | |
| Full-time | <input type="checkbox"/> | |
| Part-time | <input checked="" type="checkbox"/> | |
| Previously Massey Education Faculty Staff | | <input checked="" type="checkbox"/> |
| Previously Palmerston North College of Education Staff | | <input type="checkbox"/> |
| Number of years on staff up to 1 June, 1996 | _____ | |
-

REASONS FOR THE MERGER

Q1. What do you recollect to have been the stated reasons for the merger?

Q2. To what extent do you believe these reasons for the merger were sound? Indicate the basis for your belief.

[illegible]

Q3. If you believe there were other unstated reasons for the merger please indicate what you think these reasons were.

Q5. What criteria would you use to judge the success, or otherwise, of the merger:

[illegible]

(b) in the long term (ie in the subsequent years)?

THE PROCESS OF CHANGE

Q6. What barriers to change do you see existing that may prevent the merger being successful?

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

[illegible]

Q9. Up to the present time, how effectively, overall, do you feel the process of change has been handled?

[illegible]

GENERAL

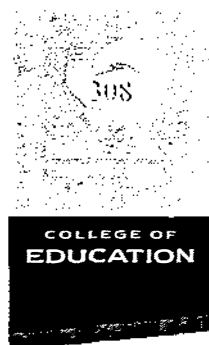
Q10. What other comments do you have concerning the merger?

[illegible]

Thank you very much for taking the time to complete this questionnaire.

Kia ora.

Rex Dalzell



Hokowhitu Campus
Centennial Drive
Private Bag 11 035
Palmerston North
New Zealand
Telephone 0-6-357 9104
Facsimile 0-6-351 3325

Principles for Effective Organisational Change: A Qualitative Case Study of the Merger of the Palmerston North College of Education with Massey University, Palmerston North, New Zealand

Information Sheet

Dear Colleague

Tena koe. I am currently gathering initial data for my PhD study concerning the merger and am asking you to participate in this study by completing, anonymously, the attached questionnaire.

The following information provides more detail of the study:

1. This research is a Doctoral Study project which aims to discover and evaluate the change principles that have been applied in the organisational change involved in the merger of the Palmerston North College of Education with Massey University. From this examination it is intended to derive some generalisable principles that may be helpful to others managing change in similar circumstances. 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.
2. The supervisors for my research are: Professor Emeritus Ivan Snook, Massey University - Chief Supervisor; Professor John Codd, Massey University; Associate Professor Clive McGee, University of Waikato.
3. It is assumed that filling in the Questionnaire implies consent.
4. You have the right not to answer any questions.
5. All information given will be confidential to the research and any publications resulting from it.
6. As part of the research project it is intended to seek the help of participants again, in approximately 12 months time, to complete a further questionnaire. Participation will again be voluntary.
7. When the project is completed a summary of the research findings will be made available to those interested in having a copy. Full details of the project will be presented in the dissertation that is required for the degree and in any conference papers or publications that may result from the study.
8. It is anticipated that the completion of the Questionnaire will take 15-20 minutes.
9. Should you complete the Questionnaire would you please leave it in the box marked **Merger Questionnaire** located at the Reception area: Hokowhitu - Ground Floor Tower Block, Harmony House, Ruawharo - Main Building, Albany - Reception area, Building 57, Oteha Rohe Campus.
10. If you have any other questions please contact me at my Office T105, telephone 357 9104, extension 8891, or my Chief Supervisor, Professor I Snook, telephone 356 9660 or my other supervisors, Professor John Codd, telephone 357 9104, extension 8965; Associate Professor C McGee, telephone 0-7-856 2889.

Kia ora koutou.

Yours sincerely

Rex Dalzell

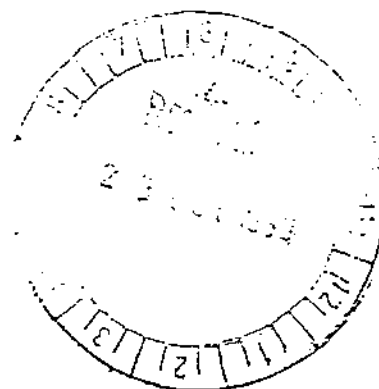
Appendix 5

Vice-Chancellor's Letter



MASSEY
UNIVERSITY

Vice-Chancellor's Office
Palmerston North
New Zealand
Telephone (063) 69-099
Facsimile (063) 505-603



25 October, 1989 ;

The Principal
Palmerston North College of Education
Centennial Drive
PALMERSTON NORTH

Dear Mr Hennessey

We recently met and discussed in very general terms the future relationship between the University and the College. Subsequently I have talked with Professor Ivan Snook and one or two others. I have also had a meeting with some members of our Department of Education at which the future directions of the Department were touched upon.

I have now concluded that this is the time for some long-term thinking. I believe that between us we could become the prime force in teacher education in New Zealand. I have to say that I am not sure that all my colleagues share my optimism and I am sure that many of your colleagues will be equally skeptical. But opportunities do not come often and I am determined to see that the University does not complacently let it slip by. I hope that the leaders of the College of Education might feel the same.

The above widens the scope on our earlier discussion but having now considered the matter more fully I have concluded that the University should put its views in writing and invite you to consider them. If the College believes that we have a mutual responsibility and an opportunity to take some new steps I suggest that a Joint Committee should get down to details forthwith. If we cannot then make progress by about the end of the first term next year we will know that our goals and perceptions are not the same and that a combined approach probably will not work.

If you feel that the above is worth pursuing I should be pleased to meet again with you to discuss it further in general terms. I should then like to see a joint group take up the matter.

Yours sincerely

T N M Waters
Vice-Chancellor

Appendix 6

Memorandum Of Understanding

MEMORANDUM OF UNDERSTANDING

in respect of the future development of specified facilities
at Massey University (hereinafter the University),
the Palmerston North College of Education (hereinafter the College)
and the Manawatu Polytechnic (hereinafter the Polytechnic)

I RECITALS

- (a) Representatives of the University, the College and the Polytechnic met with representatives of the Ministry of Education, 12 October 1990 in response to a 3 October 1990 invitation from the Ministry (see Appendix A).
- (b) The terms of reference for this meeting required the participants to consider, inter alia, the longer term needs of the tertiary education institutions in Palmerston North.
- (c) The possibility that the College could be relocated at an appropriate site on the University, thus consolidating the Polytechnic on the Hokowhitu Campus, presently shared by the College and the Polytechnic was mooted at the meeting.
- (d) It was agreed that a further meeting of senior representatives should be held at the University, 17 October 1990, to consider the feasibility of this proposal and the opportunity to consolidate functions of the Polytechnic at the Hokowhitu Campus.
- (e) This meeting concluded that, subject to certain conditions, including advice to the governing bodies of the three institutions, consultation with staff who may be affected by the proposal, and the full cooperation of the Ministry, that discussions on the feasibility of the proposals proceed in accordance with the following items.
- (f) The relocation of the College on the University site is predicated on agreement that the College and University will merge. Any such agreement is the prerogative of the Councils of the two institutions.

II THE PROPOSAL

1. Scope

To facilitate the prudent and rational long-term developments of mutual benefit to the three institutions, outlined in I above, it is understood that :

- (a) The College is to progressively relocate to the University Campus;
- (b) The University is to allocate a mutually acceptable site for the purposes of the new School of Education and

- (c) the Polytechnic is to acquire and occupy those properties to be relinquished by the College during the 'major move' and will proceed with a modified capital works programme within its extended boundaries.
- (d) the 'major move' will entail the vacation of the Awanui and Ruahine Buildings, Administration Tower, Campus Centre, Biology Court, Library, Lecture Theatres and the release of associated lands as mutually agreed.
- (e) the College land and properties not relinquished to the Polytechnic are to be vested in the University for the purposes of the new School of Education and associated activities pending decisions on ultimate use or disposition.

2 Implementation

To implement this proposal, it is suggested that the three participating institutions pursue the following steps :

- (a) a full assessment of the space and resource implications of the 'major move' is to be undertaken in order to attain agreement on the equitable allocation and application of capital resources, as outlined in Section 3 below.
- (b) the University is to provide and develop a six hectare (approx) site comprising Blocks C to H of the No.2 Orchard. Developments will focus initially on the central Blocks E and F, but subsequently will include Blocks G and H to the north (currently carparking, horticulture and grounds) and Blocks C and D to the south, post-April 1993 (currently apple and pear orchards).

Initial development is to include the provision of site services and utilities and access roading (including the new University South Access Road) and the buildings scheduled in paragraph (b) below.
- (c) the University in consultation with the College is to construct the buildings facilitating **"the major move"** and including two (2) four-storey structures (of Awanui-type), together with administration and library facilities as appropriate. Space schedules and other details will be resolved between the University and the College following 2(a) above.
- (d) The Polytechnic will take possession of the Awanui and Ruahine Buildings, Library, Lecture Theatres, Biology Court and Campus Centre and all of the Administration Block on vacation by the College and will undertake upgrading and conversion works as appropriate to its needs.
- (e) The Polytechnic is to review its capital works programme including the construction of the modified Science Block development subject to the final allocation of available monies under Section 3 below.
- (f) The University will pursue the feasibility of moving its Faculty of Education facilities onto the new site at the earliest opportunity.
- (g) Other facilities required on or in close proximity to, the School of Education site including a marae, performing arts, gymnasium and lecture theatre facilities will be pursued as a further works programme following the 'major move' at the earliest feasible date.

3. Finance

To assist with the funding of the items scheduled under Implementation above, it is understood that :

- (a) the University will provide the new site for the School of Education with appropriate site services and utilities and will accelerate the development of the South Access Road. The University will pursue the relocation of the Faculty of Education onto the School of Education site at the earliest feasible date within its capital funding allocation.
- (b) the capital component of the grant generated by Teacher Education EFTS's (estimated at approximately: \$1 million annually) will be committed to the major move over the period 1991 - 1995 inclusive.

and either, as the approach preferred by the Polytechnic :

- (c) The Ministry of Education will provide a capital sum of fifteen million dollars to fund the 'major move' and comprising the following :
 - (i) **\$10 million** (ex-Ministry of Education capital funds) progressively to meet actual expenditures
 - (ii) **\$2.5 million** from the sale of the Stirling Crescent and Princess Street properties as these assets are realised
 - (iii) **\$2.5 million** from the Polytechnic capital funding over a period of five years up to 1998.
- (d) The Polytechnic will expend up to **four and one quarter million dollars** on the development of the required Science Facilities and will allocate monies from its annual capital funding for the refurbishing of the Awanui, Ruahine and Administration Blocks for Polytechnic purposes.

or, as the approach preferred by the College :

- (e) The Polytechnic will provide the capital sum of **\$14.244 million** (ex-Ministry of Education capital funds) up-front and fund its further capital works from :
 - (i) the sale of Stirling Crescent and Princess Street properties (**\$2.5M**)
 - (ii) its annual capital funds (totalling **\$5.0M** over five years)

The actual funding approach to be adopted may centre on the method and timing of the transfer of assets from the College to the Polytechnic and the institutions will need to address this.

The funding outlined above is expected to meet the expenditure entailed under Implementation items (b) - (e), but not any significant proportion of (g) comprising the consolidation of all the College facilities onto the School of Education site.

Further studies are needed to assess the likely shortfall between the funding available from identified sources and the final anticipated cost figure. The three tertiary institutions will seek a commitment for future funding towards the costs of the subsequent moves from the Ministry of Education.

4. Timing

The timing of the 'major move' is constrained by the desire of the Polytechnic to be operational in its new facilities in the last quarter of 1992 viz :

- (a) the required Science Facility to be completed by September 1992
- (b) the Awanui Block to be released to the Polytechnic by September 1992 and
- (c) the Ruahine and Administration Blocks to be available by December 1992 for conversions and refurbishing.

It is proposed therefore that:

- (i) the University site for the School of Education be prepared for development at the earliest possible date and
- (ii) construction and commissioning of the buildings required for the 'major move' be completed prior to September 1992
- (d) specialist facilities required on the School of Education site will proceed with expedition post-1992 as a separate development based on the availability of funding from identified and agreed sources.

III CER

The CER Steering Committee has been informed of the new developments arising from the meeting called by the Ministry and will be invited to consider these new developments as a further factor in their deliberation. It is accepted that it is the role of the CER Steering Committee to make recommendations to Councils on establishing closer educational relationships between the two institutions.

2 November 1990

Appendix 7

Report For The Councils Of Massey University and Palmerston North College of Education

REPORT FOR THE COUNCILS OF MASSEY UNIVERSITY AND PALMERSTON NORTH COLLEGE OF EDUCATION

1 INTRODUCTION

- 1.1 On 25 October 1989, Dr Neil Waters, Vice Chancellor of Massey University wrote to Mr B. Hennessey, Principal of Palmerston North College of Education, suggesting that a joint committee be established to explore the possible future relationship between the University and the College.
- 1.2 Early in 1990, it was agreed that a joint steering committee be set up to initiate, coordinate and report on enquiries into a possible closer relationship between the College of Education and Massey University.
- 1.3 The members of what came to be known as the CER (Closer Educational Relationships) Steering Committee were :
- | | |
|------------------------|---------------------|
| Professor I.A. Snook | (Joint Chairperson) |
| Mr B.J. Hennessey | (Joint Chairperson) |
| Professor G.S. Fraser | |
| Mr R.S. Dalzell | |
| Mrs K.M. Broadley | |
| Professor G.N. Malcolm | |
| Dr R.S. Adams | |
- 1.4 The CER Steering Committee established several specialist working parties to identify issues which would need to be addressed if an amalgamation were to be pursued.
- 1.5 The working parties investigated the following :
- | | |
|-----|------------------------------------|
| I | Staffing and Conditions of Service |
| ii | Finance |
| iii | Governance and Management |
| iv | Courses and Programmes |

Membership on the working parties was representative of the College and the University. Copies of the working party reports are attached.

Consideration of the implications of amalgamation for buildings and plant was deferred until a clearer indication of the likelihood of amalgamation was obtained.

2 CONCLUSION

- 2.1 The Joint CER Steering Committee, having consulted amongst interested parties and having received the reports from the working parties is firmly of the view that an amalgamation of the College and the University would be feasible and to the mutual advantage of the two institutions and the communities they serve.

3. IMPLEMENTATION

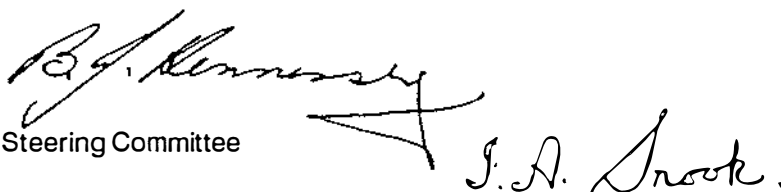
- 3.1 In proceeding with an amalgamation, it would be essential that all existing staff be given assurances relating to their employment including the following :
- (a) Transitional arrangements for existing staff
 - (b) No staff member would be made redundant as an outcome of amalgamation
 - (c) Staff salaries at the time of amalgamation would be maintained at least at the existing levels and the right to incremental increases preserved.
 - (d) Staff members would not be required to undertake work substantially different from that which is required of them prior to amalgamation. Any changes of duties must be properly negotiated.
 - (e) All negotiations regarding conditions of employment for all staff affected by the amalgamation would be conducted between the employers, the employer party and the unions in good faith, giving full weight to the intention that staff members should not be disadvantaged in their conditions of employment because of the amalgamation.
- 3.2 In establishing a School of Education within Massey University, it is accepted that new internal academic structures will need to be developed. These should be achieved through normal academic processes while scrupulously maintaining the integrity of teacher education and the status of Education as a distinct subject within the University.
- 3.3 Should the Councils accept in principle a proposal to amalgamate, the Steering Committee and working parties, plus any additional groups thought to be necessary, would be expected to carry out a thorough investigation of the steps required to achieve the amalgamation of the College and the University.
- 3.4 The design and provision of the buildings required on the Massey Campus for the amalgamation would become part of the negotiating process required for the implementation of the amalgamation.

4. RECOMMENDATION

The members of the Joint Steering Committee unanimously recommend that :

- i The Councils of Palmerston North College of Education and Massey University agree in principle to the amalgamation of the two institutions with effect from 1 January 1992, and
- ii Relevant staff of both institutions be fully consulted about the detailed provisions arising from this proposal.

B. Hennessey and I. Snook
 Joint Chairpersons of the CER Joint Steering Committee
 16 November 1990



Appendix 8

Vice-Chancellor's Memorandum

M E M O R A N D U M

Memo to: Professor G S Fraser
Professor I A Snook ✓
Registrar
Finance Registrar

Memo from: Vice-Chancellor

Date: 4 January, 1991

At its meeting 14 December 1990 Council resolved that the following recommendation be ratified:

That the Councils of Palmerston North College of Education and Massey University agree in principle to the amalgamation of the two institutions with effect from 1 January 1992.

Council also adopted the recommendation:

That the relevant staff of both institutions be fully consulted about the detailed provisions arising from this proposal and that appropriate consultation between both student representative take place.

Council stated quite clearly that it did not see the report as a binding document of Conditions of Employment because such conditions had not been discussed, but saw it in the nature of a 'base' document, from which discussions could proceed.


G N M Waters

Appendix 9

Principles Of Amalgamation

C.E.R. JOINT STEERING COMMITTEE

The five broad principles listed below have been developed in consultation with students and staff of both the College and the University, and forwarded to the Councils of the two institutions with a recommendation that they be adopted.

Any amalgamation between the College and the University should enhance the quality of both teacher education and the academic study of education as a University discipline.

To this end, Palmerston North College of Education and Massey University declare a commitment to the following principles :

- (1) The integrity of teacher education and development, and of educational research and critical enquiry shall be preserved.
- (2) Any administrative structures developed as a result of the amalgamation shall reflect the aims of both current institutions together with recognised national and regional responsibilities.
- (3) Equity provisions contained in the Charters of both institutions shall be preserved with special recognition given to the needs and aspirations of the Maori as tangata whenua.
- (4) Every effort shall be made to ensure that the funding of Education students following a course of professional education is maintained at current real levels. Resources held at present, or received or generated in the future for teacher education shall be retained for teacher education.
- (5) All students within the proposed joint institution shall be provided with the opportunity to be fully part of the University community. Students' facilities, including childcare services, should be maintained to at least current standards.

Bryan Hennessey and Ivan Snook
Joint Chairpersons

September 1991

Appendix 10

Programmes Sub-Committee's Draft Report

JSC 91/33

MASSEY UNIVERSITY
Education Department

M E M O R A N D U M

TO: Joint Steering Committee

FROM: Programmes Sub-Committee, PNCE/MU, CER

DATE: 21 October 1991

SUBJECT: PROGRAMMES, QUALIFICATIONS AND DEPARTMENTAL
STRUCTURES IN AN AMALGAMATED INSTITUTION

1.0 BROAD PRINCIPLES

- 1.1 An amalgamation should retain existing (nationally recognised) academic and professional qualifications from both institutions, namely the Bachelor of Education and the Diploma of Teaching.
- 1.2 All aspects of the current College course should be formally acknowledged in any new programmes.
- 1.3 Amalgamation should provide students with choice and "portability", particularly early in the programme. It should be possible for education students to transfer to another faculty and for students from other faculties to transfer to education.
- 1.4 All components of the programmes and qualifications should eventually be amenable to extramural and/or off-campus tuition.
- 1.5 The amalgamated institution should continue its interest in the professional and academic development of teachers beyond the basic qualifications.

2.0 PROGRAMME PROPOSALS

- 2.1 This paper attempts to outline proposals for qualifications and a range of programmes in an amalgamated institution and to detail the broad principles that should inform the structural arrangements within such an institution.

2.2 The proposals are informed by ideas that have emerged in various papers produced as part of the continuing amalgamation discussions.

2.3 All discussion of teacher education in this paper is based on general principles accepted by the programmes sub-committee (they are the organising principles upon which the current BEd and Diploma of Teaching were developed), namely, courses in teacher education normally have four components:

- i general further education (subject studies),
- ii educational studies,
- iii applied curriculum studies, and
- iv practice studies.

These components are intended to produce students with:

- i a well-grounded further education in the interests of the personal and professional development of the student,
- ii a conceptually sound understanding of the educational system, human development, and the process of education,
- iii a competent level of theoretical and practical knowledge in the process of teaching and learning, and
- iv a practically based understanding of teaching in New Zealand Schools.

2.4 It will be appreciated that this represents a continuation of current practice. The first component is met under regulations by Schedule II Subject Studies. These currently include, in addition to a detailed list of papers offered by PNCE, "All papers approved for BAg, BAgEcon, BAAgrSC, BA, BBS, BEd, BHort, BHortSC, BRP, BSc, BSW, BTech, BVSc degrees but not including papers in Schedule 1." This does not restrict "subject studies" to subjects offered as part of the primary school curriculum. The second component, educational studies, is met under Schedule I (a) Education and consists of a limited number of 100 and 200 level papers including 36:101 Education and Society, 36:102 Human Development, 36:202 Educational Psychology and 36:203 Educational Sociology. The third component is met under regulations by Schedule I (b) Professional Education and consists of about 40 papers (it varies from year to year). Two of these papers are at 100 level, 36:151 Professional Studies I and 36:152 Professional Studies II, and are recognised as the equivalent of 36:101 and 36:102. There are about ten 200 level "Teaching of

..." papers, including 36:232 Teaching of Mathematics and 36:233 Teaching of Language and Reading, and about ten other papers with a directly pedagogic purpose, including 36:242 Early Childhood Education and 36:247 Multicultural Education. There are also a number of 300 and 400 level papers (about 15 in all) which also have clear relevance to pedagogy. Practice Studies are currently provided at PNCE (amounting to 108 days) but do not gain paper credit.

- 2.5 The balance of components¹ in a programme of teacher education, whether for a Diploma or Degree (which is often a purely nominal distinction), is invariably settled in every institution by appeal to locally established custom and practice. In the proposed 21 paper Diploma of Teaching (Primary) the ratios will be: Educational Studies 4:21, Curriculum Studies 8:21, Practice Studies 3:21 and Subject Studies 6:21. In the 21 paper Diploma of Teaching (ECE) the ratios will be: Educational Studies 7:21, Curriculum Studies 4:21, Practice Studies 3:21 and Subject Studies 6:21 (with one additional paper being chosen from either Schedule 1 or 2). In the new 28 paper BEd/Diploma of Teaching (Primary) they will be Educational Studies 7:28, Curriculum Studies 8:28, Practice Studies 3:28 and Subject Studies 10:28. In the new 28 paper BEd/Diploma of Teaching (ECE) they will be: Educational Studies 11:28, Curriculum Studies 4:28, Practice Studies 3:28 and Subject Studies 10:28. These ratios are somewhat approximate as BEd students in particular will have some flexibility between Educational and Curriculum Studies and Subject Studies, but they can be treated as a reasonable guideline.

- 2.6 This paper proposes (i) a three year course leading to the Diploma of Teaching (Primary/Early Childhood), (ii) a four year course leading to the BEd/Diploma of Teaching (Primary/Early Childhood/Secondary), and (iii) a one-year course for graduates leading to the Diploma of Teaching (Secondary).

Pragmatic considerations have convinced the Sub-Committee that a three year exit point must be retained for the present, although our preference is a four year integrated programme of study. It is anticipated, however, that the changes proposed will enable considerably more integration and flexibility of timing than has been the case.

¹ See Appendix 1 for further discussion of programme components.

- 2.7 The current arrangements regarding shortened programmes for graduate students will be retained. As policy is developed regarding assessment of students' prior learning, it is expected that provisions for credit will be explored.

3.0 QUALIFICATIONS

- 3.1 At present, PNCE students undertake both degree and diploma studies concurrently. About half enter teaching after three years at college, on the basis of the professional qualification, the college Diploma of Teaching. The other half take up a fourth year studentship to complete the degree at university, and enter teaching with both the degree and the professional qualification. This proposal envisages that students will have until the end of their second year before deciding on their exit qualification (i.e. either Diploma of Teaching or BEd/Diploma of Teaching).
- 3.2 The Diploma of Teaching will consist of 21 papers and the BEd 28. The Diploma of Teaching will include all aspects of the college course.
- 3.3 The Diploma of Teaching (Primary) will consist of 21 papers and will require the following programme of study:

Educational Studies:

- | | |
|--------|-------------------------|
| 36.101 | Education and Society |
| 36.102 | Human Development |
| 36.23x | Curriculum and Teaching |

One other 200 level paper from Schedule I (a)

Curriculum Studies:

- | | |
|--------|-------------------------------------|
| 36.232 | Teaching of Mathematics I |
| 36.233 | Teaching of Language and Reading, I |
| 36.2xx | "Teaching of ..." |
| 36.2xx | Curriculum Studies (Primary) I |
| 36.2xx | Curriculum Studies (Primary) II |
| 36.2xx | Curriculum Studies (Primary) III |

Two further papers from the following:

- | | |
|--------|------------------------------------|
| 36.2xx | Teaching of Mathematics II. |
| 36.2xx | Teaching of Language & Reading II. |
| 36.2xx | English Studies for Teachers. |

Practice Studies:

- 36.1xx Introduction to Teaching and Learning
- 36.2xx Teaching Experience I
- 36.3xx Teaching Experience II

Subject Studies (Schedule II)

- 4 100 level papers
- 2 other papers which must be at 200 level or above.

Diploma students will thus be required to obtain: 7 100 level papers, 11-13 200 level papers, and 1-3 300 level papers. The Sub-committee proposes that Education and Society (101), Human Development (102), Learning and Teaching (231) and Educational Theory (230) be placed under the control of new course teams consisting of staff from both institutions and revised as those teams consider appropriate. This process of restructuring should be the first task of the proposed new departments. A new 200 level paper Curriculum and Teaching will be created which will combine elements from the existing papers; 231 Curriculum Theory, 230 Learning and Teaching, 251 Professional Studies I and 252 Professional Studies II. The designation "Teaching of ..." refers to 234 (Science), 235 (Social Studies), 236 (English), 237 (English as a Second Language), 238 (Art), 239 (Physical Education), 240 (Music) and 246 (Health). It is proposed that students enrolling for one of these papers be required to have studied an appropriate Schedule II course. The three proposed new papers in Curriculum Studies are envisaged as being module based and will be structured in such a way that certain modules will be compulsory. A paper might, for example, require two compulsory modules and a third being chosen from two options. These papers are intended to accommodate those elements of the College course not currently recognised for university credit and will cover all areas of the primary school curriculum other than English and mathematics. Students who enrol for a specialist "Teaching of ..." paper in science, art, music, physical education or social studies may or may not be required to study that subject in a Curriculum Studies module as Departments shall determine. The proposed three new papers in Practice Studies will recognise teaching practice.

- 3.4 The programme for the new BEd/Diploma of Teaching (Primary) will consist of 28 papers and require the following course of study:

Educational Studies:

- 36.101 Education and Society
- 36.102 Human Development
- 36.23x Curriculum and Teaching

One other 200 level paper from Schedule I (a)

At least 3 300 level papers in education from either Schedule I (b) or BA Schedule B (Education papers in Social Science).

Curriculum Studies:

- 36.232 Teaching of Mathematics I
- 36.233 Teaching of Language and Reading I
- 36.2xx "Teaching of ..."
- 36.2xx Curriculum Studies (Primary) 1
- 36.2xx Curriculum Studies (Primary) 2
- 36.2xx Curriculum Studies (Primary) 3

Two further papers from the following:

- 36.2xx Teaching of Mathematics II
- 36.2xx Teaching of Language & Reading II
- 36.2xx English Studies for Teachers

Practice Studies:

- 36.1xx Introduction to Teaching and Learning
- 36.2xx Teaching Experience I
- 36.3xx Teaching Experience II

Subject Studies (Schedule II)

4 100 level papers

At least 6 other papers which must be at 200 or 300 level. (At least 4 papers must be taken in a single subject and 2 of these must be at 200 level or above.)

BEd/Diploma of Teaching (Primary) students following the integrated programme will thus be required to obtain: 7 100 level papers, 13-17 200 level papers, and 4-7 300 level papers. The essential 300 level papers will be 3 in Educational Studies and 1 in Teaching Experience.

- 3.5 It is the Sub-committee's opinion that the current Schedule may need some modification to increase the range of papers available in Schedule I. Specifically, we propose that the following papers should be included in Schedule I (a): 36:208 Introduction to Research Methods in Education, 36:216 Women in Education and new papers developed in Multicultural Studies and some other areas. In addition, we anticipate the addition of further papers into Schedule 1(b) to reflect the contribution at 300 level from the College.

All BEd graduates will possess at least 10 Schedule II papers and those wishing to obtain a double major in Education and another discipline will find it possible to do so. We believe that this option will prove attractive and lead to an increase in the number of well-qualified teachers, particularly in science and mathematics, in primary and intermediate schools.

We envisage the possibility that a double major might be specifically offered in a variety of different fields and that Departments committed to this concept would be prepared to make whatever accommodation might be necessary to facilitate teaching practice arrangements.

- 3.6 The Diploma of Teaching (ECE) will consist of 21 papers and will require the following programme of study:

i) **Educational Studies:**

36.101	Human Development
36.102	Education and Society
36.2xx	Development and Learning
36.249	Child Study
36.242	Early Childhood Education
36.243	Parent Education
36.253	Special Education.

ii) **Curriculum Studies:**

36.1xx	Integrated Curriculum 1
36.2xx	Integrated Curriculum 2
36.2xx	Integrated Curriculum 3
36.2xx	Integrated Curriculum 4

iii) **Practice Studies:**

- | | |
|--------|-------------------------------------|
| 36.1xx | Introduction to Teaching & Learning |
| 36.2xx | Early Childhood Practice I |
| 36.3xx | Early Childhood Practice II. |

iv) **Subject Studies (Schedule II):**

Six papers to include a minimum of four in one subject, two of which must be 200 level or above.

v) One further paper from either Schedule 1 or Schedule 2.

3.7 The programme for the new BEd/Diploma of Teaching (ECE) will consist of 28 papers and will require the following programme of study:

i) **Educational Studies**

- | | |
|--------|-----------------------------------|
| 36.101 | Human Development |
| 36.102 | Education and Society |
| 36.2xx | Development and Learning |
| 36.249 | Child Study |
| 36.242 | Early Childhood Education |
| 36.243 | Parent Education |
| 36.253 | Education of Exceptional Students |

One other 200 level paper from Schedule 1(a).

At least three 300 level papers in education from either Schedule 1(b) or BA Schedule B (Education Papers in Social Science).

ii) **Curriculum Studies**

- | | |
|--------|-------------------------|
| 36.1xx | Integrated Curriculum 1 |
| 36.2xx | Integrated Curriculum 2 |
| 36.2xx | Integrated Curriculum 3 |
| 36.2xx | Integrated Curriculum 4 |

iii) **Practice Studies**

- | | |
|--------|---------------------------------------|
| 36.1xx | Introduction to Teaching and Learning |
| 36.2xx | Early Childhood Practice I |
| 36.3xx | Early Childhood Practice II |

- iv) Subject Studies (Schedule 2)
 - 4 100 level papers
 - At least 6 other papers which must be at the 200 or 300 level. (At least 4 papers must be taken in a single subject and two of these at 200 level or above).

BEd/Diploma of Teaching (ECE) students following the integrated programme will thus be required to obtain: 8 100 level papers, 9-15 200 level papers and 4-7 300 level papers. The essential 300 level papers will be 3 in Educational Studies and 1 in Teaching Experience.

- 3.8 The post graduate Diploma of Teaching (Secondary) which is currently offered as a one year programme (Div C) will be retained. This programme will be organised into seven papers as follows:

36.xxx	Professional Studies
36.xxx	Educational Studies
36.xxx	Introduction to Teaching
36.xxx	Curriculum Studies I
36.xxx	Curriculum Studies 2
36.xxx	Teaching Experience 1
36.xxx	Teaching Experience 2

- 3.9 It is recommended that the one year Te Atakura programme for secondary teachers of Maori also be organised into seven papers.
- 3.10 The Sub-committee strongly supports further development of the four year integrated programme (Div B) leading to the BEd/Diploma of Teaching (Secondary). At present this course is restricted to intending teachers of Physical Education. We would like to see a range of subject options available, with students having the opportunity to complete a double major in education and a teaching subject. While curriculum and teaching experience papers would need to be developed specifically for these students, education and "subject studies" papers would be taken in common with early childhood and primary teaching students. The possibility of students in any one of the BEd/Diploma of Teaching programmes gaining teaching experience at more than one 'level' (i.e. early childhood, primary, secondary) warrants further exploration.
- 3.11 It is recommended that the provisions for crediting into the BEd programme for teachers who hold the Diploma of Teaching be similar to that now offered.

4.0 DEPARTMENTAL STRUCTURES

- 4.1 The Sub-committee's terms of reference require that it consider the structures necessary to the delivery of programmes in an amalgamated institution. This responsibility reflects the connection between the character of those programmes and the forms of organisation required to develop and teach them.
- 4.2 In reaching its conclusions the Sub-committee has paid close attention to the present departmental and sub-departmental organisation at PNCE and Massey University Education Department and to the views expressed by the staff of both bodies to the JSC and the programmes sub-committee.
- 4.3 It is proposed, therefore, that there should be a School of Education/Faculty of Education within which there shall be the following five departments: Early Childhood Education, Curriculum Studies and Creative Arts, Human Development, Contextual Studies, Learning and Teaching. These departments will vary in size, Early Childhood Education is likely to be smallest and Curriculum Studies the largest (about 35 if PNCE English staff are located there). The other departments will number between 20 and 30 staff with Human Development being the smallest and Contextual Studies the largest (particularly if Maori staff form a section there in preference to an amalgamation with the University Department of Maori Studies). The Sub-committee notes the recommendation of the staffing sub-committee that professorial appointments to the new chairs required will be filled after due advertisement.
- 4.4 Department of Early Childhood Education. Early childhood is a distinct area that has enjoyed departmental status at PNCE (at Massey the early childhood staff have been part of the Human Development grouping). The establishment of a Department of Early Childhood at Massey University would indicate the status of this important area and do much to promote research into the specific issues of early childhood practice in New Zealand. The department would be responsible for all programmes and courses in early childhood education.
- 4.5 Department of Curriculum Studies and Creative Arts. This Department would be responsible for programmes and courses in Curriculum Studies, Practice Studies and all papers in the Subject Studies areas. It would include the distinct sections of English for Teachers, Art, Music, Human Movement Studies, Science, Social Studies, Language and Reading, etc, each of which would be the responsibility of a recognised section head with a degree of autonomy over resources. The Sub-committee supports the future establishment of a separate Department of Creative

Arts or even separate Departments of Art, Music and Human Movement Studies. Such Departments might or might not decide to remain within the Faculty of Education.

- 4.6 Department of Human Development. This Department would be responsible for programmes and courses in human development and counselling. The existing group within the University Education Department would constitute the nucleus of this Department. It will be appreciated that this Department would provide services to other faculties and in that respect continue practice of the University Education Department.
- 4.7 Department of Contextual Studies. This Department will have at least two distinct sections, Social Foundations and Maori Studies. It will be responsible for programmes and courses in the sociology, philosophy and history of education, women's studies and Maori studies and educational administration. The existing group within the University Education Department would constitute the nucleus of this Department but would be much enlarged by PNCE staff. The inclusion of Maori Studies as a distinct section within this group is particularly open to discussion. It may be that a closer liaison with Massey University Department of Maori Studies would better meet the wishes of the staff concerned.
- 4.8 Department of Learning and Teaching. This Department would be responsible for all programmes and courses in learning and teaching, special education, educational psychology, educational appraisal, and educational technology and media. It may be appropriate to give the staff responsible for educational technology and educational media the status of a distinct section.
- 4.9 All PNCE staff who elect to join an established University department (such as Mathematics) will have joint membership of their department's faculty and the Faculty of Education.
- 4.10 There will be a Director of Teacher Education who will have overall responsibility for programmes of teacher education. It will also be necessary to have Directors of Programmes for Division A (Primary), Division C (Secondary), Division E (Early Childhood), Guidance and Counselling and Graduate Studies.
- 4.11 It is proposed that all students enrolled within the Faculty of Education for the Diploma of Teaching or BEd should be funded appropriately. The number of students enrolled for subject studies with other faculties is expected to rise and the internal

arrangements necessary to the funding of these students will need to be determined.

- 4.12 Because the preservice programmes have been the focus of this document we have made no recommendations concerning the future placement of the Advanced Studies for Teachers Unit, the Continuing Education Department, or the Teacher Advisory Support Service. Clearly the relationship of these groups to the proposed departmental structure deserves thorough discussion.

5.0 RESOURCING IMPLICATIONS

- 5.1 The Sub-committee proposes that selection for teacher training take place at the end of the first year of the academic programme (i.e. the general 'foundation' year). The foundation year provides an opportunity for students to evaluate their interest and aptitude for teaching, and for the Faculty staff to evaluate students' suitability for specialised professional development. The Sub-committee is aware that some resourcing (i.e. EFTs funding) opportunities may be lost, but the Sub-committee finds it difficult to entertain both a general non-vocational foundation year, and a specifically funded, pre-selected professional cohort. The Programme Committee is also aware that higher EFT funding may not be carried into the fourth year of the BEd, and that non Study Right students may find the fourth year financially difficult.
- 5.2 The Sub-committee, respecting decisions made by the Joint Steering Committee, makes no concrete proposals concerning either the internal management of the Faculty/School of Education or the relationships between that body and the University. It notes, however, the adopted principle that funds allocated to teacher education shall be used for that purpose and expresses its support for an institutional form competent to realise that principle while not establishing within the University a cumbersome and "binary" structure of governance and management.

APPENDIX 1

COMPONENTS OF A PROGRAMME OF TEACHER EDUCATION

Subject Studies. The non-vocational element of tertiary education, thus comprises about one-third of the programme. This is considered appropriate for teaching students (at least those intending to work in early childhood centres or primary schools) and will permit BEd students to pursue a double major in education and a subject area of their choice.

Curriculum Studies are designed to provide students with skills in specific areas of the primary school curriculum (physical education, art, music, and so on). They are a central component of the professional educational programme.

Educational Studies. This is particularly difficult to define in a way that would meet with universal acceptance. To most teacher educators it means studies of educational theory and practice, informed by an appropriate disciplinary or interdisciplinary framework, carried out for the purpose of generating knowledge about educational systems and processes which are of concern to all with an interest in education. While not necessarily excluding the specific needs of teachers in training educational studies so conceived is by no means defined by those needs. In addition to educational psychology (making a more or less specific professional contribution to special education, appraisal, and so on), the sociology, history and philosophy of education perform a function essential to the wider understanding of education. Naturally, teachers who benefit from the knowledge contributed by these disciplines are thereby often enabled to perform their professional duties with an enhanced degree of insight and effectiveness. Nevertheless, there is a distinction between a course designed to provide teaching students with practical knowledge in the construction and teaching of, say, the social science curriculum and one which - taking such knowledge for granted and addressing an experienced body of students - presents a critical analysis of the principles of curriculum organisation and seeks to develop new insights on which students are invited to reflect and abstract their own principles on practice, whether that be classroom based or not. The distinction between professional and non-professional studies in education is easier to criticise than defend. It rests on dichotomies between levels of practice and levels of theory that are probably indefensible. Indeed, we offer no principled defence of the distinction but argue only - with whatever degree of enthusiasm - that since this distinction is a reality of our courses and deeply rooted in assumptions that cannot be ignored or nullified by regulation - that it should

be admitted as a necessary means to protect the essential critical and reflexive dimension of our papers in educational studies.

Practice Studies: What proportion of a programme of teacher education should be devoted to Practice Studies, and to supervised school-based experience in particular, has been the subject of intense and prolonged debate among teacher educators. The international literature reaches no clear conclusions about the effects on teaching performance of different periods of such practice - which can vary from 30 to 200 days in a three year programme. On the professional advice of the PNCE staff most closely involved with this aspect of teacher education we argue for three papers in Practice Studies representing 1/7 of the Diploma programme. We envisage that Practice Studies would include supervised school and centre-based experience, alternative forms of practice skills, and some theoretical aspects of the current Professional Studies courses.

Appendix 11

Critique Of Programme Sub- Committee's Draft Report

MASSEY UNIVERSITY

Faculty of Education

TO: Programmes Sub-Committee of the Joint Steering Committee for Closer Relationships between Palmerston North College of Education and Massey University

FROM: Ivan Snook

COPIES TO: Members of Joint Steering Committee
Vice Chancellor, Massey University
Principal, Palmerston North College of Education
Acting H.O.D., Education, Massey University

DATE: 24 October 1991

SUBJECT: Report of Programmes Sub-Committee

1. General Critique

As I stated at the Joint Steering Committee meeting on 22 October I am far from satisfied with the first draft of the proposed B.Ed. programme. To my mind, there is only one good reason for amalgamation: to combine the resources of two institutions to provide an outstanding programme of teacher education. Something of that vision is contained in the original proposal sent by the Vice Chancellor to the College Principal.

I find the proposed programme gravely defective as a means to a new vision:

- (i) It continues basically with the current College model of teacher education which is standard in New Zealand. This model has served the system well in many respects but is inadequate, I believe, for New Zealand's needs in the 21st century. This model sees teaching as a practical craft centred on classrooms and the meeting of children's needs. The good teacher understands children, has sound teaching methods, a general familiarity with all aspects of the curriculum and the ability to control a class. This is all very important and I hope these aspects are never lost.

The model I favour, however, sees teaching as a learned profession. Its practitioners have a broad grasp of schooling in its social, historical and political context. They are able to provide expert advice on the theory of education and on educational policy. Their approach to teaching is informed and critical. Their methods are based on the best research available though they know very well the limitations of this research. They are highly educated in the content they teach. They understand the nature of the various disciplines and their limitations.

I do not think it an exaggeration to say that, despite all our successes, New Zealand teachers have forgotten that the basic task of education is to hand on a cultural heritage and to train minds in the disciplines of human thought. It is not surprising, therefore, that we have had no ready defence against the narrow technicist concept of education which is being stressed all around us today.

- (ii) The proposal provides insufficient opportunities for Massey University to make a distinctive contribution, both in Education and in the substantive disciplines. A university is a place where knowledge is gained as well as passed on. Students in a university should learn both the content and the procedures by which that content has been generated. Coupled with critical examination of the content, this is, what 'learning to think' or 'becoming educated' means.

There is no mechanism to ensure Massey Education department's contribution to the education of teachers: we have outstanding expertise in (for example) special education, the gifted, computers in education, media education, human development, policy studies, the history of New Zealand education and youth culture.

Similarly on the content side. Massey staff have international reputations in (for example) some branches of mathematics, information systems, history, literature, physics, chemistry, technology and social policy (I do lots of departments an injustice in not mentioning them here: I refer the sub-committee to the Annual Research Report).

In the proposal, no means are suggested for putting our trainee teachers in contact with this kind of innovative work which - to repeat the obvious - must lie at the heart of what school pupils will 'need' in, say, 2001. I know that pre-service education is only the beginning. But it is an important stage, when life-long tastes, interests and basic understandings are set down.

I respect the amount of work the sub-committee has done and I understand the restrictions it operates under. But I will want to see a much more exciting programme (or at least the ground-work of such a programme and a mechanism for securing it) before being able to support amalgamation. I have often argued against those Massey Education staff who would prefer us to mount a teacher education programme closer to my second model. I have opposed the plan because I do not think we have the other skills so vital in a programme of teacher education. Hence I favour an amalgamation to give the best of both worlds. I regret that the current proposal does not give that: it gives us too much of one world.

2. General Proposals

Within this broad critique, many things are possible and I do not pretend to have the detailed answers. I would, however, make these suggestions:

- (i) There should be fewer papers on 'teaching of'. Apart from "Teaching of Language and Reading" (which, uniquely, is not the teaching of a discipline) and (possibly) "Teaching of Mathematics" (which is only in part the teaching of a discipline), the methodology should be combined

with teaching experience as involving theoretical reflection on the content, the process, and the learner. It eludes me how 'method' can be separated from reflective practice. The College handbook seems to acknowledge this when it says:

"The primary function of these courses ['methods' courses] is to translate educational principles into teaching practices... [They] help students, to make a selection of methods and techniques which will help them have confidence in the future."

(1991, page 371)

- (ii) There should be at least one compulsory paper (above 101) which looks critically at the context of education: history, sociology, philosophy. Ideally all these should be examined (if there were two papers 101 and a 200-level, they could be planned sequentially to give coverage). Such modes of thought cannot (or cannot easily) be acquired without structured teaching and practice, i.e. special courses are needed (though these too should be constantly related to schooling).
- (iii) There should be a mechanism (Joint papers? Joint teams?) for the planning of all education courses 100 - 300 to ensure that all of them are informed by research and relevant (in some sense) to beginning teachers. The present 'stand off' is unsatisfactory: College does 100 - 200, Massey Education Department does 300. That is not getting the benefit of amalgamation. In some areas (e.g Parent Education) most of the expertise may be at the College. In others (e.g. Computers in Education) Massey may have most expertise. (We should co-operate to the limits of our competences.)
- (iv) There should be a definite effort to plan a rigorous programme of subject studies which utilises Massey's strengths as well as College strengths. As I suggested in my earlier memo to you, we have a unique opportunity to provide a bold new approach to curriculum to meet the needs of schools in the future (please excuse the Porter like hype).

Let me give one example: A new subject (Technology) is to be compulsory throughout the school system. There are no teachers trained for it, and no clear idea what the content will be. Massey has the only Technology Faculty in New Zealand. It's Dean is very keen to be involved with the new subject and in conjunction with our faculty proposals are being worked on (College staff are involved). Such an exciting innovation (combining teacher training, curriculum and resource development) should be brought into the mainstream of our amalgamation planning. Lest it seem I have been converted by the science/technology axis, I hasten to add that I could see similar developments in 'Social Sciences' and 'The Arts', also compulsory aspects of the new curriculum. (An example: Massey personnel are involved with New Zealand and international research on unemployment, surely an important topic for schools in the future.)

3. An Alternative Structure for the B.Ed. Degree

- (i) Educational Studies (7 - 9 papers) including 101, 102, 2 x 200 (at least one in contextual studies, preferably two as the psychological will get a good airing in many other papers), 3 x 300 (one could be dropped in favour of a 2 + 2 model for 'double majors').

(ii) Subject Studies (12 - 14 papers). Including at least three papers in each of:

- (a) Mathematics, Science, Technology.
- (b) Cultural studies (including environment studies).
- (c) Creative arts.

Notes:

1. The principle is only partly 'coverage' for I believe that:
 - (a) It is superstitious to believe that teachers have to be taught about every subject on the school curriculum.
 - (b) It is more important to study some subjects in depth than all cursorily.
2. A further 3 - 5 papers allows for an excellent minor (6 papers) or major (8 papers). This could be a complete double (e.g. 3 x 300 in Education and 3 x 300 in a subject) or a modified double (2 x 300 in Education, 2 x 300 in a subject). See (i) above.

(iii) Professional Practice (7 papers)

Including Introduction to Teaching and Learning, Teaching Experience I, II and 36.232 and 233 (further curriculum work would be part of the Teaching Experience papers). If that were not favoured the Teaching Experience could be outside the degree (as for other professions).

Notes:

1. Although I have gone along with it, I do not really accept the view that in professional degrees, every practical aspect has to be part of the degree. This is not true for doctors, lawyers, engineers, nurses, etc.

Thus, for example, the B.V.Sc. degree requires that (in addition to five years of formal study) a candidate must complete at least 28 weeks of practical work. Similarly, the B.Tech. degree requires at least 30 weeks of practical work.

It is, in short, just a prejudice to insist that 'teaching experience' must be put in paper form as counting towards the 28 papers of the degree. Perhaps this is yet another relic of the old New Zealand model of 'teacher training'. Take this too seriously and the arguments about teaching being a trade best served by an apprenticeship may prove irresistible.

As I see it, the argument is this:

- (a) If teaching is a skilled trade, trainees don't need a degree or anything like it: they need plenty of supervised practice supplemented by a bit of theory (perhaps). The current proposal is irrelevant.
 - (b) If teaching is a learned profession, trainees need much more theory-based/research based/content oriented education. The current proposal is insufficient.
2. I am not convinced that Early Childhood should have a different kind of degree. All the arguments about a learned profession apply at all levels of the system.

Appendix 12

Vice-Chancellor's Memorandum

MASSEY UNIVERSITY

MEMORANDUM

Memo to: Professor G S Fraser
Professor I A Snook
Mr B Hennessey

Memo from: Vice-Chancellor

Date: 1 November, 1991

Subject: Closer Relationships Between PNCE and MU
Professor Snook's Memorandum of 24 October

I feel that I need to say that Professor Snook's memorandum of 24 October about the proposed programme for the joint institution and his reasons for our contemplating the merger strike a strong chord with me. I fully share his vision and have always felt that unless the whole was much more than the sum of the parts we would be wasting our time.

If we really haven't got a vision for what could be accomplished we should end the discussions now and save further time and effort. I am not going to recommend to the University Council acceptance of the status quo relabelled. That the drafts coming forward have failed to grasp the opportunities which would be presented by amalgamation worries me greatly. I am very tempted to recommend that discussions end forthwith. Perhaps that is what is wanted by some.



T N M Waters

Appendix 13

Programmes Sub-Committee's Report On Submissions Received

MASSEY UNIVERSITY

Department of Education

TO: Joint Steering Committee on C.E.R.

FROM: Programmes Sub-Committee

DATE: 23 June 1992

SUBJECT: Summary of Submissions Received in Response to C.E.R.
Programmes Sub-Committee Report to J.S.C. (J.S.C. 91/33, 18
October 1991).

1. Preamble

- 1.1 Following the release of sub-committee documents to the staff of the College of Education and the university's Education Department a considerable number of papers were submitted by course teams, departments and individuals from widely differing levels of both institutions.
- 1.2 In drawing up this summary of the accumulated submissions the Sub-Committee noted that many issues raised had already been discussed at J.S.C. throughout 1991 when the Sub-Committee released periodic working papers. The Sub-Committee also noted that its strategy of developing considerable detail for some aspects of the 'programme' (viz primary and early childhood pre-service), with only broad guidelines for others (viz secondary, short course and continuing education), and no consideration of others (viz graduate degrees), had led to a very diverse pattern of submissions.

2. Major Issues

The following issues emerge from the accumulated submissions:

2.1 The Nature of the Programme

Debate centres on whether the programme should reflect relative continuity with current patterns, or should reflect a major re-orientation whether more professional or more academic.

2.2 The Qualifications

Debate centres on the relative priority to be given to the Diploma of Teaching and the Bachelor of Education for primary and early childhood education programmes.

2.3 Entry and Exit Points

Debate centres on the minimum length of the professional qualification (3 years or 4) point of entry to the professional element of the programme (year 1 or year 2), and whether there should be optional exit points (after 3 years, or after 4).

2.4 The Proportion and Nature of Prescribed Requirements

Debate centres on the extent to which the programme should permit wide choice or a substantial proportion of required courses, and on areas in which there should be prescription.

3. Areas Not Fully Addressed

The Sub-Committee acknowledges that the following areas were not fully developed in its considerations and require further consideration.

3.1 The College's extension and advisory services.

3.2 The Advanced Studies for Teachers Unit's programmes of professional qualifications.

3.3 Structures for departmentalisation consequent upon programme decisions.

4. Conclusion

The Sub-Committee notes, that as might be anticipated, these submissions indicate that various groups and individuals involved in amalgamation negotiations hold different priorities - some focus more on proposals for decision making and organisational structures, while others focus more on the nature of the programme. The Sub-Committee believes that it would be unwise to proceed on either front without simultaneous consideration of the other.

D Aitken
N Bell
J Burns
J Chapman
R Dalzell
B Shaw
J Butler

Appendix 14

Evening Standard Report

Extract from the Manawatu Evening Standard'

- Friday 18 September 1992

Massey, teachers' college merger talks stall

by Simon Waters

THE PROPOSED merger between Massey University and the Palmerston North College of Education has stalled.

As a result, the Manawatu Polytechnic, which wants to buy the college's land, claims it is being mucked about. College board

member Bruce Beetham said discussions had been sporadic, and despite early progress, had stalled "due more to reservations on the part of the university than the college".

"There has been a growing awareness that in the ... market-orientated environment in which educational institutions will be re-

quired to operate, the college, rather than be a faculty of the university, might well have a better and brighter future as a stand-alone institution." Difficulties that could be involved with property rearrangements could see the amalgamation proposals back-footed, he said. The college might be better off marketing a wider

range of educational, professional and vocational qualifications for college students and those in out-post facilities. His comments were contained in a report to the Manawatu-Wanganui Regional Council, for whom he is the appointee on the college board.

Manawatu Polytechnic chief executive Garry Moltzen today said

if negotiations had stalled, he was "bitterly disappointed" and could not guarantee the polytechnic would continue with its plan to buy the college property. "We've stood by through 22 months of stalling and if this is another stall, then we might just have to get on with what's best for the polytechnic."

Appendix 15

Principal's Memorandum To All Staff

Memorandum

DATE: 21 September 1992

TO: All Staff

FROM: Bryan Hennessey, Principal

SUBJECT: PNCE/MASSEY UNIVERSITY AMALGAMATION NEGOTIATIONS

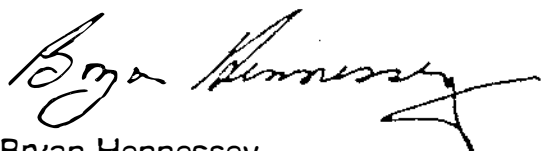
By now, most staff will have read, or at least heard about the attached article which was published in the Evening Standard on Friday 18 September.

Now for what is really happening the Joint Steering Committee and the members of the various working groups met on Thursday 17 September and unanimously agreed to invite an independent consultant to prepare an environmental impact report to assess the financial feasibility of relocating the College and the Massey Education Department in a new purpose-built facility on the Massey campus. The terms of reference for this report will be drawn up and considered by the JSC shortly.

At the Thursday meeting, Professor Fraser also indicated that the amalgamation option, which would have meant relocating the university's Education Department on this campus, is no longer being considered.

Mr Garry Moltzen of Manawatu Polytechnic has assured me of his full cooperation in providing financial information relating to any proposal for the Polytechnic to buy College buildings, should an amalgamation proceed.

Later this week, or early next week, I propose to call a meeting of our staff who attended the expanded JSC gathering, to organise a full reporting back session for all staff.



Bryan Hennessey
Principal

(see over)

Appendix 16

Proposed Brief For Consultants

SCHOOL OF EDUCATION

PROPOSED BRIEF FOR CONSULTANTS

1. Project Evaluation:

(a) Single Campus at Massey University:

A site has been designated for the proposed School of Education. It is required to:

- Identify building requirements (number, gross floor area, etc)
- Estimate all-up building cost
- Identify all infrastructure requirements, (power, water, sewerage, gas, stormwater, telephones, computer cabling, roading and carparking)
- Estimate all-up infrastructure costs
- Identify need for shared facilities (e.g. sports and recreation, library, lecture theatres)
- Access impact of shared facilities on existing resources
- Identify special/new subject areas (e.g. Arts/Music, Maori Studies, Mathematics, etc)
- Assess impact of special/new subject areas on existing resources
- Assess probable furnishing and equipment needs and related costs
- Estimate total costs of developing School of Education on proposed site

2. Property Valuation at Hokowhitu

The College of Education is expected to relinquish all its current buildings on the Hokowhitu Campus; however, it must be acknowledged that it may be necessary to retain some facilities on a cost-benefit basis.

It is required to:

- Determine the value of the present College of Education buildings (individual values based on more than one methodology)
- Assess likely realisable asset value (assuming purchase by Manawatu Polytechnic)
- Determine buildings to be relinquished in total and those that may be retained and shared e.g. marae, gymnasium, auditorium
- Assess most likely realisable cash figure (for application to single campus buildings)

- 2 -

3. Funding Structure

It is current practice for tertiary buildings to be owned by the institution or the Crown. Under capital charging, it is likely that this situation may be modified to a partial debt-funded scenario. This offers new arrangements but with new risks.

It is required to:

- Determine the total amount required to develop the new School (as 1 and 2 above)
- Possible funding options
- Ownership issues
- Debt-servicing costs and risks against variations in interest rates and/or income cash-flows
- Possible returns-on-capital for prospective non-government investors
- Commentary on the likely government policy on capital charging and impact on funding structure and options

4. Funding Sources

Capital available from known sources needs to be computed and the short-fall, if any, sourced. It is required to:

- Estimate total funding available from
 - College of Education assets
 - College of Education reserves
 - Massey University capital funds
 - Efts funding cash flow
 - Government contribution (as needed and as assessed as likely)
 - Endowments, donations, grants, sponsorships, etc
- Commentary on funding sources and required funding structure and long-term viability and sustainability.

5. Possible Implementation Strategy

In order to assess the reality of the single campus concept, it will be necessary to determine a possible implementation strategy and timeframe.

- 3 -

It is required to:

- Determine the overall relocation timeframe given the optimum funding structure
- Funding sources and timing of capital inputs
- Overall cash-flows
- Probable site development timeframe given likely cash-flows

6. Consultant's Terms of Reference

Given an acceptable offer of service, the consultant will be required to:

- Meet the reporting outputs implied in sections 1-5 above
- Report by Monday, 14th December
- Consult with all interested parties - College, University, Faculty, Polytechnic, PNCC, College Students' Association, Ministry of Education, etc
- Engage sub-consultants for special studies as deemed necessary

There is no commitment to Consultants for further involvement beyond the feasibility study as outlined.

Appendix 17

Joint Steering Committee's Report For The Councils Of Massey University And Palmerston North College Of Education

2-11-92

To :
 Master J H Williams QC
 Chancellor
 Massey University Council

To :
 Dr R S Adams
 Chair
 Palmerston North College of Education
 Council

REPORT FOR THE COUNCILS OF MASSEY UNIVERSITY AND PALMERSTON NORTH COLLEGE OF EDUCATION

FROM THE JOINT STEERING COMMITTEE ON AMALGAMATION

In October 1989, Dr Waters, Vice-Chancellor of Massey University wrote to Mr Hennessey, Principal of Palmerston North College of Education, with a proposal that the College 'become an administrative, functional and collegial part of the University'. In a covering letter, the Vice-Chancellor suggested that if the general direction of the proposal was agreeable to the College, a joint steering committee should be set up to explore the details.

Mr Hennessey responded favourably and a Steering Committee was set up. Its composition was :

Mr B J Hennessey)	Joint Chairpersons
Professor I A Snook)	
Professor G S Fraser		
Dr R S Adams		
Mr R S Dalzell		
Professor G N Malcolm		
Mrs K M Broadley		

Working parties were constituted to investigate -

- (i) Staffing and conditions of service
- (ii) Finance
- (iii) Governance and management
- (iv) Courses and programmes

Consideration of the implications for buildings and plant was deferred until the process was further advanced.

The working parties reported that there were no insurmountable obstacles and the JSC concluded that 'an amalgamation of the College and the University would be feasible and to the mutual advantage of the two institutions and the communities they service'. It reported in this vein to both Councils in November 1990.

Both Councils then approved the amalgamation in principle.

The JSC proceeded to augment its membership to include Professor W Turner, staff and student representatives and a representative of the Tangata Whenua.

Sub-committees were established on Resources, Staffing, Programmes and Structures and these provided draft reports towards the end of 1991. These were sent to the staff of both institutions for discussion and some vigorous debate ensued.

The report presented to the Councils in November 1990 noted, among other things, that 'the design and provision of the buildings required on the Massey Campus for the amalgamation would become part of the negotiating process required for the implementation of the amalgamation'. During 1992, it became increasingly clear to the JSC that the benefits of amalgamation as outlined in the Vice-Chancellor's proposal could not be ensured unless there was a physical relocation of the existing College and the University Department of Education on the Massey campus. Without that, discussions of programmes, staffing and administrative structures seemed rather futile.

The Joint Steering Committee therefore resolved on 15 October 1992 to engage a business consultant to thoroughly investigate the resources needed for a relocation. Subsequently, however, it became aware that other options concerning the Hokowhitu site are being explored with the Polytechnic authorities. It therefore has postponed the engagement of the consultant. A meeting on 27 October also recognised that since the original Council resolutions, there have been significant changes in the membership of the Councils and the political and educational climate in which they operate.

The Joint Steering Committee has, therefore, come to the conclusion that it would be wasting the time and energy of its members if it were to proceed further without the full support of the Councils for the direction it is taking. Accordingly, the following motion was passed:

The Joint Steering Committee invites the Councils :

- i to re-affirm their commitment to an amalgamation of the two institutions*
- and*
- ii to express their full support for the Joint Steering Committee's intention to continue planning for a site on the Massey campus.*

Bryan Hennessey Ivan Snook.

Bryan Hennessey
Ivan Snook
Joint Chairpersons

2 November 1992

Appendix 18

Vice-Chancellor's Memorandum: Proposed Amalgamation



**MASSEY
UNIVERSITY**

Vice-Chancellors Office
Private Bag
Palmerston North
New Zealand
Telephone 0-6-356 9099
Facsimile 0-6-350 5603

M E M O R A N D U M

Memo to: Mr B Hennessey, College of Education
Professor I A Snook ✓

Copy to: Professor R S Adams, College of Education
Professor G S Fraser

Memo from: Vice-Chancellor, Massey University

Date: 3 December, 1992

Subject: PROPOSED AMALGAMATION

This is to give you formal notification that the Council of the University recently resolved that "the paper from the Chairpersons of the Joint Steering Committee be accepted and its recommendation adopted with the Vice-Chancellor being asked to report to its first meeting in 1993 on the possibility of amalgamation being quickly concluded".

My own view is that if we cannot say by the beginning of March what the outcome is to be we should waste no more time on the matter. We have already spent three years discussing the topic and I do not believe that we should spend yet another twelve months.

The matter is probably now one of leadership by the governing bodies rather than another long period of discussion. As instructed by my Council I will be reporting back in February and I will be suggesting that now is the time for achievement and not resolutions. Anything that the Joint Steering Committee can do to help bring this matter to a decision point, one way or the other, will be greatly appreciated.

T N M Waters

Appendix 19

Resolution Of The Palmerston North College Of Education Council

RESOLUTION

OF

PALMERSTON NORTH COLLEGE OF EDUCATION
DATED THE 27TH DAY OF NOVEMBER 1992

1. This Council reaffirms its interest in principle in seeking closer educational relations between the Palmerston North College of Education and Massey University.
2. In making its reaffirmation the Council does so in the belief and subject to the precondition that any closer relations must be for sound professional and educational reasons.
3. Council resolves that the Joint Steering Committee expedite its investigations into the proposal to examine in the first instance the amalgamation of both Institutions by relocation onto the Massey University site.
4. To that end, the Joint Steering Committee be asked to obtain an independent consultant's report by not later than 31 March 1993.
5. That in conducting its investigations the Joint Steering Committee should not ignore any other form of closer educational relations which appears beneficial to both Institutions.
6. That in making its reaffirmation the Council advises its intention to continue to investigate and where appropriate act upon any new initiative in respect of the future of the College which appears beneficial to the College.
7. The Council also advises that any final determination as to amalgamation will be made when Joint Steering Committee deliberations are completed and all reports have been received and debated.

Appendix 20

Evening Standard Report Of College Council Meeting

Manawatu Evening Standard, Saturday 17 April 1993
(following Council meeting the previous day)

Front Page

Report status confuses

by Lisa Nicolson

THERE WAS confusion over progress in the amalgamation of Palmerston North's College of Education and Massey University at yesterday's college council meeting.

College principal Bryan Hennessey said in his report to council that a financial feasibility report on amalgamation was being prepared by consultancy firm Deloitte Ross Tohmatsu.

He said the report was "very close to the draft stage". Information had been provided on the college's relocation costs, its buildings' valuation and Massey's capital costs for additional support services.

It was also understood Manawatu Polytechnic had provided information on its desire to acquire college buildings should the amalgamation go ahead and the college relocate to the Massey campus.

Mr Hennessey said it was anticipated a report would be available for discussion by April 21.

But council member and amalgamation steering committee joint chairman Ivan Snook said although the committee had voted to investigate the possibility of a feasibility study, no decision had been made to contract any firm to undertake the study.

"As joint chairman of the committee I can say Deloitte Ross Tohmatsu have not been contracted and no report is near draft stage. There have been no negotiations by the joint steering committee with this firm."

Professor Snook said that when the committee met last December they finally agreed to get a firm to come in, see what needed to be done and to give the committee some costings.

"If it looked okay we would then agree they should do a feasibility study."

"I think it's a matter of principle. The committee was the body set up by the two councils to proceed with possible amalgamation and it acted in good faith. But since December this has assumed a life of its own."

Mr Hennessey agreed the committee hadn't formally agreed to commission any firm to prepare a feasibility study, but the situation had snowballed.

"The three institutions have co-operated fully in providing information to Deloitte, an indication of the cost (of the feasibility study) was forwarded to us and we have shared that."

In response to suggestions that steps be taken now to make the report official, Professor Snook said he was worried about the standing of the "so-called report".

"Who is it for, what do we do with it, who does anything with it? The report hasn't been commissioned by anybody."

But council member Brian Elliott said he thought it was crazy to argue over whether the report was official or not.

"I would like the council to say it supports the actions of the principal in getting this report to the stage it's at. Let's get on with it, at least something's being done."

A motion to that effect was carried unanimously.

Appendix 21

Media Release Concerning Abandonment Of Merger Plans

MEDIA RELEASE

Plans for the amalgamation of Massey University and the Palmerston North College of Education have been abandoned.

The Councils of both institutions have accepted recommendations from their Chief Executive Officers that negotiations on re-locating the College on Massey University's campus should be discontinued.

The recommendations were made following review of a report from consultants Deloitte Touche Tohmatsu focussing on building costs and financial feasibility.

The two institutions have a long history of cooperation. They pioneered the BEd degree together and have maintained a close relationship. Other possibilities for further developing that relationship may arise in the future.

However, the time is not right for full assimilation of the College by the University. The College will continue to operate, as do all Colleges of Education, as an autonomous institution on its own site.

Appendix 22

Evening Standard Report Abandonment Of Merger Plans

Massey merger plan abandoned

by Neil Nelson

PLANS to amalgamate Massey University and the Palmerston North College of Education have been abandoned after several years discussion between the two parties.

In a joint statement last night, Massey assistant vice-chancellor Graeme Fraser and college principal Bryan Hennessey said the councils of both institutions had accepted recommendations from their chief executive officers that negotiations on relocating the college on Massey's campus be discontinued.

The recommendations were made after a review of a report from consultants Deloitte Touche Tohmatsu on building costs and financial feasibility.

The statement referred to the two institutions' long history of co-operation and said "other possibil-

ities" for further developing the close relationship between the two might arise in the future.

"However, the time is not right for full assimilation of the college by the university.

"The college will continue to operate, as do all colleges of education, as an autonomous institution on its own site."

The institutions have held regular talks to discuss the possibility of amalgamating on the Massey campus for the past few years.

Late in 1990, the two bodies announced they would combine, though they stressed the college might not physically move to the Massey campus.

The move was decided by both organisations at a joint council meeting and a committee was set up to look at what form the amalgamation would take. Amalgamation between such bodies was not new; Hamilton's College of Education and Waikato University had previously joined forces.

In July, 1991, it was announced final agreement on the amalgamation would take longer than expected and might not proceed.

But the amalgamation process was then expected to be finalised by January 1, 1992, with plans for the first students to be accepted into the joint structure in 1993.

Taking a close interest in the merger discussions was Manawatu Polytechnic which was keen to take over the former college site, if the college moved its base across the river to the Massey campus.

The possibility of the polytechnic and college merging was also discussed.

In November, 1992, the university council reaffirmed its commitment to amalgamation of the two institutions.

It also adopted a second recommendation to continue planning for a single campus site based at Massey.

Appendix 23

Evening Standard Report On Possible Reconsideration Of Merger Plans

Chong

PRESS CLIPPINGS BUREAU

EVENING STANDARD

Circ. Approx. 28,000
PALMERSTON NORTH

27 AUG 1994

P.O. Box 13-330, Onehunga
Auckland, New Zealand
Telephone 834-0463 Fax 838-7807

EDUCATION

College-university link-up raised again

by Shani Naylor

PALMERSTON NORTH College of Education and Massey University are again considering joining forces — a year after previous amalgamation plans were abandoned.

The college of education council discussed the proposal behind closed doors at its bimonthly meeting on Thursday.

Though college principal Bryan Hennessey and Massey officials have also held discussions, the plans are being kept secret at this stage.

The expected announcement will end weeks of rumour among the staffs of both institutions.

Plans to amalgamate the two institu-

tions were announced in 1990, and abandoned in July, 1993, after lengthy discussions. The two bodies said "the time was not right".

Originally, plans called for the college to relocate to Massey campus. But that move wasn't viable, according to a consultant's report on building costs and finances.

The new proposals are understood to call for a partnership, rather than an amalgamation. The college would thus remain a semi-autonomous body within the university.

It is understood the college would remain at the Hoko-whitu campus, which it currently shares with Manawatu Polytechnic.

Mr Hennessey wouldn't comment, saying any proposals were still confidential.

Earlier this month, Mr Hennessey and Massey Vice-Chancellor Neil Waters made a joint approach to Education Minister Lockwood Smith, asking him to support the polytech's bid to shift from the Hoko-whitu campus.

Dr Smith told them he would "do everything he could" to support the polytech's bid to move. Mr Hennessey told a recent meeting of the college finance committee.

The college supported the polytech, but wanted to have priority in obtaining any vacated buildings, he said.

Dr Smith "also indicated that, at any time, if there were any difficulties, he

would be prepared to intervene on the college's behalf," Mr Hennessey told the committee.

The polytech recently abandoned plans to relocate its three facilities to one campus on the Railway Land. The "Polytech in the Park" proposal was dropped in the face of public opposition to the plan.

The polytech is now investigating other options, including a suggestion it develop a new campus on its Grey Street site.

The college of education and university have a long history of co-operation. Teacher trainees take papers toward a Massey degree as part of their study.

Appendix 24

Principal's Memorandum To All College Staff Concerning Resumption Of Merger Consultations

Memorandum

DATE: 29 August 1994
TO: All Staff
FROM: Bryan Hennessey, Principal
SUBJECT: COLLEGE/UNIVERSITY PARTNERSHIP

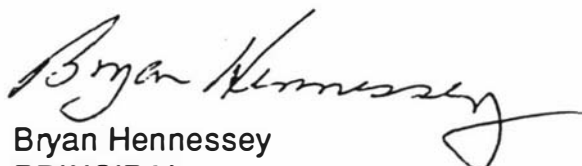
I wish to inform you that there will soon be a resumption of consultations between the College and Massey University on the matter of the future relationship between the two institutions.

The Council Chairman Mr Bruce Beetham and I have had preliminary discussions with the Massey Chancellor and Vice Chancellor. Now with the full support of our Council we have agreed that further meetings of the Vice Principal and Registrar and I will be scheduled with Professors Fraser and Tunmer from Massey in the near future.

A major aim will be to build on much of the earlier work carried out by the committees on closer educational relations between the College and the University.

It is proposed that a set of recommendations will be presented to the respective governing Councils hopefully by the end of this year.

I will keep you informed of developments and progress being made.


Bryan Hennessey
PRINCIPAL

Appendix 25

Evening Standard Editorial Commending The Decision To Merge

Editorial

Monday, April 24, 1995

Merger makes strong sense

MASSEY UNIVERSITY and the Palmerston North College of Education have agreed on a merger which has the capacity to enrich education greatly in New Zealand.

The merger will come into effect on January 1 next year, but the speed of its success will depend on the extent of the financial commitment the Government is prepared to make. The new Massey University College of Education will need full use of the Hokowhitu campus the existing college now shares with the Manawatu Polytechnic to make the merger work properly.

The plan is to shift staff from Massey's education departments and Educational Research and Development Centre on to the Hokowhitu campus, but that cannot happen until the Government agrees to fund the polytechnic's redevelopment plans, which are likely to centre on its Grey Street campus. Education Minister Lockwood Smith supports the merger, and has promised assistance, but the proposed timing for the merger means support in principle needs to be turned quickly into support in financial terms.

Meanwhile, the university and college councils should be congratulated on their initiative. The merger makes common sense, but common sense cannot always be taken for granted in debates which are concerned with emotional ties to the past as well as with a realistic accounting of what the future holds.

The university and the college both have a wide store of education and teacher training skills to bring to a merger. A future generation of teachers, education researchers and

enhanced range of experience which is going to be available to them.

The new Massey University College of Education will have the capacity to become not only the country's leading centre for teacher training and the academic study of the discipline of education, but to become an even more important international training and research centre too.

The merger will also be good for the polytech because it is surely bound to enhance its case for a central campus. The polytech currently operates under enormous administrative and practical study difficulties working out of several campuses. The merger agreement simply brings those problems to a head, and makes a resolution of them an even more urgent need.

SIR EDMUND HILLARY has been granted a rare and signal honour in being appointed by the Queen as a Knight Companion of the Most Noble Order of the Garter.

The appointment will be welcomed by New Zealanders as a fitting recognition of a man whom Prime Minister Jim Bolger says has been a hero to several generations of New Zealanders for the past four decades.

No one should doubt the genuineness of Mr Bolger's admiration for Sir Edmund, but given what sometimes seems to be Mr Bolger's lone campaign for New Zealand to debate issues such as the honours list and republicanism, there is an irony that it should fall to him to pass on the country's congratulations to the great New Zealander.

The irony matters little, however. The honours list

Co-operating to find new site

Staff reporter

PALMERSTON North's three tertiary institutions plan to work together to help Manawatu Polytechnic find a new site away from the Hokowhitu campus.

Massey University and the Palmerston North College of Education agreed on Friday to merge the two institutions to form the Massey University College of Education. The merger will take place on January 1 next year.

MANAWATU POLYTECHNIC

college and polytechnic.

Manawatu Polytechnic acting chief executive Paul McElroy said today the polytechnic remained "committed to the concept of a central campus site".

It currently operates from three Palmerston North sites.

"We're looking for real and substantive assistance from central government to achieve this. The speed with which we are able to vacate the Hokowhitu

discussions with the other institutions to discuss the issue. They had agreed to work together, Mr McElroy said.

A formal approach had not yet been made to Education Minister Lockwood Smith about the site.

Mr McElroy said the polytechnic's Grey Street campus was still the most "pragmatic" option, but no decision had been made.

Last year the polytechnic abandoned

Appendix 26

The Memorandum Of Agreement

MEMORANDUM OF AGREEMENT

This Agreement is made on 15 May 1995 between the Palmerston North College of Education ("the College") and Massey University ("the University").

General

The parties to this Memorandum of Agreement agree that merging would be to their mutual benefit and to the benefit of the communities they serve in that it:

- (a) would strengthen, enhance the status of and further develop the professionalism and expertise of educators in various fields and would facilitate the pursuit of excellence and the extension of knowledge through research and scholarship in those fields;
- (b) would help secure the long term future of teacher education in New Zealand;
- (c) would provide the opportunity to establish new and innovative programmes, for example in the fields of fine / performing arts, physical education / sports coaching and Maori studies and also promote research in these areas;
- (d) would provide access to a broader scope of educational programmes for students;
- (e) would provide enhanced opportunities for the professional development and career prospects of staff;
- (f) would allow for more efficient use of human and physical resources whilst at the same time as providing an expanded resource base;
- (g) would enable a co-ordinated approach to distance education for teachers and other educational professionals.

The parties recognise that they each have independent status and agree to participate in all negotiations in good faith up to the day of merger.

Between the date of approval of this Memorandum of Agreement by both parties and the day appointed for the merger to be enacted, the University and the College agree to work co-operatively, positively and expeditiously towards planning and implementing the structures and processes that merging entails. During this period neither the University nor the College will take any action or enter into any commitment that is prejudicial to the interests of the other or of the merged institution.

The parties agree that they will jointly negotiate with the Minister of Education concerning the legislative and financial requirements and approvals for the merger.

The parties now agree, without prejudice to matters affecting the merger not explicitly covered in this Memorandum of Agreement but to be negotiated at a later date, that:

1  

Definitions

1. In this Memorandum of Agreement:

“the University” means Massey University;

“the College” means the Palmerston North College of Education;

“MUCE” means the Massey University College of Education;

“the Board” means the Massey University College of Education Board;

“the Faculty” means those members of the Faculty of Education of Massey University who are staff of Massey University;

“the governing bodies” means the Council of Massey University and the Council of the Palmerston North College of Education;

“the merger” means the merger of the Palmerston North College of Education and Massey University in accordance with this Memorandum of Agreement;

“the day of merger” means 1 January 1996;

“the Hokowhitu Campus” means the premises currently occupied and controlled by the Palmerston North College of Education at Palmerston North;

“the Vice-Chancellor” means the Chief Executive of Massey University as defined in Section 196 of the Education Amendment Act 1990.

Governance

2. Subject to the conditions specified in this Memorandum of Agreement, from the day of merger the College shall be merged into the University in accordance with the provisions of any relevant Acts and Statutes and this Agreement.
3. From the date of the signing of this Memorandum of Agreement the Vice-Chancellor shall nominate the Chairperson of the College Council to be a member of the Council of Massey University in accordance with Part XV of the Education Amendment Act 1990 and Clause 4.1.1(ii) of the Massey University Charter 1994-1998.
4. On the day of merger the University Council will cause to be established in accordance with Clause 193(2)(i) of the Education Amendment Act 1990 a board to be known as the College of Education Board. The Board will be charged with:
 - (a) maintaining an overview of the merger to ensure adherence to the spirit of the Memorandum of Agreement and the report entitled “A Proposal to Merger” (Massey C95/54(b) (revised) & PNCOE C95/1/1 (revised));
 - (b) ensuring the integrity of teacher education is maintained;
 - (c) making Charter and policy recommendations to the Massey University Council which will ensure the University's continuing commitment to teacher education; and

2 





- (d) exercising such specific authorities in teacher education as may be delegated to it from time to time by the Massey University Council.

5. The Board will comprise:

- (a) the Chairperson of the College Council at the day of merger, who shall act as the initial Chairperson of the Board;
- (b) the Principal of the College at the day of merger;
- (c) the Vice-Chancellor;
- (d) the Chairperson of the Board of Studies of MUCE;
- (e) one staff member elected by the staff of MUCE;
- (f) one student elected by the student members of MUCE;
- (g) up to five members, to be appointed by the University Council on the recommendations of those members of the Board specified in (a to e) of this clause, to ensure appropriate gender and ethnic representation and appropriate professional expertise.

6. The University and the College will seek accommodation from the Government to allow separate annual statements and EFTS returns to be presented for 1996. Although the merger will have occurred, the time frame will not allow for the integration of financial and EFTS reporting systems to have been fully completed.

The Merger

7. The University will accept that from the day of merger:

- (a) the academic functions of the Faculty and the College will merge to form the Massey University College of Education (MUCE);
- (b) all programmes and awards offered by the College prior to the merger shall continue to be offered by MUCE subject to the normal University processes of review of programmes and structures which includes approval by the University Council;
- (c) MUCE shall have a Board of Studies which shall report to the Academic Board of Massey University;
- (d) following the merger, MUCE will review the full range of existing academic programmes. It may develop new programmes and modify its departmental structure as is appropriate subject to the normal approval procedures of the University. In all cases the integrity of Teacher Education will be maintained as will the status of Education as a major subject;

8. (a) Those premises occupied and controlled by the College located at Palmerston North shall become known as Massey University - Hoko-whitu Campus;

- (b) Those premises occupied and controlled by the College located at Wanganui and Taranaki shall become known as Massey University - Wanganui Centre and Massey University - Taranaki Centre respectively;
 - (c) Those premises owned by the College located at Napier shall become known as Massey University - Napier Centre;
 - (d) MUCE will be located primarily at the Hokowhitu Campus and Napier Centre.
9. From the day of merger the administrative and support functions of the College will be integrated as appropriate within the University's administrative structures, provided that appropriate administrative functions will remain at Massey University - Hokowhitu Campus to service MUCE.
10. From the day of merger the University undertakes to maintain and honour all educational contracts and teacher support contracts of the College existing at the day of merger.

Property and Liabilities

11. Conditional on satisfactory financial and other arrangements being made with the Minister of Education and the Ministry of Education is that any financial reserves of the College or associated trusts existing on the day of merger will be used exclusively for purposes of the future development of teacher education at the Hokowhitu Campus and Napier Centre and the College's premises at New Plymouth and Wanganui.
12. Subject to the provisions of Clause 11 of this Agreement, all property and assets vested in the College are to be ceded to the University on the appointed day and vested thereafter in the University.
13. On the day of merger, the University shall assume all liabilities and obligations of the College including all terms and conditions as specified in any contracts of the College existing at the day of merger.

Staff

14. All staff of the College will become members of staff of the University on the day of merger.
15. There will be no forced redundancies or retrenchments as a result of the merger.
16. The College and the University agree that the employment contracts of current College staff will remain unaltered, except that the employer party shall become the Vice-Chancellor of Massey University:
- (a) current industrial relations arrangements will remain in force until superseded by any new agreements;
 - (b) the employer will negotiate with the relevant parties as required by current industrial arrangements.

17. The College and the University give the undertaking that any appointments made after the day of merger will be made in accordance with the terms and conditions of employment of the University.
18. Induction and staff development programmes for the personal and professional needs of staff directly affected by the merger shall be provided as necessary.
19. On the day of merger the Principal of the College shall become the Principal of MUCE.

Students

20. On the day of merger all students of the College shall become students of the University.
21. The academic programmes of students who, on the day of merger, are enrolled in the College shall not be adversely affected.
22. The College and the University undertake to consult with the appropriate Students Associations with a view to protecting the interests of all students in the merged institution.

Merger Implementation Group

23. The governing bodies will establish a Merger Implementation Group which will oversee the implementation of this Memorandum of Agreement.
24. The Merger Implementation Group will comprise the Principal of the College and the Assistant Vice-Chancellor (Academic) of the University with the power to co-opt.
25. Two staff members, one from each institution, will act as joint project co-ordinators and shall report to the Merger Implementation Group.

Delegation of Authority

26. The governing bodies direct and authorise their respective Chief Executive Officers to undertake all necessary actions to bring this Agreement to fruition.

Termination of Agreement

27. The College and the University enter into this Agreement with the intent to merge on the appointed day of merger. This Agreement is final and not open to subsequent termination.

The COMMON SEAL of the
PALMERSTON NORTH COLLEGE OF
EDUCATION was this 15th day of

May 1995 affixed by resolution of
the Council of the College in the presence of

B. Beekman Oso.

Chairperson

B. J. Amusey
Principal



The COMMON SEAL of MASSEY
UNIVERSITY was this 15th day of

May 1995 affixed by resolution of
the Council of the University in the presence of

Chancellor

[Signature]

Vice-Chancellor

J. H. Waters



Appendix 27

Merger Implementation Inaugural Report

PALMERSTON NORTH COLLEGE OF EDUCATION MASSEY UNIVERSITY

MERGER OF THE PALMERSTON NORTH COLLEGE OF EDUCATION AND MASSEY UNIVERSITY

MERGER IMPLEMENTATION GROUP REPORT MAY 1995

Herewith the inaugural report of the Merger Implementation Group. This group will report bimonthly to the Councils of Massey University and the Palmerston North College of Education.

1. At a ceremony on Monday 15 May, the Memorandum of Understanding was signed and sealed by the Chancellor, Chairperson of the College Council and the two Chief Executives. Please find attached the press coverage relating to this event.
2. Copies of the Memorandum of Agreement and the "Proposal to Merge" report (revised May 1995) have been sent to all Faculty of Education and College staff, to Deans and other senior officers of the University and to the respective Employee Associations (AUS, ASTE etc).
3. As per Clauses 23 and 24 of the Memorandum of Agreement, the Merger Implementation Group has now convened and comprises the following:
 - Professor G S Fraser, Assistant Vice-Chancellor (Academic)
 - Mr B Hennessey, Principal

With the following staff being co-opted to this Group:

- Mr R Dalzell, Vice Principal
- Professor W Turner, Dean of Education
- Miss J Carter, Associate Principal
- Mrs M Thomson, Assistant Vice-Chancellor (Support)

Mr Howard Wills and Mr Martin Carroll have been appointed as joint Project Co-ordinators as per Clause 25 of the Memorandum of Agreement.

4. The task of proceeding with the merger process proper has now commenced. A critical path is being developed, the consequence of which will be a number of consultative exercises to be undertaken with staff and relevant departments within the College and the University.

Appendix 28

Merger Newsletter

MERGER UPDATE

ISSUE 1, JULY 1995

MERGER PROCEEDING TO PLAN

On Friday 21 April the Councils of Massey University and the Palmerston North College of Education voted unanimously in favour of the proposed merger of the two institutions.

College Chairman Bruce Beethorn QSO and University Chancellor Hugh Williams QC signed the agreement formalising the merger at a special ceremony on Monday 15 May. The merger will legally take effect on 1 January 1996 and will see the formation of the Massey University College of Education.

Staff from the University and the College are now working together to finalise

the details necessary to bring about the merger.

Project Co-ordinators for the merger process Martin Carroll and Howard Wills said that work was proceeding to plan, but that while the Massey University College of Education would become a reality on 1 January next year, there was no expectation or even desire to have the two institutions fully merged by that date.

"We have to be realistic about the scale of the project we are undertaking and the many inter-relating factors involved," Mr Wills said.

"Part of the project management job will be for us to prioritise all the things that must be done to achieve the merger, to ensure that change can be mapped out at a steady, manageable rate."

One of the biggest issues and uncertainties affecting the merger is the location of the Manawatu Polytechnic, which currently shares the Hokowhitu campus with the College.

"Ultimately, it is envisaged that the University's Faculty of Education will move to the Hokowhitu campus. However, that can't happen until matters concerning the way in which the Hokowhitu campus is shared with the Polytechnic are resolved. We cannot consider a large-scale shift of the Faculty until then," Mr Carroll said.

GROUP TO OVERSEE MERGER

A special committee, made up of representatives from both Massey University and the Palmerston North College of Education, has been established to co-ordinate the merger.

The Merger Implementation Group (MIG) is comprised of Professor Graeme Fraser (Assistant Vice-Chancellor (Academic), MU), Mr Bryn Hennessey (Principal, PNCoE), Professor Bill Tunmer (Dean, Faculty of Education, MU), Miss Judith Carter (Associate Principal, PNCoE), Mrs Muma Thomson (Assistant Vice-Chancellor (Support Services), MU), and Mr Rex Dalzell (Vice-Principal, PNCoE).

Its Terms of Reference are to give effect to the Memorandum of Agreement and the Report entitled *A Proposal to Merge*. The MIG will report to the Councils on a bi-monthly basis.

POLICY DECISIONS

Recent policy decisions made by the Merger Implementation Group are:

- The College and the University will operate separate enrolment systems for the 1996 academic year.
- The College and the University will maintain separate financial systems for the 1996 financial year.
- The College will continue to hold its own graduation ceremonies in 1996.
- In 1996 the College will retain its own Calendar, but this will be called the Massey University College of Education Handbook and will apply to the offerings at the Hokowhitu campus and the Napier Centre.

Merger Update will regularly advise of further policy decisions.

PROJECT CO-ORDINATORS APPOINTED

Howard Wills (Registrar, PNCoE) and Martin Carroll (Projects Manager, Massey University) have been appointed Project Co-ordinators for the merger.

Reporting to and advising the Merger Implementation Group (MIG), the Project Co-ordinators will act as the key

point of liaison between the MIG and the various working groups involved in carrying out specific tasks related to the merger. They are also responsible for communicating with staff and students about the merger.

"The MIG will establish

continued over

MERGER UPDATE

Welcome to the first edition of *Merger Update*.

As its name suggests, the publication has been developed to help keep all staff at Massey University and the Palmerston North College of Education up-to-date with progress in the merger of the two institutions.

At this stage it is intended that *Merger Update* will be produced monthly, with the possibility of additional 'special editions' if significant developments or events warrant them.

Co-ordinators continued

working groups, made up of staff from both institutions, on a whole variety of different factors that have to be addressed for the merger to take place," Mr Wills said.

Each working group will receive Terms of Reference, detailing the particular duties required by the MIG, from the Project Co-ordinators. Wherever possible, members of the working groups will be involved in setting the Terms of Reference.

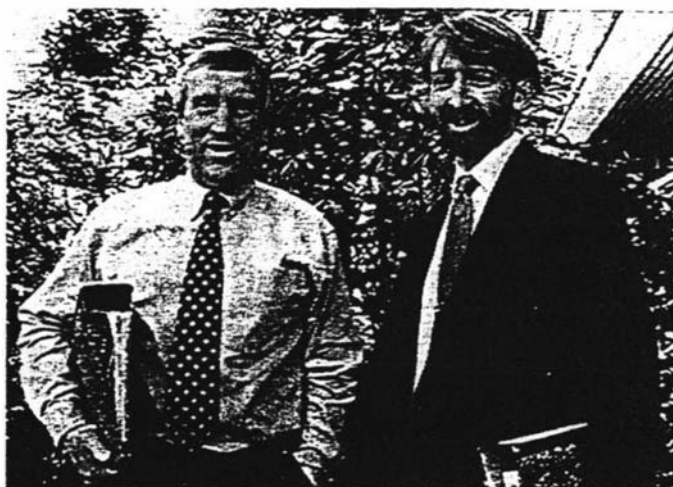
"There may be cases where particular tasks arise which do not require working groups. In those instances 'tasksheets' will be prepared and forwarded to those

delegated responsibility for accomplishing the task"

"The tasksheets will set out the action to be taken and include such information as the task's objectives, relevant policy statements, deadlines, intended outcomes, resource matters, and relationships to other tasks," Mr Carroll said.

"On a project of this scale it is essential that we have a well co-ordinated and managed approach. Accordingly, no action should be taken by any working group, or any other individual in either institution, without receipt of a specific tasksheet or Terms of Reference."

All enquiries regarding the merger and specific projects



Merger Project Co-ordinators Howard Willis and Martin Carroll

should be directed to the Project Co-ordinators. Their contact details are:

Howard Willis
Registrar
Registry Building
PNCoe
Ph: 357-9104

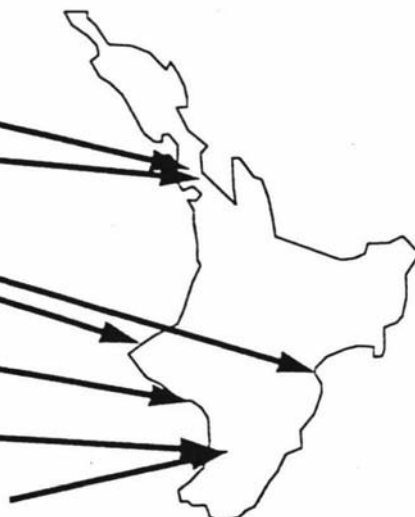
Martin Carroll
Projects Manager
Registry
Massey University
Ph: 350-5318

PROGRESS BRIEFS

- Priority and non-priority areas pertaining to the merger have been determined and information and consultation relevant to these areas will be communicated in the near future.
- One of the first initiatives undertaken by the Merger Implementation Group was to publicise and promote the merger throughout the wider educational and public community. Letters have been forwarded to other tertiary institutions, schools, regional councils, city corporations, employee organisations, and respective student associations. Bryan Hennessey and Graeme Fraser have also addressed secondary and primary school principal associations. Such consultation will continue.
- A Working Group for Human Resources has been set up and appropriate Terms of Reference written. Members of the Working Group, with power to co-opt and consult, are John Jay (Human Resources Registrar, MU), Kathy Broadley (Director, PNCoe), Anne Marie de-Castro (Human Resources Consultant, MU), and Jan Birmingham (Personnel Registrar, PNCoe). *Ex-officio* members are Bryan Hennessey, Graeme Fraser and the Project Co-ordinators.
- Working Groups are being established for the Library Services, Computer Services, the Diploma/BEd programmes, and Calendar/Handbook publications.

CAMPUS AND CENTRE LOCATIONS

- ☐ Albany Campus
- ☐ Takapuna Centre
- ☐ Napier Centre
- ☐ New Plymouth TS Centre
- ☐ Wanganui TS Centre
- ☐ Hokowhitu Campus
- ☐ Palmerston North Campus



Appendix 29

Press Statement College Council Chairman

PRESS STATEMENT

Bruce Beetham
Evening Standard
for Saturday 11 November 1995

"COLLEGE WILL BE STAYING PUT"

"We have tried to be of assistance to the Polytech with its problems, but we are staying put and not going anywhere else," was the blunt response of the Chairman of the Palmerston North College of Education, Bruce Beetham, to what he called "a far too late call" by the Manawatu Polytechnic for the College to move from the Hokowhitu campus to the University's.

"Quite apart from anything else the independent feasibility study we commissioned in 1993 showed beyond any shadow of doubt that it just wasn't financially viable for the College to relocate to the Massey campus. The replication of the necessary facilities there, even on free land, would have been, and remains, utterly beyond any means available to us, then and now" said Mr Beetham.

"The reactivation of the proposal for a merger between the University and the College in 1994, on the basis of the University's Faculty of Education moving on to the College's site at Hokowhitu, arose in part from what appeared to be the Polytechnic's then policy of moving all its operations at Hokowhitu and elsewhere on to a central city site, regardless of the fate of the "Poly in the Park" proposal".

"If the Polytech has decided, for various reasons, that is not now possible, and no longer worth investigating further for the time being, that is disappointing. What it will mean for the College of Education is that we will simply have to use our capital reserves for the additions we urgently need, which unfortunately will also mean that we won't be in a position to assist, through purchasing any of the Polytech facilities, (or coming to other appropriate financial arrangements if outright purchase was not legally possible at the time) the Polytech's move to a consolidated site later".

"Delaying these additions to our facilities to date has been in anticipation of being able to acquire vacated Polytech facilities at Hokowhitu, which would have been substitutes for such additions, and by so doing assist the Polytech to relocate. We shall now just have to get on with what we must do to accommodate adequately what will soon be increased staffing and student numbers" concluded Mr Beetham.

B C Beetham
Chairman
PN College of Education Council

Appendix 30

Letter To The Minister Of Education From The College Council Chairman



PALMERSTON NORTH 365
COLLEGE OF EDUCATION
Te Kupenga o Te Matauranga

*All Correspondence to: The Registrar
Private Bag 11035, Centennial Drive
Palmerston North, New Zealand
Telephone (06) 357-9104
Facsimile (06) 356-9032*

13 November 1995

Dr The Hon Lockwood Smith
Minister of Education
Parliament House
WELLINGTON

VICE-CHANCELLOR'S
16 NOV 1995
OFFICE

Dear Dr Smith

I have been supplied with a copy of the Manawatu Polytechnic's just decided change of tack in its late submission to yourself dated 10 November 1995 regarding the dis-establishment of the Palmerston North College of Education to enable the merged Massey University College of Education to come into existence on the Hokowhitu campus.

I would draw your attention to the fact that the reactivation of the proposal for a merger between the University and the College in 1995 on the basis of the University's Faculty of Education moving on to the College's site at Hokowhitu, arose in part from what then clearly appeared to be the Polytechnic's adoption of a policy of moving all its operations at Hokowhitu and elsewhere on to a central city site, regardless of the fate of the "Poly in the Park" proposal. In short they said they were going, and our planning proceeded on that basis. If, as they now say, their preferred outcome is that the College should move to the University Campus to enable the Polytechnic to consolidate on the Hokowhitu site, then why on earth did they not say so ages ago when they had ample opportunity for input and to indicate that preference? I have been on the College Council for five years, and this is the first time I have heard such a preference expressed. Besides, there has been regular contact and discussion between the Chief Executives and other officers of the College and the Polytechnic throughout the whole process during which the Polytechnic was kept well apprised of our intentions. And why did they go through, and why were the people of Palmerston North put through, the fiasco of the "Poly in the Park" proposal? Furthermore, why is the Polytechnic now engaged in significant reconstruction at Grey Street? This is hardly consistent with the preferred option they are now in the process of belatedly embracing.

It is far too late in the day for the Manawatu Polytechnic to be changing tack - at the eleventh hour as it were. The merger implementation process with due blessing and encouragement from yourself is too far down the track at this point for the clock to be turned back without producing disruption and destroying much of the hard work done in preparation. This work has of course been predicated upon the merged institution staying at Hokowhitu.

-2-

The Polytechnic's claimed "most cost effective" and "less expensive" option which we greatly doubt would be so, and has certainly never been proven or shown to be such, would be of no use to us anyway because it would involve us having our auditorium, gymnasium, marae and some other facilities beyond convenient physical access to our students. This would effectively frustrate our desire to move more comprehensively into the whole area of the performing arts as well as operate our present courses efficiently.

We submit that the Polytechnic funding that was removed in 1990 should be recovered not to enable the Polytechnic to purchase the College's interest in the Hokowhitu campus, but to facilitate the Polytechnic's relocation to a central city site.

I understand that our Chief Executive Officer Bryan Hennessey will be talking with some of your officials later this week about this matter and the whole issue, but I thought you might appreciate in advance some comments from myself. I hope you find them of some assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B C Beetham', with a stylized flourish at the end.

B C Beetham QSO

Chairman

Palmerston North College of Education Council

Appendix 31

Letter From The Minister Of Education To The Principal Of The College



Office of
THE MINISTER OF EDUCATION
 Wellington, New Zealand

COPY

12 December 1995

Bryan Hennessey
 Principal
 Palmerston North College of Education
 Private Bag 11 035
 PALMERSTON NORTH

Dear Bryan Hennessey

**PROPOSED MASSEY UNIVERSITY MERGER WITH PALMERSTON NORTH
 COLLEGE OF EDUCATION**

On Monday 3 December 1995 I advised Cabinet not to proceed, in the meantime, with the proposal to recommend to the Governor-General that an Order in Council be made to disestablish the Palmerston North College of Education and incorporate it with Massey University.

This decision was reached following consideration of submissions received subsequent to notification of my intention to interested parties in accordance with Section 164(5)(a) and (b) of the Education Act 1989. An objection, together with a legal opinion on the subject, on the future occupancy of the Hukowhitu site by the proposed Massey University College of Education, was received, indicating to me that matters of some substance needed to be settled before I could recommend that incorporation proceed without risk of judicial action.

It is my intention that all parties directly affected by the proposal that the two institutions merge should meet in the very near future. The purpose of this meeting would be to consider issues of concern regarding the future provision of tertiary education in the Manawatu. My Private Secretary will be in touch with your office early in 1996 to make arrangements for this meeting.

Yours sincerely

Lockwood Smith PhD
 Minister of Education

Appendix 32

Summary Position Paper

MASSEY UNIVERSITY & PALMERSTON NORTH COLLEGE OF EDUCATION

SUMMARY POSITION PAPER

Tuesday, April 02, 1996

The Palmerston North College of Education and Massey University welcome the opportunity to meet to discuss any unresolved issues relating to the proposed merger between our two institutions.

It must be noted that neither the College nor the University perceive any problems with the merger proceeding, nor have we received any formal objections to our proposed course of action.

We understand that a legal injunction contemplated by the Manawatu Polytechnic against the Crown, relating to site issues, outlined three objections:

1. The consultation process provided insufficient time.
2. The merger proposal allegedly assumed exclusive use of the Hokowhitu Campus.
3. The use of existing and future capital could be better used in the national interest.

On the basis of the information available to us, we believe the first concern has been addressed by the Minister delaying his decision to recommend the Order in Council. This has been at considerable financial costs to the College and the University (est. \$200,000 excluding salary costs of senior executives, staff on working groups and the two joint project co-ordinators). Other costs have been to staff and student morale and to the reputations of the two organisations. There is a limit to how long the College and the University can reasonably be expected to sustain such costs before reviewing their commitment to the merger.

In response to the second concern, the University and College Councils amended the Memorandum of Agreement and the report entitled "A Proposal to Merge", such that any proposal to seek exclusive occupation of the Hokowhitu Campus was withdrawn. It is our view

Merger Implementation Group

PROJECT CO-ORDINATORS:

HOWARD WILLS, Private Bag 11 035, Palmerston North
Telephone (06) 357 9104, Facsimile (06) 356 9032

MARTIN CARROLL, Private Bag 11 222, Palmerston North

that the merger does not provide the Polytechnic with greater rights to the Hokowhitu Campus that it currently enjoys; nor does it provide the University with any greater rights to the Hokowhitu Campus than the College currently enjoys.

We are not persuaded that the third objection is credible.

Attempts to resolve the ownership/occupation issues and concerns related to the Hokowhitu Campus have continued for a considerable period of time and remain unresolved. Because we are firmly of the view that the site issue is unrelated to the merger, it seems unreasonable to require that the merger be predicated on its resolution.

However, the College and the University have repeatedly endeavoured to work with the Polytechnic on this matter, thus far without complete success. Nevertheless, we remain committed to participation in a finite process designed to resolve the site issues at the Hokowhitu Campus. The present procedures used require full consultation and agreement prior to either occupier engaging in site developments. This system has presented no difficulties thus far and we see no reason why it could not be continued following the merger.

In addressing procedures relating to the site issue the following are non-negotiable:

1. The right to act as an autonomous institution.
2. The right to further develop on the Hokowhitu Campus.
3. Relinquishing any facilities/plant/space presently occupied or utilised by the College at the Hokowhitu Campus is not an option.

Thus we are of the view that on the basis of information made known to us, no valid reason has been given for further delaying the final approval of the merger, effective as at 1 May 1996.

Professor G S Fraser
Assistant Vice-Chancellor
Massey University



Bryan Hennessey
Principal
Palmerston North College of Education.
Principal

Appendix 33

Executive Order In Council



In Executive Council

His Excellency the Governor-General is recommended to

Sign the attached Order in Council making the Palmerston North College of Education (Disestablishment, and Incorporation in Massey University) Order 1996.

I am satisfied, for the following reasons, it is desirable for Massey University and the Palmerston North College of Education to ~~amalgamate~~, and that the College cannot be incorporated in the University unless it has been disestablished.

I am satisfied that the disestablishment and amalgamation:

- (a) would strengthen, enhance the status of and further develop the professionalism and expertise of educators in various fields and would facilitate the pursuit of excellence and the extension of knowledge through research and scholarship in those fields;
- (b) would help secure the long term future of teacher education in New Zealand;
- (c) would provide the opportunity to establish new and innovative programmes for example in the fields of fine/performing arts, physical education/sports coaching and Maori studies and also promote research in these areas;
- (d) would provide access to a broader scope of educational programmes for students;
- (e) would provide enhanced opportunities for the professional development and career prospects of staff;
- (f) would allow for more efficient use of human and physical resources whilst at the same time as providing an expanded resource base;
- (g) would enable a coordinated approach to distance education for teachers and other educational professionals.

I am also satisfied that the concerns expressed to me by Manawatu Polytechnic regarding the accommodation on the Hukowhira Campus are being addressed.

Approved in Council

Clerk of the Executive Council

The Hon. Wyatt Creech
Minister of Education

The Palmerston North College of Education
(Disestablishment and Incorporation in Massey
University) Order 1996



Governor-General
ORDER IN COUNCIL

At Wellington this 6th day of May 1996
Present:

W. R. H. D. McKinnon IN COUNCIL

PURSUANT to section 164 of the Education Act 1989, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

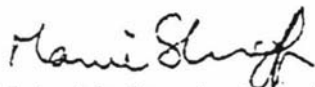
O r d e r

1. Title and commencement—(1) This order may be cited as the Palmerston North College of Education (Disestablishment and Incorporation in Massey University) Order 1996.

(2) This order shall come into force on the 1st day of June 1996.

2. Palmerston North College of Education disestablished and incorporated in Massey University—The college of education that immediately before the commencement of this order, was known as the Palmerston North College of Education—

- (a) Is hereby disestablished; and
- (b) Is hereby incorporated in Massey University.



Clerk of the Executive Council.

Explanatory Note

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on 1 June 1996, disestablishes the Palmerston North College of Education and incorporates it in Massey University.

Appendix 34

Merger Update

MERGER UPDATE

ISSUE 5, MAY 1996

WAY CLEAR FOR MERGER!

BACKGROUND TO THE MERGER:

The road to the merger has been a long one. The proposal was first aired in early 1990 when a steering committee was set up. In the following year the College of Education council adopted a list of five principles, after consulting staff and students from both institutions.

At that stage there were plans to complete arrangements for the amalgamation by January, 1992, but in July 1991 final agreement was postponed until the middle of the following year. Plans then centred on moving the college to the Massey campus.

Negotiations continued until mid-1993 but were discontinued after a report from consultants Deloitte Touche Tohmatsu that focused on building costs and financial feasibility. The consultants advised that the relocation of the college on the university campus was not viable.

However negotiations had resumed by 1994 and in August the link was again raised publicly when College Principal Bryan Hennessey and Massey University Vice-Chancellor Neil Waters made a joint approach to the Minister of Education, Lockwood Smith. He was asked to support a new proposal which would see the Manawatu Polytechnic follow its plans to shift from the Hōkōwhitu campus, which it shared with the college. The merged Massey University College of Education would occupy the Hōkōwhitu site.

By early 1995 the councils of both institutions were considering a memorandum of agreement prepared by a joint negotiation team. The merger was announced formally in April, to take effect in January, 1996. It had been agreed that the university Education Faculty's three departments and its Educational Research and Development Centre would move to Hōkōwhitu. The Minister was again approached and asked to facilitate the merger, including by providing financial



Dr James McWha, Vice-Chancellor, Massey University



Bryan Hennessey, Principal, Palmerston North College of Education



FOR FURTHER INFORMATION CONTACT MARTIN CARROLL ON 350-5318 OR HOWARD WILLS ON 357-9104



PALMERSTON NORTH
COLLEGE OF EDUCATION

support to allow the Polytechnic to establish a new site. College Chairman Bruce Beetham and Massey University Chancellor Hugh Williams hailed the agreement as "of tremendous significance to the long-term future of education in New Zealand" and as "setting a new benchmark for teacher education".

The plan was widely debated. An editorial in the Manawatu Evening Standard congratulated the university and college councils on their initiative and predicted the new Massey University College of Education would become not only the country's leading centre for teacher training and the academic study of the discipline of education, but also an important international training and research centre. The editorial urged the Minister to move quickly to turn his support in principle to support in financial terms.

By November, however, there was a question mark over the future of the Hokowhitu campus, with the Manawatu Polytechnic's acting Chief Executive Paul McElroy recommending the polytechnic should be sited completely on the campus, and the college moved to the university campus. The Minister called for public submissions. In December he announced he would postpone the decision on the merger, after the polytechnic indicated it would seek a judicial review of the proposal. The Minister also signalled a meeting of representatives of all the tertiary institutions, to be held early in the new year.

There was further delay in late February when Dr Smith was replaced in the education portfolio by new minister Wyatt Creech. Mr Creech has held a series of meetings with representatives since becoming Minister and announced last week that he would recommend to Cabinet that the merger should go ahead.

THE ANNOUNCEMENT:

The Minister's statement was headed: "WAY CLEAR FOR MERGER OF PALMERSTON NORTH COLLEGE OF EDUCATION AND MASSEY UNIVERSITY." Mr Creech said: "The Manawatu Polytechnic, which shares the Hokowhitu Campus with the Palmerston North College of Education, has expressed some concerns relating to the future development on this property. I have had discussions with all the parties involved. I appreciate the co-operation of the various parties - it showed commonsense and a commitment to achieve the best solution for education in Palmerston North. I am very pleased that a constructive agreed position to advance a proposal which will be a positive move for the education sector in Palmerston North, a city that prides itself on being the "Knowledge City" of New Zealand, has been achieved.

"I commend all those involved for their good sense in this matter.

"I have also undertaken to consider the case from Manawatu Polytechnic for assistance to meet its needs for quality accommodation in the future."

THE REACTION:

A joint statement from Massey University Vice-Chancellor Dr James McWha and Palmerston North College of Education Principal Bryan Hennessey expressed delight at the Minister's announcement.

"We are very pleased the Minister has acted decisively to allow the merger to proceed. The establishment of the Massey University College of Education creates exciting prospects for the development of teacher education into the next century," said Bryan Hennessey.

Dr McWha said he was pleased that "all the planning and preparation carried out over the past five years can now be realised in putting in place the long held vision for the future research and development of education. We look forward to finally realising the benefits to staff, students and the national education community."

Both Chief Executive Officers expressed appreciation for the Minister's co-operation and support in seeking the necessary Government approval. And they announced that, subject to Cabinet approval, the merger would take effect on 1 June, 1996.

The Manawatu Polytechnic's Chief Executive Paul McElroy said the polytechnic would now not pursue legal action against the merger.

THE NEXT STEPS:

The decision on the merger was expected to be made by the Cabinet on May 6. The Order In Council necessary to make the merger legal will then be fast-tracked, to allow the 1 June deadline to be met.

FROM THE JOINT PROJECT CO-ORDINATORS:

"The real work of making the merger a reality can now commence!

It is important that the merger develop in a co-ordinated manner. A meeting of the CEO's and key persons involved be convened this week to discuss the next steps.

The various working parties and specific projects which were established earlier will be called upon to reconvene. Convenors will be approached in due course to discuss such issues. It is asked that no actions be taken until these approaches have been made.

It must be noted that there is no expectation that all systems will need to be fully integrated by 1 June, 1996. Indeed, many systems will not be required to be fully integrated until 1 January, 1998, and some systems will remain independent for the foreseeable future.

Many of the changes that will be made as the merged entity evolves will involve processes which are based on 12 month cycles: e.g., enrolments, financial reporting and academic programmes. The day of the merger, 1 June, will be at varying stages of the many cycles to be considered.

If there are pressing matters that staff feel need more urgent consideration, they may contact the project co-ordinators below."

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