

EUROPEAN UNIVERSITY ASSOCIATION

Mergers & change management in universities – a European overview

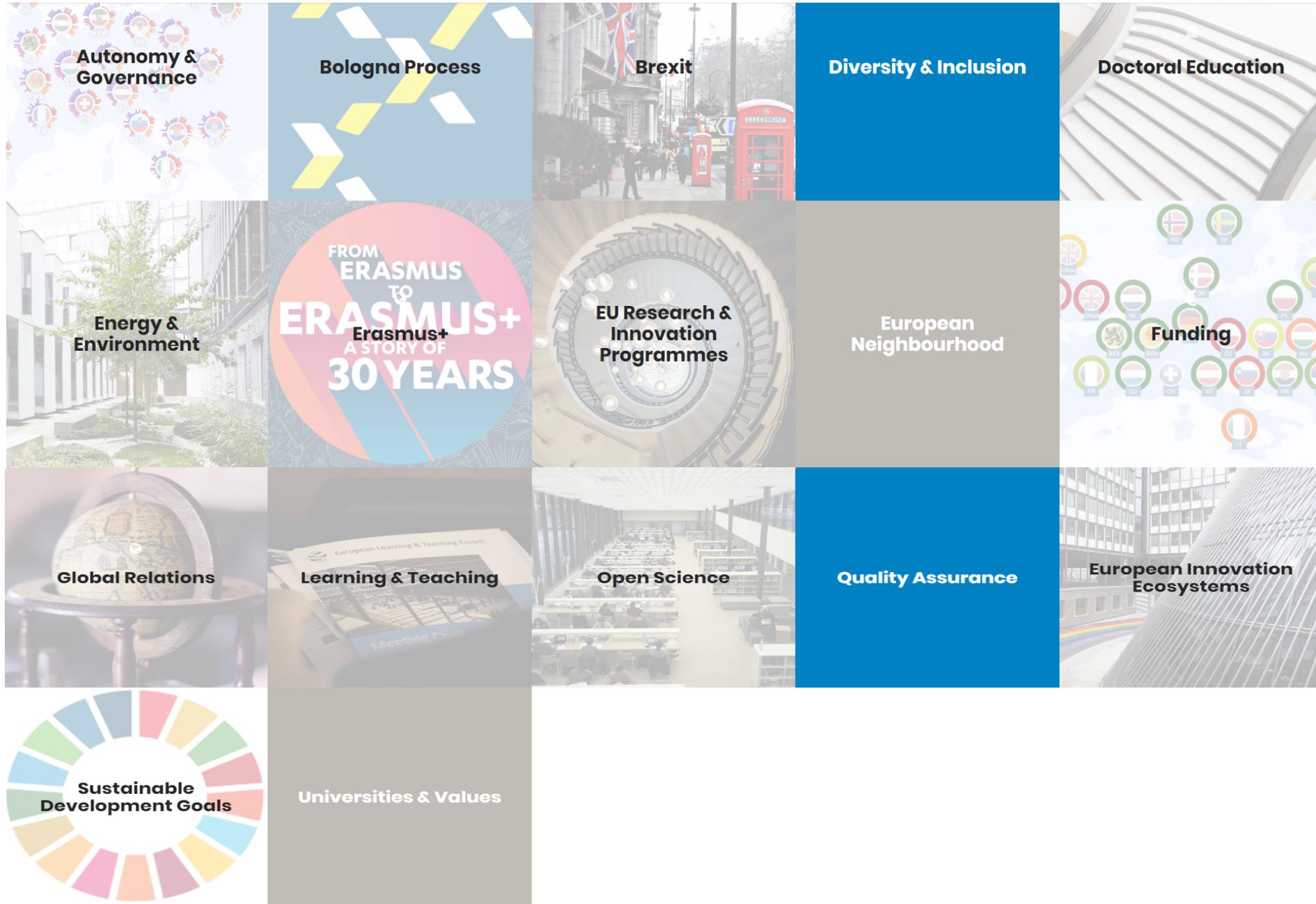
Enora Bennetot Pruvot

Deputy Director for Governance, Funding and Public Policy Development

UNICA Rectors Seminar “Shaping the University of the 21st Century”

Universidad Complutense de Madrid, 1st March 2019

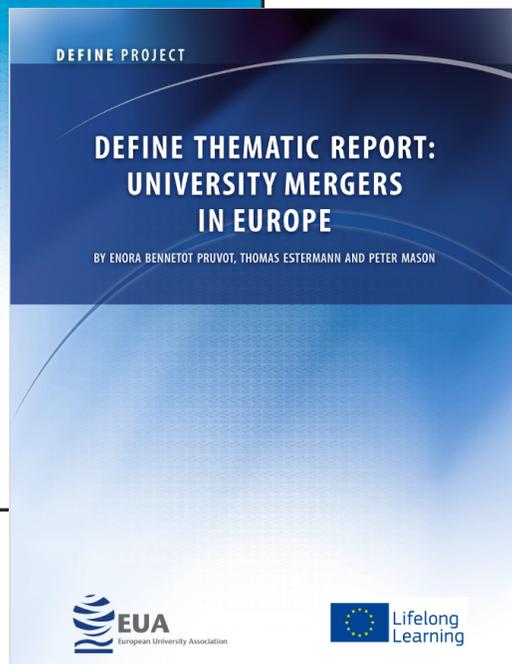
EUA



Non-governmental membership organisation

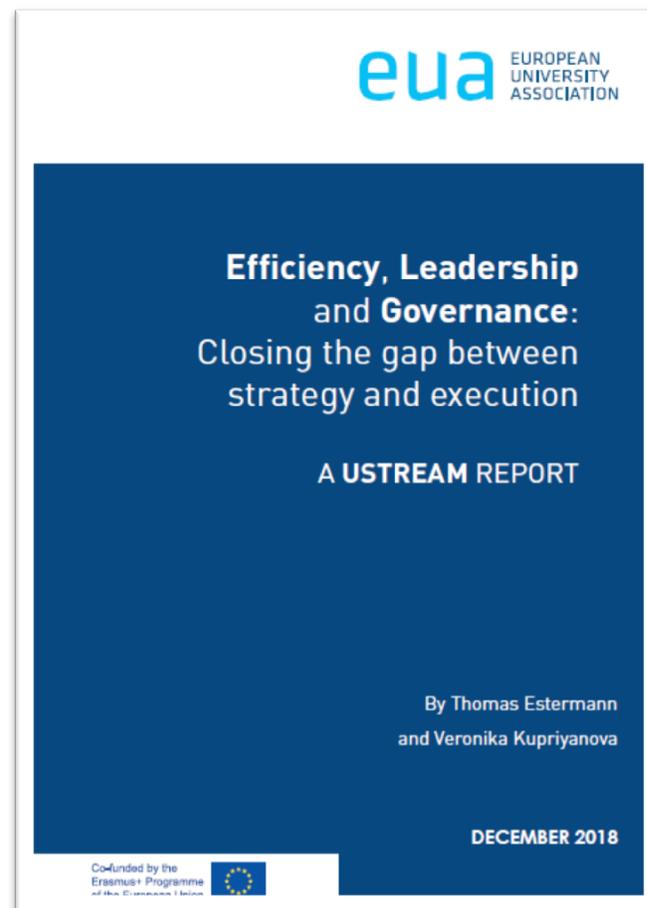
850 members
47 countries

Independent voice for the university sector



USTREAM
project

Universities for
Strategic,
Efficient &
Autonomous
Management



eua EUROPEAN
UNIVERSITY
ASSOCIATION



Universities UK

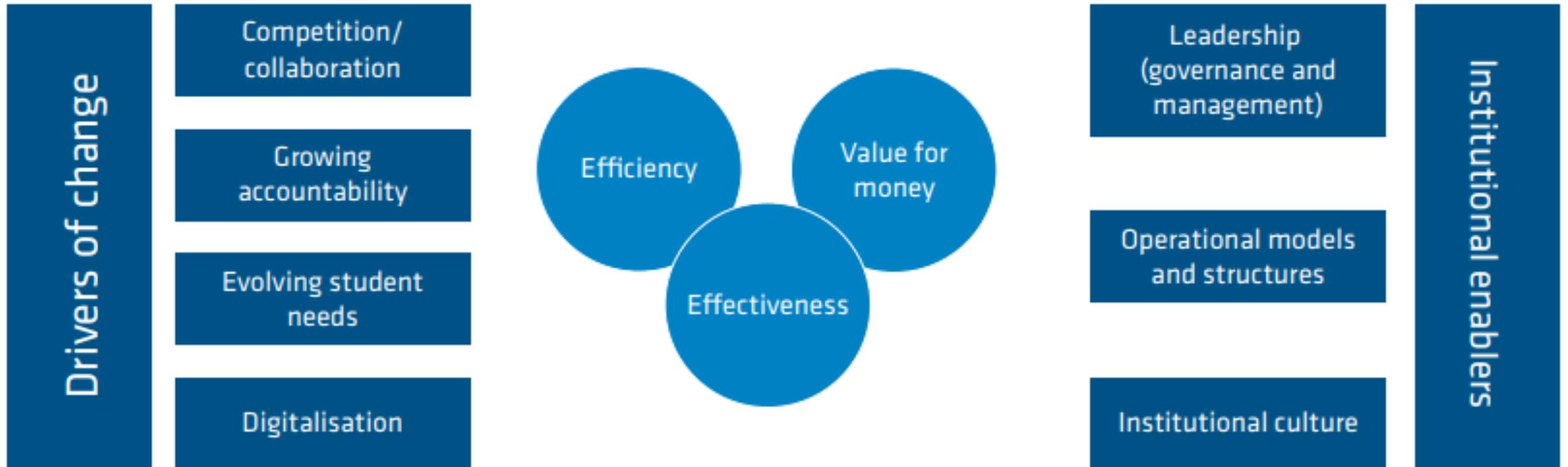
iuua IRISH
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CEU CENTRAL
EUROPEAN
UNIVERSITY

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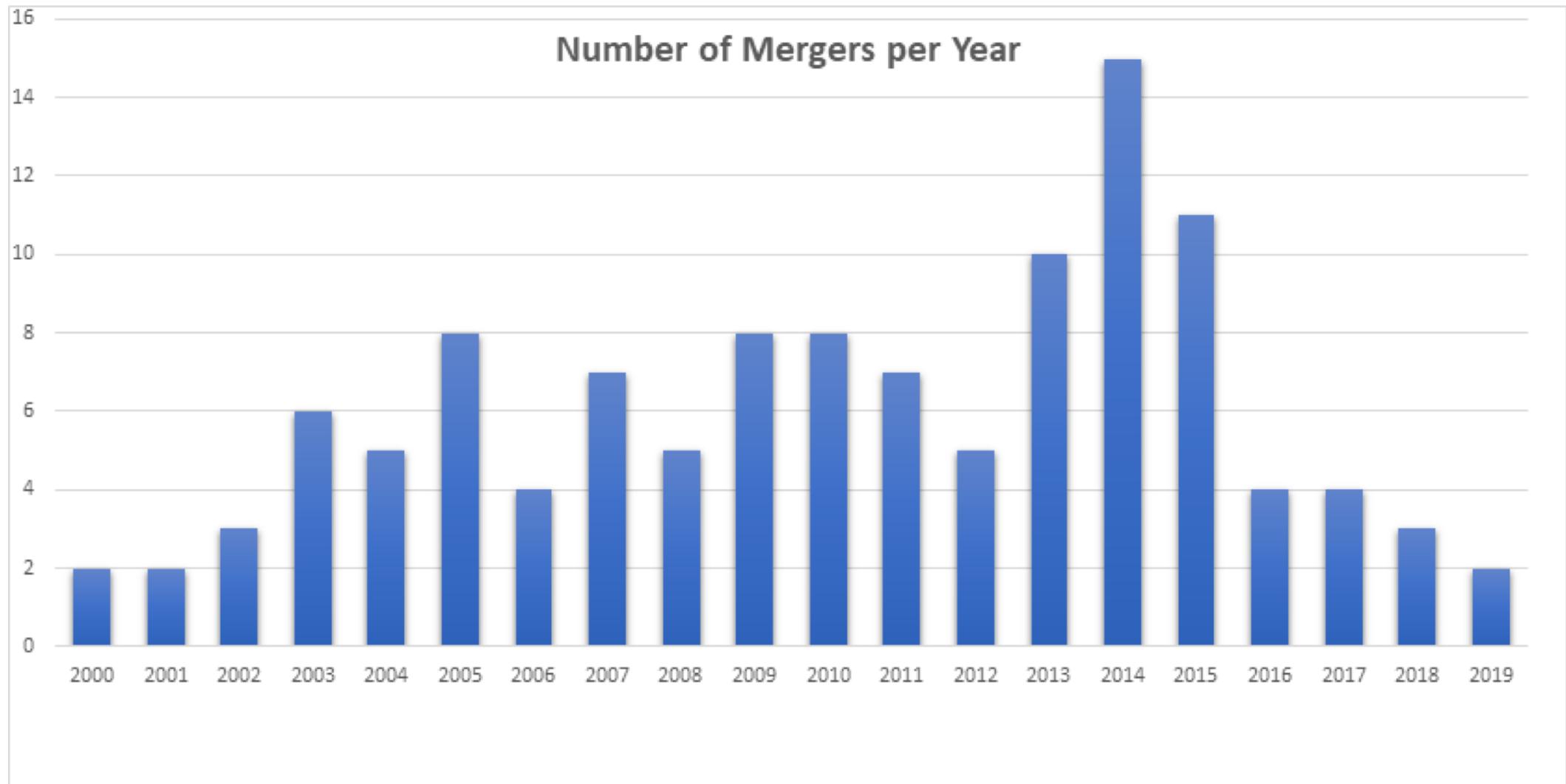


System framework: governance, autonomy and funding



University mission

University mergers & clustering processes in Europe (2000-2019)



Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Belgium			1	5		1				2		2									11
Croatia							1														1
Czech Republic					1																1
Denmark						1	1	5					1								8
Estonia	1	1	1			3	2		1	1	1			1				1	1		14
Finland									1		2			1						1	5
France										1	1		2	1	9	9	2	1	2		28
Germany				1		1				1				1							4
Hungary									1	1			1								3
Iceland									1												1
Ireland												1		1		1				1	4
Italy															1						1
Latvia					1						1		1					1			4
Lithuania											1										1
Norway										1		1		1	3		1	1			8
Poland	1	1			1					1											4
Portugal														1							1
Russia																1					1
Slovakia						1															1
Sweden									1		1	1		1	1						5
UK			1		2	1		2			1	2		2	1		1				13
Total	2	2	3	6	5	8	4	7	5	8	8	7	5	10	15	11	4	4	3	2	119

EUA University Merger Tool

Pilot tool including 100+ university mergers across Europe

www.university-mergers.eu



University mergers in Europe

- Click on the map for an overview of mergers in a given country
- Click on the grey panel to search mergers on different criteria
- Use the timeline at the bottom to filter mergers for a specific year

 [ABOUT EUA](#) →

 [ABOUT THE TOOL](#) →

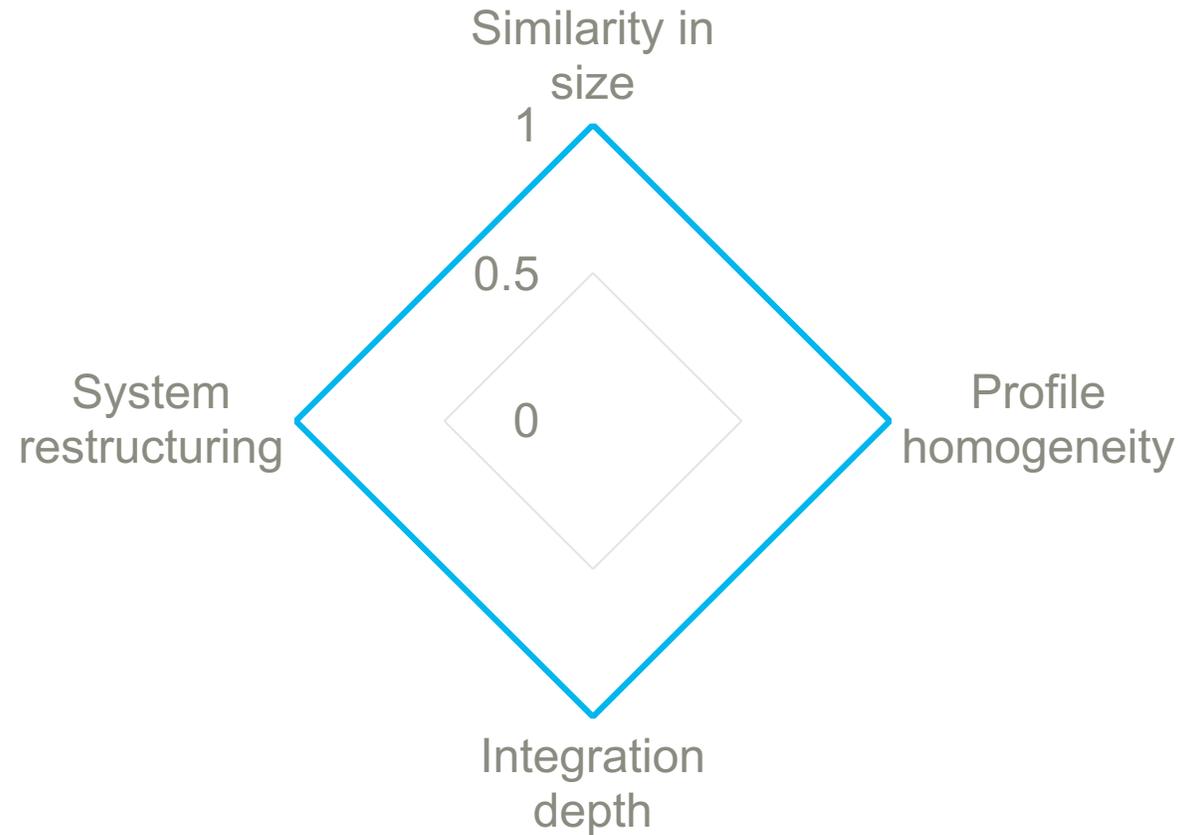
 [SUGGEST A MERGER](#) →

year

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Types of merger & concentration processes

- *Horizontal / Vertical*
- *Complementary / homogeneous*
- *Integration level*
- *Connection to system restructuring*



Expected benefits

- Enhanced national and international profile / attractiveness
- Expanded opportunities for teaching and research cooperation
- Stronger negotiating position with authorities / partners
- Economies of scale
 - ✓ More public funding
 - ✓ Rationalisation of academic course offer
 - ✓ Potential to enhance research income
 - ✓ Staffing efficiencies (long term)

Not always achieved and difficult to plan

A focus on internationalisation

- A commonly cited expected benefit
 - Expected to increase capacity to attract more staff and students from overseas
 - Expected to give added opportunities to undertake international collaboration
 - Particularly salient in system-wide restructuring approaches
-
- Necessity to build a strong name & brand, especially for horizontal complementary mergers
 - Combined with 'excellence schemes': quality label helping attracting international doctoral students

Cost-benefit analysis

Difficulty to calculate costs due to:

- Breadth of effects
- Timescale
- Unexpected challenges in merging process (financial, managerial, HR etc.)
- Association / dissociation of costs to the merger process
- Too short a time span to evaluate full economic impact

Cost-benefit analysis

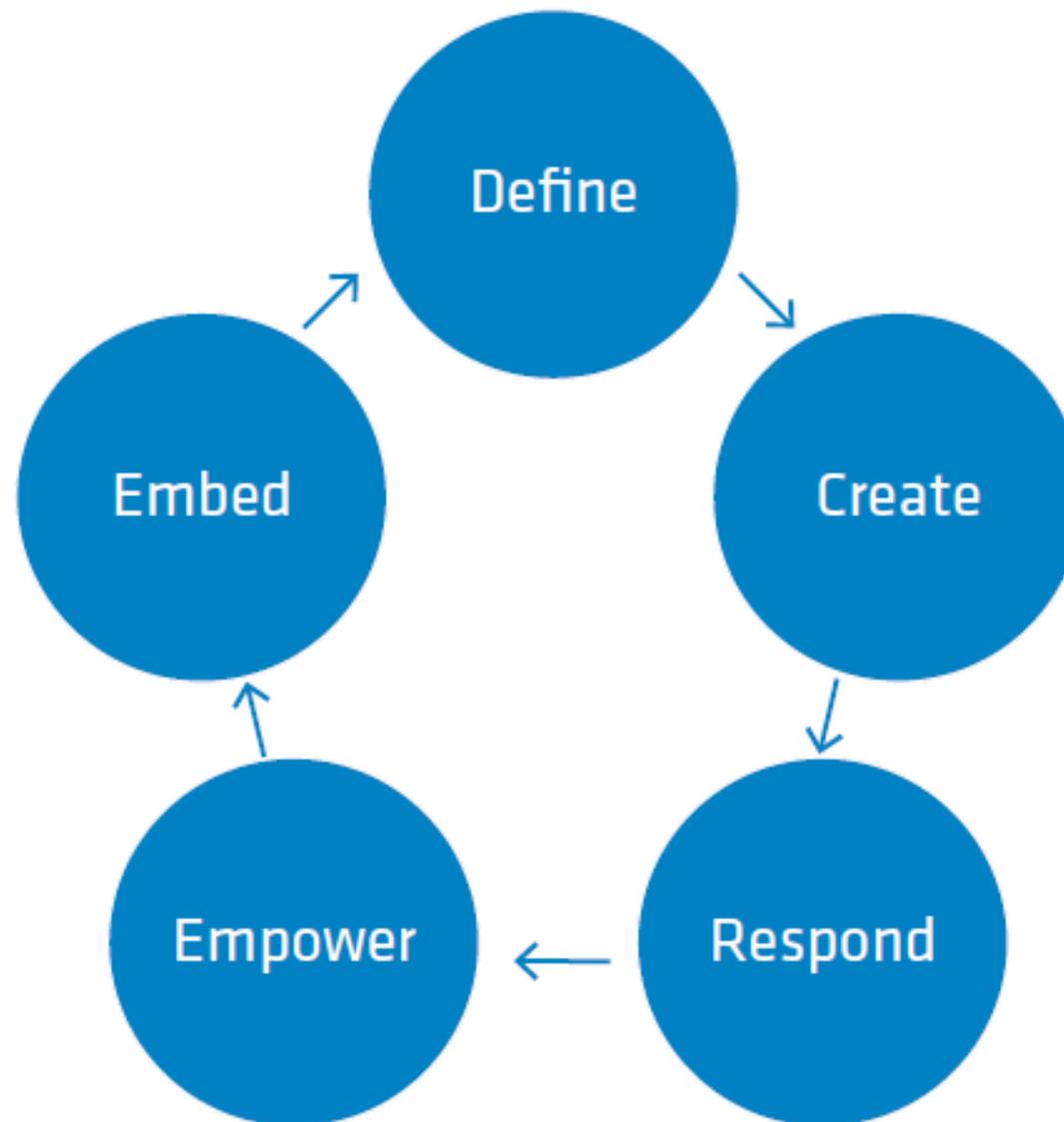
- Estimation of the cost curve
- Identification of areas in which economies can be made
- Limit/compensate costs by newly achieved economies
- Estimation of costs due to the status quo
- Do not only look at costs in financial terms!
- Ex-post: depending on political context / driver of the merger; usually one-off process; fear to hinder change consolidation
- System reviews, staff feedback, benchmarking

Role of public authorities

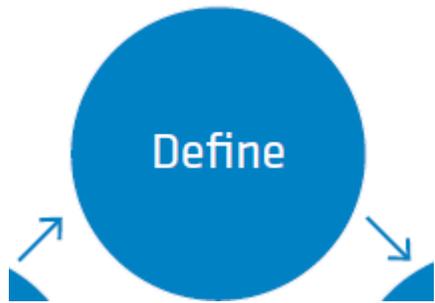
Approval	Encouragement / support	Obligation
“non-obstruction”	Academic incentives	Legislative requirement
Passive approach	Financial support	
	Political imperative	

- Public authorities need to understand that university mergers are complex processes which require considerable resources and planning.
- Bottom-up approaches work best!
- Public authorities should support universities by:
 - Favourable regulatory framework
 - Incentive mechanisms
 - Financial support

Managing successful change: strategy formulation

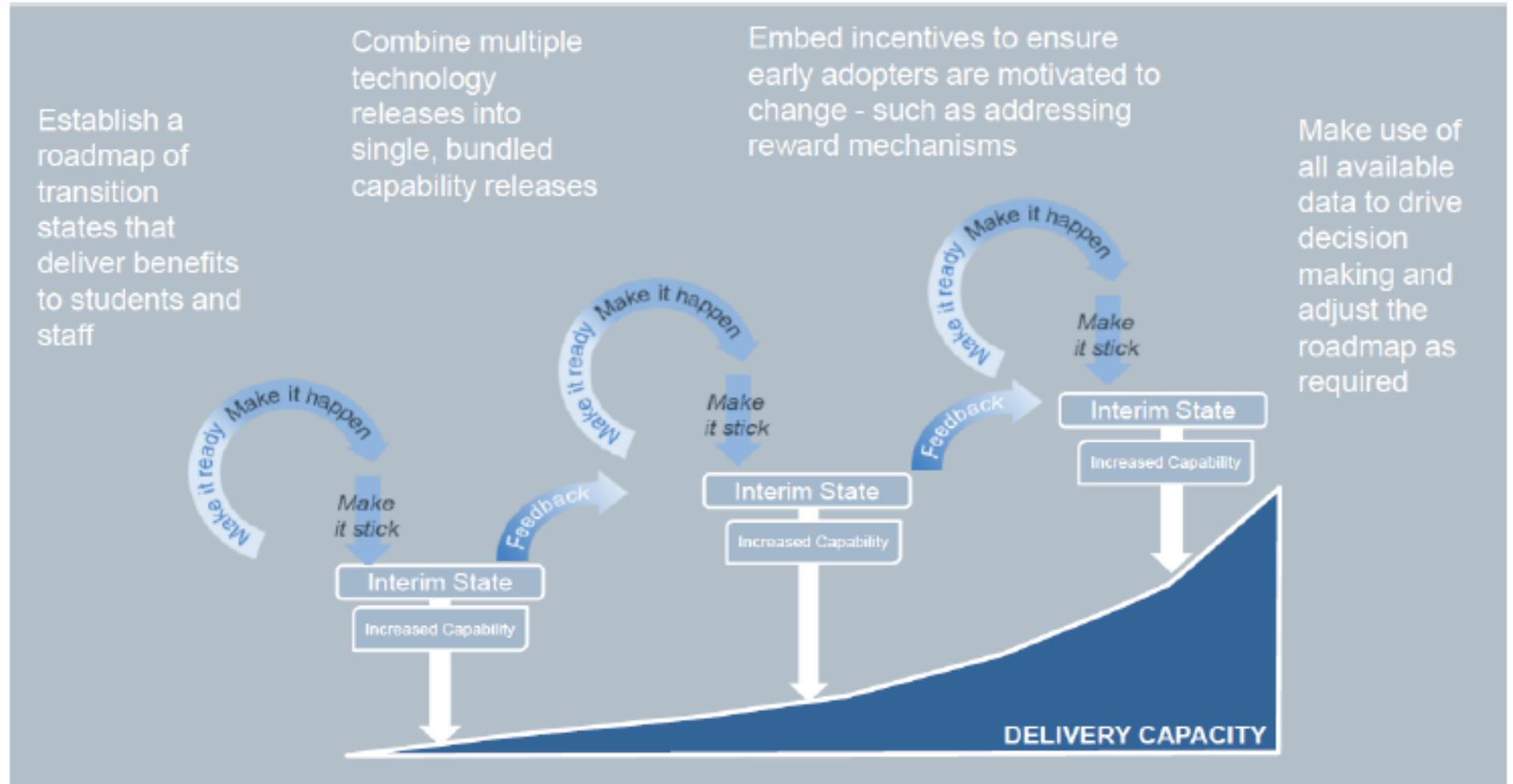
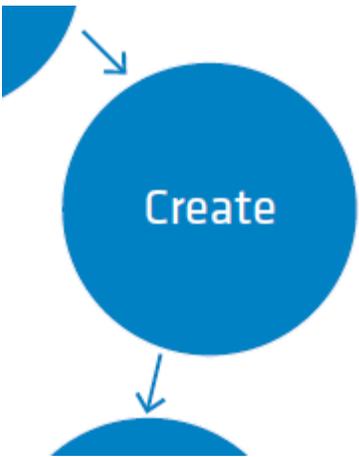


Defining & making the case for change



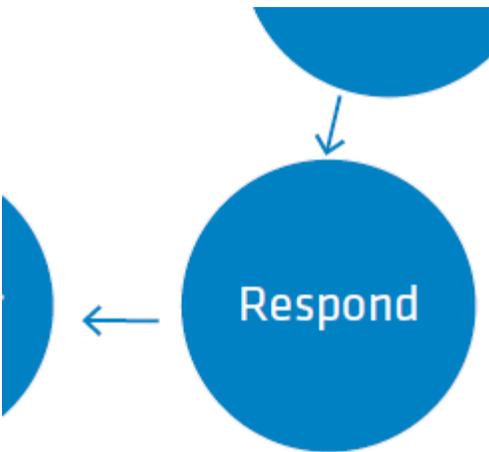
- *What is driving the change, for example, inefficiency, policy changes, technology?*
- *What type of change is desired? Developmental, transitional or transformational?*
- *What is the scope of the change?*
- *Is it aligned with academic strategy?*
- *Which stakeholders will be affected and how?*
- *What are the measurable benefits?*
- *Which resources will support the change?*
- *What are the risks associated with the change as well as the risks of not changing?*
- *How will job roles be affected?*
- *What are the critical success factors?*

Creating conditions for change



Responding to change impact

- Robust, multi-faceted and tightly managed feedback mechanisms needed to
 - Make quick decisions
 - Adjust timing
 - Modify general implementation approach
- Response process requires
 - Demonstrable dialogue
 - Encouraging contributions
 - Acting upon identified recommendations
 - Clarity on the fact that the consultation is about **implementation** and not direction/outcome of change



- Communication should be

frequent

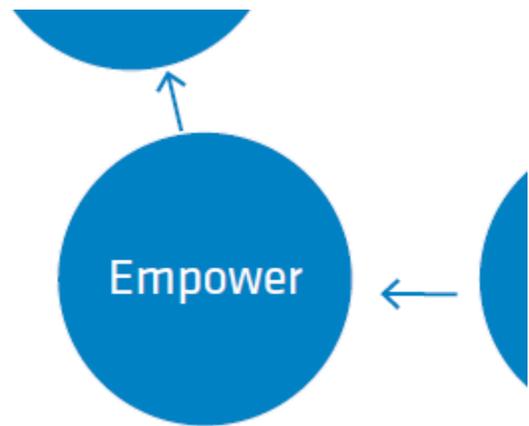
relevant

clear

widespread

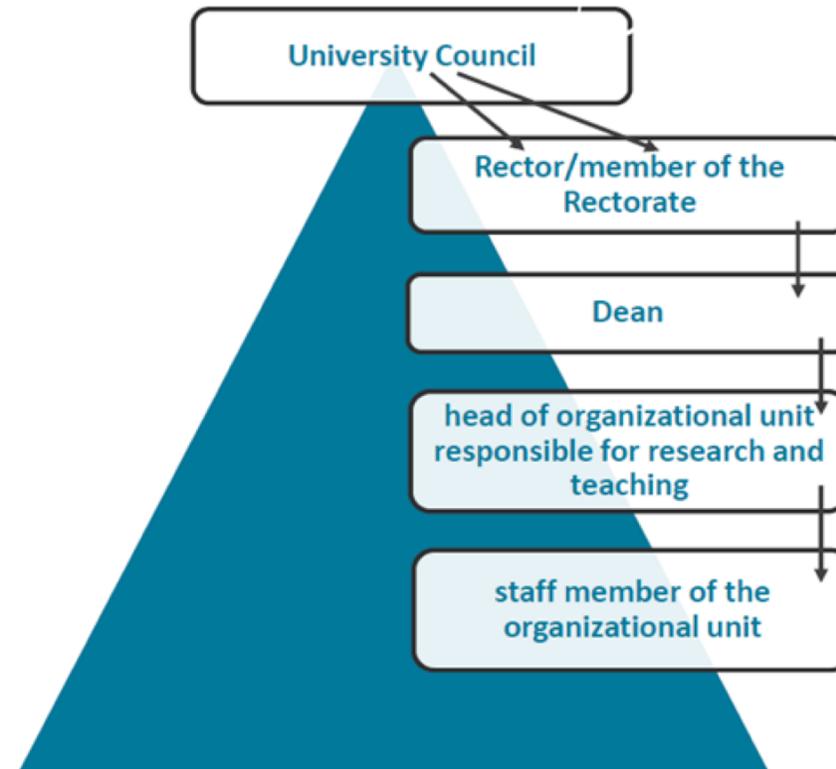
inclusive

Empowering a cross section of change leaders

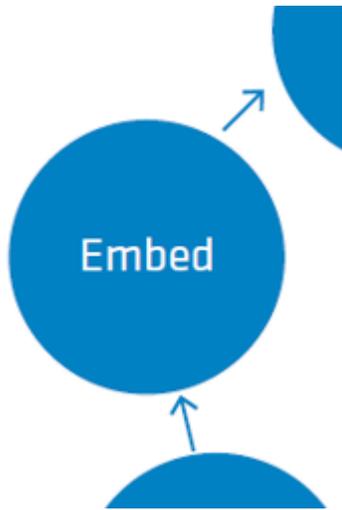


- Change becomes embedded when most of the institution engages with / contributes to / experiences a sense of participation & control over events and planned activities.
- Success is conditional on establishing **change leaders** at all levels: departments / faculties / schools / administrative units / student groups
- Change leaders need **capability & tools** to achieve success
- Change management = essential institutional capability & individual skill at all levels, for all profiles

“Cascade” of agreement on objectives



Source: BMBWF, Austrian Federal Ministry of Education, Science and Research



- Key objective: **sustain the change process** beyond emergency phase
- Clear connection between benefits of the change process and new behavioural norms
- **Support new behaviours** through people development programmes
- Leadership promotion/appointment processes must ensure selected leaders act upon the new behavioural norms
- Re-visit and adjust practices for better integration of change = helps foster a culture of continuous improvement

Managing a merger: milestones

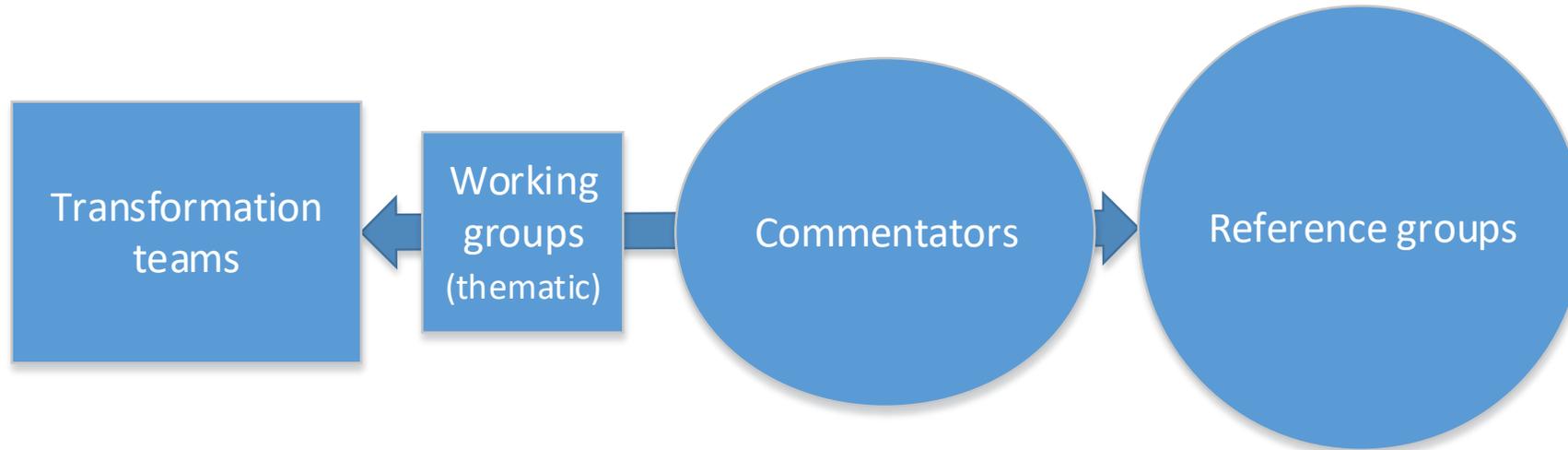
- Academic case
- Economic case
- Costing & resourcing
- Work structure
- Governance model
- Leadership team
- Communication strategy

Managing a merger

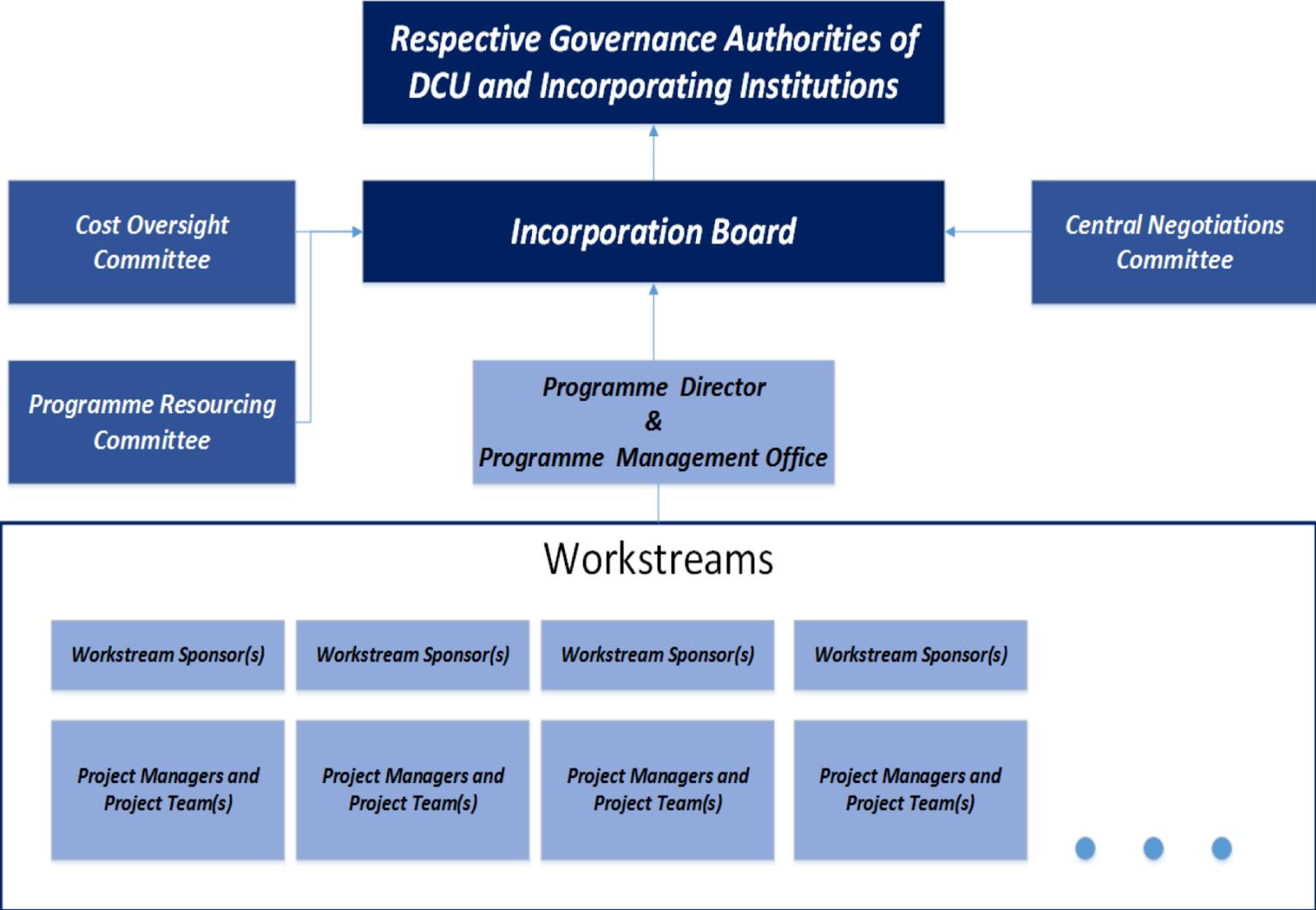
Internal governance

- How to steer the process and by whom?
- Governance of the new institution:
 - ✓ Composition of the new leadership team
 - ✓ Timing of taking office
- Organisational structure:
 - ✓ Preserve the old components or establish a new structure?
 - ✓ Centralisation / decentralisation?

Managing a merger: change management structure



Dublin City University Incorporation Programme Structure



Dublin City University Incorporation Workstreams

WORKSTREAM #1

*Governance &
Leadership*

WORKSTREAM #2

*Academic
HSS / Education*

WORKSTREAM #3

*Student
Experience*

WORKSTREAM #4

*Campus & Services
ISS / Estates*

WORKSTREAM #5

Research

WORKSTREAM #6

*People &
Organisation*

WORKSTREAM #7

*Strategy &
Business Planning*

WORKSTREAM #8

*Change Management
& Communications*

WORKSTREAM #9

*Programme
Management*

Factors enabling sustainable change





Leadership alignment

- Academic & administrative leaders must be able to work in teams
- Varied backgrounds = develop common language
- Analysis of senior leadership team's strengths & weaknesses prior to change process
- Careful selection & clear instructions to change agents
- Invest in professional team building to enhance common identity & joint ownership of process
- Invest in leadership development for next leaders generation for greater unity of purpose



Change
leadership

- Good understanding of the academic culture, the institution's history & challenges
- Communication & delegation to (in)formal change agents (review formal reporting lines if needed)
- Invest in building the change management team, monitor dynamics, balance competences, trust & support
- Recognition of work achieved
- Work on alignment of academic & administrative staff, provide platform, increase mutual understanding – do not maintain division in change process



Change
management

- **Challenge:**

- Select and develop existing talent with necessary cultural awareness & institutional knowledge; or
- Identify technically competent external expertise that can adapt to academic setting

→ Importance of **investing** in change management and leadership development in all circumstances

→ Formal appointment processes for key change management roles help legitimise & empower change agents

Communications objectives	What is the overall objective? What do we want to accomplish? How does it link to current institutional objectives and challenges?
Audiences	Who are the audiences? Be as specific as practicable.
Facts	What do we want each audience (deans, heads of department, etc.) to know and understand?
Feelings	What is the single, compelling idea we want the audience to accept?
Messages	What are the three, short, memorable messages for each audience? These need to match their needs and preferences.
Communications channels and tactics	What is the best way to reach each audience? How and how often are they likely to prefer their information?
Measurement	What will success look like? What will be tracked and evaluated? How will we evaluate these?
Timing, resources	What is the communications plan? Be clear on who does what and when. Be clear about any additional direct costs. Be clear about indirect costs: What else gets re-prioritised?

**Communications
& engagement
strategy**

Key elements

- ✓ Academic vision
- ✓ Assessment of alternatives to a full merger
- ✓ Financial aspects
- ✓ Estimation of costs and allocation of resources
- ✓ Establishment of a work structure
- ✓ Establishment of a governance model
- ✓ Leadership
- ✓ Development of a communication strategy and tools
- ✓ Set up a monitoring and evaluation process

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USTREAM project

Designing strategies for efficient funding of universities in Europe

Enora.pruvot@eua.eu

@EnoraPruvot