STRATEGIES TO CREATE A
POST-MERGED ORGANISATIONAL CULTURE CONDUCIVE TO EFFECTIVE
PERFORMANCE MANAGEMENT

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Promoter: Prof D.M. Berry

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“Changing your organizational culture is the toughest task you will ever take on. Your organizational culture was formed over years of interaction between the participants in the organization. Changing the accepted organizational culture can feel like rolling rocks upward.”

_Susan.M.Heathfield_
DECLARATION

I, Gary Paul, hereby declare that:

- The work in this thesis is my own original work;
- All sources used or referred to have been documented and recognised; and
- The thesis has not been previously submitted in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised education institution.

______________________________  ________________
Gary Paul                             Date
ABSTRACT

Mergers have been described as the most complex business process that an organisation can be faced with, requiring executives and other stakeholders to discharge the promise of a more successful merged organisation. However, several studies have highlighted the factors that led to the demise of the merged organisations. One of the often quoted and frequently blamed aspects related to merger failure has been the lack of effective post-merged organisational culture integration and alignment. Where mergers have been successful, it was attributed to a structured approach to integrating and aligning all aspects related to organisational culture thus ensuring the creation of a high performing organisation, conducive to effective performance management.

The main research problem in this study centred around the identification of strategies that could be used to design an integrated model for creating a post-merged organisational culture which is conducive to effectively managing performance.

To achieve this objective, the following approaches were adopted:

A literature study was conducted with the view to identifying the challenges facing merged organisations in general and post-merged South African Higher Education institutions in particular. The researcher also conducted interviews with senior HR practitioner at the institutions participating in this study to gain insights into their experiences of performance within their merged institutions. The institutions involved in this study were Nelson Mandela Metropolitan University (NMMU), Cape Peninsula University of Technology (CPUT and DUT). The insights gleaned from these interviews were incorporated into the survey questionnaire.

The literature study also concerned itself with the identification of strategies that merged organisations could use in its pursuit of organisational culture
alignment and integration. These strategies included conducting critical pre-merger assessments or due-diligence studies, adopting structured approaches to dealing with resistance to change, employee engagement, the design, implementation and communication of monitoring and evaluation of merger success measures as well as several other moderating variables referred to in figure 1.2.

In terms of sub-problem six of the study, the findings of sub-problems one, two and five were used to develop an eight-step integrated theoretical model to create an organisational culture conducive to effective performance management in a post-merged environment. The model served as a basis for the design of a survey questionnaire. The questionnaire was used to ascertain the extent to which respondents from the three participating institutions (NMMU, CPUT and DUT), perceived the various strategies as being important in establishing a post-merged organisational culture conducive to effective performance management.

The results that emerged from the empirical study showed a strong concurrence with the strategies identified in the literature study and included in the integrated theoretical model. The quantitative and qualitative results from the empirical study where incorporated into the integrated theoretical model, which lead to a refined Eight-Step Integrated Post-merged Organisational Culture Creation Model as depicted in Figure 7.1 with associated details in Figure 7.2.
ACKNOWLEDGEMENTS

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• I dedicate this thesis to my parents who, through their infinite encouragement and dedicated parenting, have afforded me the opportunity to pursue my goals in life;

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• The Vice-Chancellors of CPUT and DUT for sanctioning the process of conducting research in their respective institutions and

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# CHAPTER 1

## INTRODUCTION, PROBLEM STATEMENT AND OUTLINE OF RESEARCH PROJECT

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CHAPTER 1
INTRODUCTION, PROBLEM STATEMENT AND OUTLINE OF RESEARCH PROJECT

1.1 INTRODUCTION AND PROBLEM STATEMENT

Froneman (2003) contends that higher education is one of the most rapidly changing sectors of society. In recent years, the external environment within which higher education has had to operate has become increasingly complex, turbulent, unpredictable and has been characterised by ongoing change. Some of the changes in the external environment include growing global competition, shifting stakeholder expectations, technological development, economic restructuring and social reconstruction (Froneman, 2003). He further argues that the successful management of these changes requires the permanent transformation of higher education from the “what is” state into the “what should be or must be” state. This study aims to focus on the changes and challenges imposed on higher education institutions in South Africa as a result of the mergers specifically, and the concomitant implications for organisational culture and performance management in these post-merged institutions. The renowned educational theorist, Frans van Vught, referred to the merger process in South African higher education, and in particular, reducing the number of institutions from 32 to 23, as the most ambitious ever attempted (Kivinen and Ristela, 2002).

Martin and Roodt (2008, p.23) express the view that a merger can be considered as a significant life event for both an organisation and its employees. How employees cope with and respond to a merger has a direct impact on the organisation’s performance in the short to medium term. Restructuring in any organisation is characterised by high levels of employee uncertainty and anxiety, low levels of morale, sluggish job performance, and high absenteeism and staff turnover, as well as low productivity and performance (Martin & Roodt, 2003, p.23). Muller (2006) concurs with this view, pointing out that mergers can cause staff to feel “overstretched” and “overburdened.” The logical
consequence of these experiences is a negative impact on the performance of the organisation. Pityana (2009) recognises the formidable impact that the merger process has had on the South African higher education landscape, but expresses his uncertainty in relation to the level of understanding that exists regarding the real challenges that face higher education within a post-apartheid South Africa.

Bresler (2007) argues that normally mergers form part of a general strategy for diversification or growth and are underpinned by a due-diligence process, prior to the merger, during which merger candidates are evaluated in order to determine the strategic fit. She further points out that, in the case of the merging of higher education institutions, no such rationale or justification was provided, nor were the strategic or organisational synergies made explicit to affected parties. Instead, she contends, individual institutions were left with unclear expectations about their positioning in the merger as well as organisational cultural fit. Institutions were left to their own devices and were expected to navigate through the process of culture integration without knowledge of the process and its effects (Bresler, 2007).

Locke (2007, p.88) suggests that mergers in higher education, like commercial mergers, fail to deliver their promised or desired value as a result of organisational culture clashes. A lack of organisational culture integration often translates to strategic, financial and operational non-performance in a merged institution. Locke (2007, p.89) points out that the longer term benefit of managing higher education mergers with the necessary cultural sensitivity is the unleashing of a wave of creativity among staff, creating greater openness to new ideas, a dynamic mix of interests and expertise, and unanticipated synergies, leading to enhanced teaching portfolios, increased research outputs and new collaborations with external stakeholders.

The above discussion suggests that merged institutions in the South African higher education sector need to pay special attention to organisational culture integration in order to create a culture conducive to the effective management of performance. This, in turn, could lead to delivering on the anticipated and desired post-merged results.
A further complicating factor in the South African higher education sector relates to the unsatisfactory and unconvincing tradition of human resources development within the sector and the need for well-structured and effective performance management as a matter of urgency (Wilkinson, Fourie, Strydom, van der Westhuizen & van Tonder, 2004, p.xxi-xxii). The human resources development system in the South African education sector is considered to be unsatisfactory and unconvincing because it fails to address the real needs of staff, and to sustain their interest in and support for the development work (Wilkinson et al, 2004, p.xxii-xxiii). This situation, according to Wilkinson et al (2004, p.xxi), can be attributed to the underdeveloped nature of the human resources development system as well as the lack of adequate resources.

In order to address certain of the shortcomings of the current culture of performance management in the Higher Education (HE) sector and Further Education and Training (FET) institutions, a specific research initiative was undertaken by the Centre for Higher Education at the University of the Free State. This particular initiative, referred to as The Performance Management Project, was funded by the National Research Foundation and had a strong focus on most of the HE sector and the FET institutions in the Free State province. Broader comparative perspectives were obtained by means of case studies undertaken at two established universities outside of the Free State, a South African corporate organisation and a gold mining company (Wilkinson et al, 2004, p.xxiii). Furthermore, international perspectives were acquired by means of a study of the research of the Higher Education Funding Council for England (HEFCE) on human resources development at English universities. The Performance Management Project resulted in the formulation of a process for the development of effective and efficient performance management approaches for staff at HE and FET institutions in the Free State province (Wilkinson et al, 2004, p.xxiv).

The question that arises from the above discussion is whether a well-designed and -implemented system of performance management in a post-merged higher education institution is capable, in and of itself, of producing the desired performance levels
regardless of whether the organisational culture is conducive to the effective management of performance? The answer to this question emerges in the ensuing theoretical discourses.

The current restructured higher education landscape is the result of a decision made by the South African government to restructure the sector. In November 2002, the South African government approved a proposal for the restructuring of higher education institutions and, in December of that year, the then Minister of Education informed the councils of the institutions concerned of this decision and invited their comments. Mergers and incorporations were formally gazetted in November 2003 and effected in 2004 and 2005 (Education portfolio committee meeting minutes, 2007). The following universities are the result of the merger between various universities and technikons:

- University of KwaZulu-Natal
- University of South Africa
- Tshwane University of Technology
- North West University
- Nelson Mandela Metropolitan University
- Cape Peninsula University of Technology
- University of Johannesburg
- University of Limpopo
- Walter Sisulu University
- Durban University of Technology

This study, however, focuses on the following three merged institutions owing to the fact that they have already embarked upon a process of implementing a performance management system:

- Nelson Mandela Metropolitan University (NMMU)
- Durban University of Technology
- Cape Peninsula University of Technology
Formal letters, requesting permission from the respective vice-chancellors to conduct an empirical study in these three institutions, were issued and the responses were positive – see copies of these letters attached as Appendix 1, 2 and 3.

The performance management system being implemented at the NMMU is referred to as the Excellence Development System (EDS). The system is still in its infancy, and requires the support and buy-in of all stakeholders, but particularly of the various levels of management. As the name suggests, this system is not simply aimed at managing employees’ performance, but will also be utilised to enhance employees’ development in support of achieving personal excellence. Excellence forms part of the institution’s set of values, which will be used in the building an organisational culture conducive to the effective management of employee and organisational performance (Botha, 2009).

Organisational culture can be described as a set of shared, taken-for-granted, implicit assumptions that a group holds and that determines how it perceives, thinks about and reacts to its various environments (Buelens, van den Broeck, Vanderheyden, Kreitner & Kinicki, 2005, p.593). According to Carleton and Lineberry, (2004, pp.19-21), the impact of organisational culture on post-merged organisational performance and financial results is a very real issue. They further state that the analysis and management of a post-merged organisational culture is key to business success and can no longer be considered as corporate social work to be looked at solely by the HR department. Instead, they argue that it is real business, an argument illustrated by a long-term study of high performing merged companies in 22 industries over a 17-year period. Organisations such as Hewlett-Packard, Nissan and First Chicago were included in this quantitative study of the relationship between organisational culture and performance, which was conducted in more than 200 merged companies. Carleton and Lineberry reported that merging companies that actively managed their post-merged organisational cultures were adaptive and flexible, and outperformed their counterparts with strong but rigid cultures. They concluded that the vast majority of merged organisations do not have organisational cultures that are sufficiently adaptive in order
to produce excellent long-term economic performance. This once again underlines the fact that organisational culture is a significant activity in leading and managing the business – and it merits special focus in mergers and acquisitions (Carleton & Linberry, 2004, pp.20-21).

From the above discussion, it is evident that organisational performance and organisational cultural integration are closely related. Valimaa and Ylijoki (2008, pp.213-226) state that the study of organisational culture is important in post-merged universities because these cultures are significantly different from those of the pre-merged institutions. Valimaa and Ylijoki (2008, pp.213-226) further distinguish between three levels of culture. The first level deals with visible organisational structures and actions, such as dress code, facilities and procedures. This level of culture is easily observed. The second level refers to espoused values found in the public images of organisations, such as strategies, goals and philosophies. This level is less visible than the first, and can be ascertained by studying norms and the way things are done in the organisations. The third level consists of basic assumptions, or unconscious beliefs, perceptions, thoughts and feelings. These elements determine both behavioural norms (the way people are required to behave) and organisational values (the things that are highly valued). In respect of mergers, Valimaa and Ylijoki, (2008, pp.213-226) conclude it is not the more visible aspects that may be important, but the more concealed and unquestioned sub-culture. The latter may be divided into occupational, product or geographical lines, which have the ability to counter or to enhance one another. Based on the above, it is evident that organisational culture is multi-dimensional in nature. It can also be concluded that each merging organisation would have to pay careful attention to the characteristics of each level of its own organisational culture in its efforts to work towards a shared post-merged organisational culture that will be conducive to its effective functioning and people management.

Buymendijk (2009, p.153), in his exposition of organisational cultures, draws a distinction between an internally and an externally orientated culture. Members of internally orientated cultures have a strong sense of independence, implying that they shape their
own world through a synergistic approach. The performance management characteristics that are salient in an internally orientated culture include performance indicators that focus on the variance between planned and actual performance, performance objectives that are strongly deadline-focused, holding people responsible and accountable for their actions and results, and a clear focus on goals without much flexibility.

Members of externally orientated cultures, on the other hand, take the view that their success is dependant on external factors such the economy, the market in which they operate or even the prevailing weather conditions. Performance management characteristics of this type of culture include:

- Iterative management processes are utilised in order to secure greater buy-in into the culture, strategy and goals of the organisation,
- Performance indicators are relative, based on benchmarks and aimed at flexibility, and
- Performance feedback is based on what the external environment thinks of the organisation's performance. Rewards are group-based, as everyone is perceived as having contributed to the success of the organisation.

Buymendijk (2009, p.153) further states that an externally orientated performance management mindset, transferred into an internally orientated performance management environment, will lead to confusion. He explains that the members of the externally oriented culture would expect clear goals, which they would not be given, and that they would try to “fix” the environment, leading to gaming of the numbers. An internally orientated performance management mindset transferred into an externally orientated performance management environment would also lead to problems. People would feel unfairly treated, wondering why they should be blamed for the changes in the external environment. They would consequently do everything possible to discredit the system with endless “what if” questions. Buymendijk (2009, p.154) concludes that, whilst there is no right or wrong in cultural performance management analysis, organisations
should still be encouraged to conduct a cultural performance management analysis prior to embarking on a performance management initiative in the merged organisation. A cultural performance management analysis classifies an organisation on all cultural performance dimensions (Buytendijk, 2009, p.154). These dimensions would typically include aspects such an individualised approach versus group-based approach, a rules-based approach versus a relationship-based approach or a meritocracy-oriented approach versus an aristocratic-oriented approach (Buytendijk, 2009, p.154). Within the context of merging organisations and institutions, this may mean that careful attention needs to be paid to the type of cultural orientations that may have existed within the pre-merged organisations and institutions, which influence the management of performance. Such observations may be critical in developing and implementing a post-merged performance management culture.

Habeck, Kroger and Tram, (2000, pp.41-99) are of the belief that, overcoming organisational cultural differences is by far the most troublesome aspect of establishing effective mergers and acquisitions. They qualify this by stating that, in these situations, people from different organisational cultures are suddenly plunged into a shared space and are expected to address complex issues of strategy and work practices. The situation is made worse by the uncertainty of who will get what job, or when different nationalities are involved in the merger process. Habeck et al (2000, pp.41-99) further argue that the very pervasiveness of culture, and the concomitant difficulty of defining exactly what organisational culture is, leads to many merger failures.

Cultural differences are used as a catch-all to account for failures in communication, divergence of performance objectives, differences in business models, political rivalries and even clashes of egos (Habeck et al, 2000, p.83). They propose that organisational culture is extremely important for the effective functioning and, ultimately, the success of a merged organisation. It provides a common medium and language which allows people to communicate, work together in teams and to perform tasks (Habeck et al, 2000, p.84). This may suggest that defining, understanding and resolving cultural
differences are critical to the effective functioning of post-merged organisations and institutions.

People who become part of merging institutions or organisations may behave in different ways, depending on the circumstances that characterise the merger. In extreme cases, people in merging organisations and institutions simply keep on doing what they have been doing, but in a less positive frame of mind (Habeck et al, 2000, pp.6-7). Such behaviour could be as the result of factors such as a loss of status and sphere of influence, a lack of transparency about the organisation’s intentions, a fierce fight for survival, increased workloads because some employees leave, either voluntarily or involuntarily, and the spill-over effect on employee’s personal lives. It can thus be concluded that, if it is not effectively managed, the merger process may have a negative impact on employees’ attitudes. This, in turn, may lead to difficulties in developing a post-merged organisational culture conducive to the management of performance.

Figure 1.1 below illustrates the three phases of an organisational merger process, based on a global post-merger survey (Habeck et al, 2000, p.4)
In analysing the survey responses to the question, “Which phase in the merger process bears the greatest failure risk?”, Habeck et al (2000, p.4) concluded that the post-merger integration phase (PMI) bears the greatest risk (according to 53% of the respondents) because companies tend not to apply the following seven post-merger strategies:

- Creation of a clear vision
- Speedy establishment of leadership
- Identification of synergy and growth opportunities
- Establishment of early wins

Source: Habeck et al, 2000, p.4
Adoption of structured approach to culture integration

Setting up of effective communication structures

Proactive management of risk

This response suggests that the integration of two different organisational cultures may be most problematic in the post-merged phase, and could affect organisational performance and its management.

The other two phases in the organisational merger model, namely strategy development, candidate screening and due diligence, followed by negotiation and closing, are included in Figure 1.1 above. Thirty per cent of the respondents stressed the importance of the pre-merger phase, in which the scene is set and preparations are made for the implementation of the merger. This information suggests that the merger process requires merging companies to apply their minds to the various merger phases, and, in particular, to the seven post-merger integration strategies mentioned above in order to ensure an effective merger (Habeck et al, 2000, p.4).

In respect of organisational culture integration as part of the merger process, Habeck et al (2000, pp.84-85) categorically state that the culture of the merged company is critically important for its effective functioning and continued success. They further caution that the inappropriate handling of cultural issues during and after the merger has the potential to destroy much of the value that the merger is supposed to achieve (Habeck et al, 2000, p.86).

In his study of five recent merger cases in South Africa, Jansen (2003, p.1) deals with five focal questions in evaluating and explaining merger outcomes. These questions relate to equity effects, efficiency effects, curriculum effects, organisational effects, student effects, staffing effects and physical effects. With regards to organisational effects, he points out that the degree of organisational integration was a function of conscious political decisions. This implies that very little authentic integration occurred between the various merging institutions.
Nel and Stumpf (2007), in their reflection of the merger experience at the NMMU, mention that the design of new organisational structures gave rise to much uncertainty. With due regard to the legal requirements as well and dealing with the human factors in a balanced way, the NMMU moved towards a streamlined and unified structure for the administrative, academic support services, and academic structures and posts.

Taking all of the above into account, the question that arises is, “How can organisations establish a post-merged organisational culture conducive to the effective management of performance?” This introduction serves as a basis for the exploration of the main problem of this study.

MAIN PROBLEM

*What strategies can be utilised to develop a post-merged organisational culture conducive to the management of performance?*

An analysis of the main problem gives rise to the following sub-problems:

SUB-PROBLEM 1

What challenges are related to the effective management of performance in a post-merged organisation?

This sub-problem was addressed by means of a literature study that focused on the unique challenges that post-merged universities and other organisations face in their efforts to create an organisational culture conducive to effective performance management. The researcher also conducted interviews with senior HR practitioners at the selected post-merged universities to gain an understanding of their experiences of performance management in the institutions. The insights gained from the theoretical study and the interviews were incorporated into the survey questionnaire that was
issued to executive managers, line managers, HR practitioners and non-management employees from the selected post-merged universities as part of the empirical study.

SUB-PROBLEM 2

According to the theory, what strategies can organisations utilise to develop an organisational culture that enhances the management of performance?

This sub-problem was addressed by means of a literature study to identify strategies that merged organisations, and specifically post-merged universities, could utilise to develop an organisational culture conducive to the management of performance. These strategies include aspects such as the articulation of a vision and mission, the deployment of effective leadership, change management, culture integration and effective communication.

SUB-PROBLEM 3

To what extent are the strategies revealed in the resolution of sub-problem two considered to be important by the selected post-merged universities?

To achieve this outcome, an empirical study was conducted by means of a survey questionnaire that was issued to executive managers, line managers, HR practitioners and non-managerial employees at the selected post-merged universities.

SUB-PROBLEM 4

What moderating variables can impact on the relationship between the application of the strategies referred to in sub-problem three and the dependent variable in this study?

This sub-problem was addressed by means of a literature study that focused on those factors that can influence the effectiveness of the strategies that post-merged
institutions apply in order to establish an organisational culture conducive to the effective management of performance (dependent variable).

SUB-PROBLEM 5

To what extent do merger-related variables, such as the loss of status, employees' clarity regarding their new roles, the impact of the merger on employees' personal lives and the loss of key staff and low morale, that can have a moderating effect on the creation of an organisational culture supportive of effective performance management, considered as important by the selected merged institutions?

This sub-problem was also addressed in the empirical study by means of a questionnaire that was issued to executive managers, line managers, HR practitioners and employees at the selected post-merged universities.

SUB-PROBLEM 6

How can the results and insights from sub-problems one, two and five be integrated into a theoretical model that can be utilised by merged institutions to develop an organisational culture conducive to the effective management of performance?

This sub-problem was addressed by developing an integrated theoretical model, based on the theoretical and empirical findings of the study, which could be used by post-merged organisations to create an organisational culture conducive to the effective management of performance.

The conceptual model of the study, as depicted in Figure 1.2 identifies three main types of variables, namely the dependent variable or criterion variable, the independent variable or predictor variable, and the moderating variable or the intervening variable (Sekaran, 2003, p.88) The three types of variables to be dealt with in this study are briefly discussed below.
1.2 CONCEPTUAL MODEL OF THE STUDY

Figure 1.2 below is a graphical illustration of the three types of variables to be dealt with in this study.

**Figure 1.2: Variables dealt with in this study**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Moderating Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Culture</td>
<td>Influencing Factors</td>
<td>The Desired Outcome</td>
</tr>
<tr>
<td>Development Strategies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vision, Mission, Values and Strategy</td>
<td></td>
<td></td>
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<tr>
<td>Leadership Strategy</td>
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<tr>
<td>Culture integration Strategy</td>
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<tr>
<td>Communication Strategy</td>
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<tr>
<td>Stakeholder Alignment Strategy</td>
<td></td>
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<tr>
<td>Monitoring and Evaluation Strategy</td>
<td></td>
<td></td>
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<tr>
<td>Reward and Recognition Strategy</td>
<td></td>
<td></td>
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<tr>
<td>Loss in status</td>
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<tr>
<td>Employee buy-in and orientation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact of merger on personal lives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder expectations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarity of merger rationale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees’ clarity of new job</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of key staff and low morale</td>
<td></td>
<td></td>
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<tr>
<td>Pre-merged cultures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees’ ages</td>
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</tbody>
</table>

(Source: Researcher’s own development)
The independent variables and moderating variables are the primary focus of this study. The independent variables include, amongst others, vision, leadership, culture integration and communication strategies while the moderating variables include, amongst others, potential loss in status, employee buy-in, and orientation and resistance to change. Figure 1.2 illustrates that there could be a bi-directional linkage between the various independent variables. These variables were studied by means of questionnaires, interviews and literature reviews. The purpose of this study is to interpret and understand the impact of the independent variables on the dependent variable. The independent variables in this study refer to strategies that aim to create an organisational culture conducive to the management of performance. The moderating variables, i.e. low morale, the loss of key executives, as well as experienced and technically competent staff, the impact of the merger on employees' personal lives, managing stakeholders' expectations, the clarity of the merger rationale and resistance to change, have a determining impact on the interaction between the independent and the dependent variable in this study.

The conceptual model in Figure 1.2 above depicts the two categories of variables that impact on the dependent variable, an organisational culture conducive to the management of performance in post-merged organisations. The model suggests that the moderating variables, contained in the triangular prism-shaped structure, influences the effect that the independent variables have on the nature and extent of the dependent variable – in the same way that a prism has the effect of changing the colour of a white beam of light into an array of colours, referred to as the rainbow. A rainbow is often perceived as a symbol of hope, a promise of relief and richness – outcomes that one could equate with the desired outcomes of the process of creating an organisational culture conducive to the management of performance in a post-merged environment.
1.3 KEY CONCEPTS

The following list of key concepts are utilised in this study.

1.3.1 Merged organisation

A merged organisation is the result of the consolidation of two or more organisations into one organisation with its own mission, vision and strategic plan, directed by its own executive leadership.

1.3.2 Performance management system

A performance management system refers to a holistic approach towards and process of effectively managing individuals and groups to ensure that their shared goals, as well as the organisational strategic objectives, are achieved (Nel, Werner, Haasbroek, Poisat, Sono & Schultz, 2008, p.493)

1.3.3 Internally oriented performance management mindset

An internally oriented performance management mindset is an approach to work performance that is shaped by an organisational culture in which employees believe that organisational success is the result of their own efforts (independence), clear goals and the adherence to deadlines (Buitendijk, 2009, p.153).

1.3.4 Externally oriented performance management mindset

An externally oriented performance management mindset is an approach to work performance that is shaped by an organisational culture in which employees believe that organisational success is the result of the economy, the market in which they operate or other unrelated external factors (Buitendijk, 2009, p.153).
1.3.5 Organisational Culture

Organisational culture refers to a system of shared assumptions, held by members of the organisation, which influences performance and distinguishes one organisation from another (Werner, Bagraim, Cunningham, Potgieter & Viegde, 2007, p.25).

1.4 DELIMITATION OF THE STUDY

The delimitation of the study enables the researcher to focus on a manageable research structure. The fact that certain aspects are excluded from the study does not mean that they are unimportant. The main problem statement and the sub-problem statements provide the basis for the research content.

1.4.1 Theoretical delimitation

This study focuses on organisational culture related to the effective management of performance and is not an assessment of the performance management system itself.

1.4.2 Organisational delimitation

The empirical component of this study is restricted to three institutions of higher learning in South Africa that have undergone a merger process, and can thus be described as post-merged institutions. These institutions are the Cape University of Technology (CPUT) situated in Cape Town, the Durban University of Technology (DUT) situated in Durban and the Nelson Mandela Metropolitan University (NMMU) situated in Port Elizabeth.

1.4.3 Target population

The empirical study was aimed at executive managers, line managers, HR practitioners and employees at the above-mentioned post-merged institutions.
1.5 SIGNIFICANCE OF THIS STUDY

There is world-wide pressure on higher education establishments to provide evidence of effective performance. Institutions of higher learning are required to demonstrate that they are providing value for money (Pounder, 1999).

Consequently, the management of performance in higher education institutions has received much attention in recent years. According to Wilkinson et al (2004, p.xxiii), many institutions have embarked upon a process of attempting to manage performance, but their efforts have unfortunately not amounted to much. These failed efforts can be attributed to factors such as structural and functional changes in the sector, the crises in higher education, the impact of the brain drain and quality issues, to mention a few. The recent merger process that descended upon the South African higher education landscape would most likely have added further complexity to the aspirations of the Centre for Higher Education Studies and Development (CHESD) to address the shortcomings of the performance management systems in the South African Higher Education (HE) and Further Education and Training (FET) sectors (Wilkinson et al, 2004, p.xxiii).

A multiplicity of prevailing post-merged realities necessitates the need for ongoing research into the development of effective performance management within higher education in particular, and other merged organisations in general. These realities would typically include:

- The need for a clear vision – Habeck et al (2000, p.21) argue that, when judging from the current wave of mergers as well as previous mergers, it is evident that a poor vision or a lack of vision can cause a merger to fail. They further state that a strong sense of vision and direction are critical to integrating two different organisations that are facing abrupt change.
- Ensuring effective post-merged integration – in order to attain this, Habeck et al (2000, p.5) suggest that organisations achieve three things, namely buy-in from all
levels of management and employees, an orientation process that ensures that all people are well-informed so as to create support for the vision and mission of the merger, and, lastly, that all expectations – inside and outside the company – are managed in a proactive and direct way.

- Inculcating a shared vision and engagement – Eigenhuis and van Dijk (2008, p.106) define engagement as the extent to which employees commit to something or someone in their organisation, how hard they work and how long they stay as a result of that commitment. They further state that engagement has a big impact on the individual and organisation’s performance as well as on the organisation’s ability to retain talented individuals. Eigenhuis and van Dijk (2008, p.106) are also of the opinion that a shared vision and engagement are inextricably linked in that they are about winning the hearts and minds of employees.

- Ensuring effective culture integration – Valimaa and Ylijoki (2008) point out that the cultures of the pre-merged institutions will have been different. They further point out that most organisations have more than one set of beliefs that influences the behaviour of its members. Buytendijk (2009, p.156) argues that the management of performance should take values and culture into account to ensure that the desired behaviours are triggered. He further cautions that if values and culture trigger different behaviours than those that are required to ensure the effective management of performance, then merged organisations are bound to be faced with alignment problems.

The above-mentioned points highlight the need to undertake a study of this nature, namely to investigate an organisational culture conducive to the effective management of performance, and to identify strategies that organisations could utilise to establish such an organisational culture.

The results of this study may be used by:

- Post-merged universities that are still in the early stages of implementing an organisational culture conducive to the effective management of performance
Post-merged universities that are seeking ways in which they can change their existing organisational cultures to make them more conducive to the effective management of performance

Government departments that may have been combined and, as a result, have to develop an organisational culture that is conducive to the effective management of performance in the midst of organisational cultural differences

Human resources practitioners, line managers and senior executives in search of guidelines that could assist in improving an existing or implanting a new organisational culture to improve the mindset of executives, line managers, HR practitioners and employees in respect of the management of performance in their respective organisations

1.6 OBJECTIVES OF THIS STUDY

This study is aimed at achieving the following objectives:

Objective 1

To conduct a literature study to determine:

- what challenges post-merged institutions face with regard to the creation of an organisational culture conducive to the management of performance
- what strategies post-merged institutions can utilise in implementing an organisational culture conducive to the management of performance
- the moderating variables that could impact the establishment of a post-merged organisational culture

Objective 2

To conduct interviews with senior HR practitioners in order to gain an understanding of their experiences of performance management in their post-merged institutions. The researcher made use of semi-structured interviews and a qualitative analysis of the
results. The insights gained from the interviews were incorporated into the survey questionnaire issued to executive managers, line managers, HR practitioners and non-management employees from the selected post-merged universities as part of the empirical study.

Objective 3

To conduct an empirical study by means of a questionnaire as a data collection tool at DUT, NMMU and CPUT to determine the extent to which these institutions have established an organisational culture conducive to the effective management of performance.

Objective 4

To conduct an empirical research study to identify merger-related variables (independent and moderating variables) that impact on the dependent variable (establishment of an organisational culture conducive to the effective management of performance).

Objective 5

To develop an integrated theoretical model based on the theoretical and empirical findings (from the interviews with senior HR practitioners at the participating merged institutions) of the study, which could be used by post-merged organisations to create an organisational culture conducive to the effective management of performance.

Objective 6

To develop a refined eight-step integrated model by integrating the qualitative and quantitative results of the study with the theoretical eight-step integrated model.
1.7 RESEARCH METHODOLOGY

The following research methodology was applied in order to achieve the goals of this study:

1.7.1 Empirical study

The empirical data required to achieve the objectives of this study was obtained by means of a scientifically developed questionnaire that was administered to executive managers, line managers, HR practitioners and non-management employees in the three selected merged institutions in South Africa, namely CPUT, DUT and NMMU. The questionnaire was structured in the following manner:

Section 1: Biographical data

Section 2: Conducting pre-integration assessments, namely, a cultural assessment, human capital capability assessment and change readiness assessment. Respondents were required to indicate the importance of aspects related to each assessment in the first part of this section and the second part required respondents to state whether the assessment should be informal, formal or whether there should be an assessment at all.

Section 3: Initiating organisational culture integration and alignment. Respondents were required to indicate the importance of aspects related to each question in this section.

Section 4: Developing and implementing post-integration monitoring and evaluation measures. Respondents were required to indicate the importance of the aspects related to each question in this section.

Section 5: The impact of merger-related variables. Respondents were required to indicate the importance of the aspects related to each question in this section.

Sections two, three, four and five had an open-ended question to provide respondents with an opportunity to add their comments in respect of the questions in each of those sections.
1.7.2 Population and sample

The population consisted of executive managers, line managers, HR practitioners and employees at three merged higher education institutions in South Africa. The questionnaire was made available to all executives, line managers, HR practitioners and the non HR/non line management staff at all three institutions participating in this study. The questionnaire was completed by at least 100 non-management employees, six HR practitioners, six line managers and four executive managers from the NMMU as a comprehensive university. These response rates were based on the population sizes of each of these functional categories at each of the three institutions. However, the responses received from CPUT and DUT were combined into a single data set in order to produce a more representative sample given the relatively low response rates experienced at the respective institutions per functional category. CPUT and DUT are classified as universities of technology, providing the researcher with the opportunity to compare the findings of the study between a comprehensive university and the combined responses of two universities of technology. The researcher made use of stratified random samples. The composition of the sample is graphically illustrated in Figure 1.3 below.

Figure 1.3: A graphical illustration of the sampling model

(Source: Researcher’s own development)
This figure depicts the four functional categories of respondents, executives, line managers, HR practitioner and non-HR / non-management employees, from the three participating institutions, NMMU, CPUT and DUT. As stated earlier in this paragraph, for statistical purposes, the responses from CPUT and DUT were combined into one single data set and compared to those received from the NMMU (as graphically illustrated in figure 1.4 above). This implies that the survey findings are presented as a combination of NMMU executives’, line managers’ and HR practitioners’ responses compared to that of the non HR/non management employees of the NMMU. In the exact same way are the survey findings of the combined set of CPUT and DUT data presented and discussed across the same two cohorts as the NMMU.

1.7.3 Statistical analysis

The statistical results were presented in tables, and a cross tabular analysis done by means of descriptive statistical analysis. This required an analysis of the means and the standard deviations. In addition, an inferential statistical analysis was done by means of the one-way MANOVA (multivariate analysis of variance) to determine whether there are statistically significant differences between the means scores of the two cohorts (executive managers, line managers, human resources practitioners on the one hand and non-management employees on the other hand) at CPUT and DUT combined and the NMMU. Scheffe’s test for statistical significance and Cohen’s d statistics for practical significance were applied and the Cronbach alpha used to test the internal consistency and reliability for the statements in the questionnaire.

1.7.4 Literature study

A thorough literature study was conducted by investigating sources such as published, unpublished and electronic texts that are relevant to the topic being addressed in this study. The purpose of the literature study was to research recent and current thinking regarding the management of performance and organisational culture in the context of post-merged universities and other organisations. Owing to the relative shortage of
literature that deals with the management of performance and organisational culture creation in post-merged universities, the researcher had to consult sources that deal with performance management and organisational culture creation in post-merged corporate organisations as well. The researcher also conducted semi-structured interviews with senior human resources practitioners in the post-merged universities involved in this study regarding their experiences of performance management in their respective institutions. The interview findings and insights have been incorporated into the empirical questionnaire. The literature study itself addressed Sub-problem 1, 2 and 4. In particular, the study literature focused on:

- the unique challenges that post-merged institutions face with regards to the creation of an organisational culture conducive to the management of performance
- organisational culture and its impact on the management of performance
- strategies that organisations, and specifically post-merged universities and other organisations, could utilise to develop an organisational culture conducive to the management of performance
- factors that could moderate the relationship between the mentioned strategies and the actual creation of a culture conducive to the effective management of performance

1.8 ORGANISATION OF THE REMAINDER OF THE THESIS

Chapter 1 focuses on the problem statements, demarcation of the study and significance of the study.

Chapter 2 presents a theoretical overview of the higher education scenario in South Africa, with specific reference to the merger of institutions, as well as the challenges facing merged institutions in creating an organisational culture conducive to the effective management of performance.

Chapter 3 addresses strategies that can be utilised to create an organisational culture conducive to the effective management of performance.
Chapter 4 presents a theoretical discussion of the moderating variables involved in this study, which include factors such as employees’ attitudes towards the merger, the impact of the merger on employees’ personal lives, transparency of the merger process, and clarity on the purpose of and rationale for the merger.

Chapter 5 offers an exposition of the proposed integrated theoretical model based on the theoretical and empirical findings of the study that could be used by post-merged organisations to create an organisational culture conducive to the effective management of performance.

Chapter 6 covers the research methodology used in this study.

Chapter 7 provides an exposition and analysis of the results of this study.

Chapter 8 provides final conclusions as well as recommendations.
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CHAPTER 2

A MULTI-FACETED REFLECTION ON CHALLENGES FACING MERGERS IN SOUTH AFRICAN HIGHER EDUCATION

2.1 INTRODUCTION

In Chapter 1 of this study, the main and sub-problems were stated, the research was demarcated and the concepts relevant to the study were defined. The purpose of the study is to investigate the factors that influence strategies post-merged organisations could implement to establish an organisational culture conducive to the effective management of performance.

In this chapter, a theoretical overview is presented of the South African higher education landscape. The chapter also contains a multi-faceted reflection on the mergers based on the experiences of the three institutions involved in this study, the NMMU, CPUT and DUT, and provides perspectives on the challenges that are currently facing merged institutions. Interviews have been conducted with senior HR practitioners regarding the current status of performance management in the three post-merged institutions involved in this study. The results of these interviews are also presented in this chapter.

2.2 AN OVERVIEW OF THE SOUTH AFRICAN HIGHER EDUCATION LANDSCAPE

The current South African higher education system consists of 23 public higher education institutions: 11 universities, six comprehensive universities and six universities of technology. As of January 2009, there were also 79 registered and 15 provisionally registered private higher education institutions. Many of South Africa’s universities are perceived as world-class academic institutions, at the cutting edge of research in certain spheres. Higher or tertiary education includes education for undergraduate and postgraduate degrees, certificates and diplomas, up to the level of
the doctoral degree (Higher education in South Africa, 2009). As part of presenting an overview of the South African higher education landscape, the following sections focus on aspects of higher education in the South African context, developments since 1994 – the advent of democracy in South African – and the remaining critical issues and challenges for South African higher education.

2.2.1 The purpose of South African higher education

In its report on the progress made in higher education, The Council on Higher Education (2004, p.232) stated that, since the advent of democracy in 1994, South African higher education has responded to the mandate from government to create a better life for all by focusing on the integration of the three E’s of policy: equity, effectiveness and efficiency. In pursuit of this ideal, much emphasis needed to be placed on economic development through the reconstruction of the social system in its entirety and successful integration into the international community while providing leadership on the African continent.

Flowing from a plethora of contrasting imperatives of social transformation, reconstruction and development in post-apartheid South Africa, there seems to be a need to direct public resources and energy into higher education to achieve a multiplicity of purposes.

In the context of the current-day South Africa, the purpose of higher education therefore includes the following:

- to address the learning requirements and aspirations of individuals through the development of their intellectual abilities and aptitudes throughout their lives. Higher education should equip individuals to fully optimise their talents and the opportunities offered by society towards a state of self-fulfilment. It is thus a key provider of life chances through its role as an important vehicle in providing
equitable access to and distribution of opportunity and achievement among South African citizens.

- to address the development requirements of society as well as provide the labour market, in a knowledge-driven and knowledge-dependent society, with the dynamic high-level competencies and expertise necessary for the growth and prosperity of a modern economy. Higher education aims to teach and train people to fulfil specialised social functions, enter the learned professions or pursue vocations in administration, trade, industry, science and technology, and the arts.

- to contribute to the socialisation of enlightened, responsible and constructively critical citizens. Higher education aims to encourage the development of a reflective capacity, and a willingness to review and renew prevailing ideas, policies and practices based on a commitment to the common good of all South Africans.

- to contribute to the creation, sharing and evaluation of knowledge. Higher education engages in the pursuit of academic scholarship and intellectual inquiry in all fields of human understanding, through various types of research, and teaching and learning-related activities (Council on Higher Education, 2004, pp.235-237).

2.2.2 The developments since 1994 – the advent of democracy in South Africa

The period between 1990 and 1994 was characterised by symbolic policy making. This symbolic policy making process was perceived as an attempt to send signals of intent for change and make a break with the past. Thereafter, the government embarked upon real strategies for redress within higher education. The development of policies relating to teaching and learning with respect to pedagogy and curriculum were displaced by other discourses that emphasised skilling and training for the requirements of economic growth and development as well as globalisation.

From 1994 to 1998, the overall framework for higher education transformation was elaborated on in greater detail. Strategies, structures and instruments began to emerge, and the pursuit of tangible policy goals began to be defined. The principal outcomes of
this period were a defined policy and legislative framework. This included a number of substantive policies in concrete domains such as governance, financing and funding. The establishment of an embryonic governmental infrastructure for further policy planning and development, and for policy implementation was one particularly noteworthy outcome of this period.

In spite of the significant fluctuation that has unsurprisingly characterised higher education following the comprehensive transformation process, and fuelled by the democratic changes in the country and countless policy initiatives, South African higher education had, up to 2004, achieved considerable strengths. It also showed numerous positive departures from the legacy system inherited in 1994, which can be linked to the intentions and goals set out in the White Paper 3: A framework for the transformation of Higher Education (1997) and the National Plan (2001).

These achievements may become enduring features of the higher education landscape, even as key actors will have to continue to address persistent and new challenges. In some cases, there are initiatives and processes that are still unfolding. According the Council for Higher Education (2004, pp.234-235) some of the key achievements that have been recorded since 1994 include:

- the laying of foundations for a single, coordinated and differentiated system of higher education, encompassing universities, universities of technology (technikons), comprehensive institutions and various kinds of colleges.
- progress effected through: the development of a national higher education plan, benchmarks for higher education transformation, and the establishment of a planning dialogue between the Department of Education (DoE) and HEIs; the implementation of restructuring strategies encompassing programme level rationalisation and cooperation, especially at regional level, and the reconfiguration of the institutional landscape; and the implementation of common governance arrangements across the public higher education system.
• private higher education institutions, subject to similar governance, qualification and quality assurance regulatory frameworks as public institutions, have become a feature of the higher education landscape. Largely effective controls have been put in place to prohibit ‘fly-by-night’ providers of higher education.

• an ongoing challenge is to build the capability of the private sector to make its distinctive contribution part of a single coordinated higher education system, and also to uphold quality standards.

• student enrolments have grown from 473 000 in 1993 to 675 128 in 2002. In 2007, a total of 761 090 students were enrolled in the public higher education institutions. One year later, student enrolment stood at 783 900. This number is expected to grow to 836 800 by 2011. The South African National Plan for higher education has set the target of a 20 per cent participation rate by 2015. The extent and pace of the de-racialisation of the student body and of many institutions is considered as a significant achievement. Whereas African students constituted 40 per cent of the student body in 1999, in 2002, they made up 60 per cent of overall enrolments. The 2007 figures point to a great improvement in expanding higher education to previously disadvantaged populations. Almost 63 per cent of students in the public higher education system were Black African. However, inequalities of outcome persisted, with the average success rate of Black African undergraduate students standing at only 73,6 per cent. There has also been a noteworthy improvement in gender equity. Whereas women students made up 43 per cent of enrolments in 1993, by 2002, women constituted 54 per cent student body and, in 2007, the proportion had increased to 55,5 per cent. In relation to the benchmarks of the National Plan, positive shifts have also been experienced in enrolments by field of study and qualification level (Council Higher Education, p.236). The progress reported above suggests that the period from 1994 and beyond has been characterised by tangible changes in terms of the structure, operation, governance and accessibility of higher education in South Africa. Whether these changes have contributed to the creation of organisational cultures conducive to the effective management of performance, will remain a matter to be determined by how post-merger strategies are employed within merged institutions.
2.2.3 The remaining critical issues and challenges for South African higher education

According the Council for Higher Education (2004, p.237), some critical issues and challenges face the sector in the years ahead. These challenges include the following:

- **Legal and policy content** – this relates to the design and implementation of sensitive processes to act as an early warning system for unanticipated policy consequences, to identify policy gaps, and so serve to condition interrelated policy elements. This also relates to the re-examination of core governance measures and activities in support of outcomes achieved through an appropriate mix of centralised measures, as well as guiding mechanisms, incentives and opportunities for participative self-regulation by the higher education institutions.

- **Institutional landscape** – evaluating the progress and impact of institutional restructuring such as mergers, inclusive of institutional cultures, cost-effectiveness, outcomes in terms of equity, institutional effectiveness and efficiency, academic provision appropriate to institutional types, quality and responsiveness of core business, change management issues and unanticipated consequences.

- **Equity** – working towards an improved profile of student equity in terms of enrolments, opportunities and outcomes, while addressing significant weak points, such as overall efficiency, SET enrolments and postgraduate enrolments. This also refers to addressing the transformation of institutional and academic cultures in order to support the achievement of greater employment equity institutionally.

- **Teaching and learning** – working towards a new academic policy and resolving the NQF review. This also relates to ensuring the achievement of teaching and learning support policy goals such as student equity in throughput and success rates. This also requires formulating guides for good teaching and learning practice.

- **Research** – this relates to placing higher education at the centre in terms of ongoing processes of research policy development and implementation. There needs to be a thorough assessment of the impact of new funding drivers on higher
education research and the sustainability of the system. Sustainable ways of reproducing the capacities and traditions of higher education research need to be explored, while simultaneously transforming its equity profile. Research cultures must be effectively sustained or developed in higher education institutions, with a commitment to building research capacity or potential.

- Community engagement – a policy framework which will facilitate community engagement for the entire sector must be implemented. Institutions that are at the vanguard in the area of community engagement need to provide leadership regarding the knowledge and skills of community engagement as a core function. This will assist in building the capacity of others. The traditional boundaries of the academy to support meaningful community engagement need to be stretched into other areas.

- Quality assurance – the development of strategies to support the operationalising of quality assurance initiatives linked to planning and funding throughout the higher education sector. It is anticipated that the setting of quality standards in an environment that is in a state of change as a result of the mergers and policy vacuums will be a difficult task. Specific attention should be given to this in order to avoid the relegation of quality assurance to a checklist exercise. Careful attention needs to be given to the balance between equity and quality.

- Responsiveness – there needs to be an attempt to establish various forms of collaborative relationships between higher education, and the public and private sectors. Higher education institutions will need to monitor their responsiveness in respect of economic, cultural and intellectual contributions across the various sectors of South African society.

- Governance – institutions will need to develop appropriate governance mechanisms at institutional level to effectively deal with matters relating to, for example, the merger. System-level governance will also require a review, with due regard for public accountability, institutional autonomy and academic freedom.

- Financing – institutions will be required to closely monitor the sufficiency of public funding for higher education as well as the impact of the new funding framework
on institutional redress, institutional autonomy, institutional behaviours and enrolment patterns.

- Internationalisation – there would be a need to address the development of national and institutional-level policy on the internationalisation of higher education. It would also be necessary to develop a national policy response to the application of the General Agreement on Trade in Services to higher education.

Given the diverse and complex nature of the future critical issues and challenges facing higher education institutions in South Africa, institutions will have to be fully aware of such issues as well as the organisational cultural requirements to ensure the effective management of performance in relation to these various interventions. The following section provides an exposition of the legal origins and consequences of mergers in South African higher education.

2.3 THE LEGAL ORIGINS AND CONSEQUENCES OF MERGERS IN SOUTH AFRICAN HIGHER EDUCATION

In an analysis of the legal origins and consequences of the mergers in South Africa higher education, Soobrayan (2003, p.94) points out that the legal frameworks are inadequate as a means to support the mergers. The legal frameworks referred to by Soobrayan (2003, p.97) include the South African Constitution as well as legislation and agreements related to the merger process. In the course of mergers, legal frameworks and guiding principles are invariably challenged by means of a formal dispute. These disputes can have the effect of extending the timeframes, and later the intended and desired outcomes of a merger in a substantial manner. However, the efficacy of the legal challenges and the competency to effectively declare such challenges are closely linked to the existence and extent of the political and institutional power of each post-merged institution (Soobrayan, 2003, p.99). This implies that the ability to raise a formal legal challenge about the legality of the merger process is not simply a legal matter as the capacity to litigate is sensitively interlaced with the power and authority of the institutions contemplating such action in the first instance.
The five merger cases involved in the study conducted by Soobrayan (2003, p.94) are:

- ML Sultan Technical College (MLS) and the Technikon Natal (TN)
- The veterinary science faculties of the University of Pretoria (UP) and the Medical University of South Africa (Medunsa)
- The Johannesburg College of Education (JCE) and the University of the Witwatersrand (Wits)
- Giyani College of Education (GCE) and the University of Venda (Univen)
- South Africa College for Teacher Education (Sacte) and the University of South Africa (Unisa)

Only the MLS/TN and UP/Medunsa mergers are discussed in this theoretical review as they best illustrate the views expressed by Soobrayan (2003, p.95-96).

In respect of the voluntary merger between MLS and TN, Soobrayan (2003, p.95) points out that, although the merger was not driven by a legal requirement from government, a guiding document, namely the Merger Charter, was drafted to provide the legal framework and guidance to the parties during the process. This implied that the merger had to take place within the parameters of an agreed-upon and legally binding document that set out the power of each institution to act. However, when political powers internal to the two institutions imposed themselves on the process, threatening to derail the merger process between the two institutions, government had to step in. Hence, at the point when the legal force and effect of the Merger Charter between the two merging institutions became fragile, government had to issue unambiguous instructions aimed at concluding the merger. Although the merger was voluntary, and not the result of formal legislative imperative from government in the initial stages, the MLS and TN merger had to eventually rely upon an impulsion from government to conclude the process owing to internal political tensions that threatened to stymie its proper conclusion (Soobrayan, 2003, p.96).
The merger between the veterinary science faculties of Medunsa and UP was rooted in government’s need to reduce the cost of providing veterinary science education in the country. This resulted in the Departments of Education and Agriculture embarking upon a process to merge the two historically different institutions. Although not driven by any formal legal instruction from government, the process managed to gain necessary traction from the Labour Relations Act of 1995 which ensured that staffing issues were dealt with in a legally compliant manner. Soobrayan (2003, p.97) argues that it was not the guidance of a legal framework or the consensus between the merging parties, but the dominant institutional power of UP that pushed the process forward.

In terms of the Higher Education Act of 1997, mergers could occur three possible ways. In accordance with Section 21 of the Act, a college could be incorporated into a university and become a subdivision of the university. Section 23 of the Act provides for a merger between two institutions and the resultant establishment of a new institution, as was the case of the merger between MLS and TN, which led to the creation of DUT, one of the three institutions involved in this particular study. Section 24 of the Act provides for a subdivision of an existing higher education institution to be merged with another higher education institution. This route was applied in respect of the Medunsa/UP merger, although the Act did not exist at the time of the merger (Department of Education, 1997).

In considering the findings of her study, Soobrayan (2003, p.107) concludes that political power, more than the legal frameworks, played a much stronger role in determining the outcomes of each of the mergers involved in the study. She further suggests that legal frameworks are inadequate instruments to be relied upon during the merger process. Jansen (2003, pp.1-3) points out that the designated mergers unfolded in completely different ways when compared to the contemplated legal and planning frameworks. This raises the question whether the post-merged organisational cultures that transpired as a result of the political nature of the mergers could be considered supportive of the effective management of performance. The following section deals with a reflection on the mergers in South African higher education institutions and
specifically focuses on the rationale for the mergers, the impact of the mergers on some institutions and the institutional responses to the mergers in the three selected institutions.

2.4 A REFLECTION ON THE MERGERS IN SOUTH AFRICAN HIGHER EDUCATION INSTITUTIONS

According to the Education Portfolio Committee meeting minutes (2007), the Cabinet approved proposals in November 2002 for the restructuring of higher education in South Africa. In December 2002, the then Minister advised the various councils of the affected institutions and invited them to comment on the government’s intention to embark upon the merger process. Jansen (2003, p.1) argues that the proposed mergers in South African higher education proceeded despite intense political resistance from various constituencies.

In November 2003, mergers within the higher education sector were formally gazetted and, in 2004 and 2005, the mergers were implemented. Several merged universities were established between 2003 and 2006. In April 2002, the merger of ML Sultan Technikon and Technikon Natal resulted in the establishment of the Durban Institute of Technology (South Africa. info reporter, 2003). Three years later, its designation was changed to that of university of technology, hence the current name of Durban University of Technology (DUT).

In 2004, the following merged universities were established:

- The University of Kwazulu Natal
- North West University
- Tshwane University of Technology
- University of South Africa
In 2005, the following merged universities were established:

- The Nelson Mandela Metropolitan University
- Cape Peninsula University of Technology
- University of Limpopo
- University of Johannesburg
- Walter Sisulu University of Science and Technology

In 2006, the National Institute for Higher Education in Mpumalanga and Northern Cape was established. The former Vista University campuses were incorporated into the University of Pretoria, the University of the Free State, the University of Johannesburg, the Nelson Mandela Metropolitan University and the Central University of Technology. The University of Fort Hare incorporated the East London Campus of Rhodes University and the University of the Western Cape incorporated the dentistry faculty of the University of Stellenbosch (Education Portfolio Committee meeting minutes, 2007). The following section provides an exposition of the rationale for the mergers in South African higher education.

2.4.1 The rationale for the mergers

Some of the founding rationales for embarking upon a merger would usually include a desire to acquire a larger share of the market, enter new markets, eliminate competitors, acquire expertise or assets, transfer skills, save costs or increase efficiencies (ChangeWright Consulting, 2008). In the case of South African higher education, the rationales for the mergers included a desire to overcome the racial fragmentation arising from the apartheid legacy, increase access to black students, and create an efficient and effective system through improved resource allocation and utilisation (Kilfoil & Groenewald, 2005; Jack, 2007; Nel & Stumpf, 2007; Tyobeka & Schoeman, 2007).
It was argued that the South African higher education sector required a restructuring to solve problems of duplication, fragmentation and a lack of access in certain parts of the country, as well as to improve the quality of education on offer. These problems were reportedly caused by the system of apartheid which left a significantly skewed education system that not only disadvantaged black students, but also failed to meet the social and economic requirements of the country (South Africa info reporter, 2003). It was anticipated that higher education would be transformed into a more equitable system, better equipped to address South Africa’s human resources requirements (South Africa info reporter, 2003). Asmal (2009) clarifies this by stating that the purpose of the mergers was educational: the creation of higher education institutions that were sustainable and responsive to the changing national needs and contexts. He describes the two central and substantive goals that underpinned the merger process as follows:

- to imagine new possibilities for higher education, free from racial oppression of the past; a system that is neither black nor white, English or Afrikaans, but simply South African. It was purely about the reconstruction and creation of institutions with new identities and new organisational cultures aligned to the vision, values and principles of a non-racial, non-sexist and democratic society.
- to create institutions that are effective and efficient, and capable of responding and contributing to the changing skills and knowledge requirements of the country in the context of a rapidly changing world resulting from globalisation and a technological revolution.

In essence, these views are echoed by Qhobela (2009) in his report to parliament on the restructuring of the higher education landscape, in which he names the mergers and incorporations as one of the measures utilised by the then Department of Education and Training to transform the higher education sector. The goals of the merger exercise ranged from bridging the apartheid-made chasm between historically white and historically black institutions in order to enhance effective and efficient use of resources to improving institutional responses to national and regional imperatives (Qhobela, 2009).
Expressing a dissenting view, Macleod (2008) argues that South Africa will require at least six more universities in order to support the national intention of increasing access to higher education from the current 15 per cent. The higher education sector is now questioning the soundness of the rationale behind as well as the necessity of the recent mergers as ordered by the South African government. He further contends that the mergers have been difficult and that it has caused higher education institutions in South Africa “to take their eyes off the international ball” (Macleod, 2008). The rest of the world has been focusing on growth while local institutions have been spending much time and effort in dealing with mergers (Macleod, 2008).

Qhobela (2009) concedes that the true value and impact of the restructuring, with particular reference to the development of new institutional cultures, traditions and values, will only be evident in years to come. He further acknowledges that some mergers experienced significant organisational problems in the initial stages of the merger process. A more detailed discussion regarding the impact of the mergers on institutions as well as the responses of the institutions (limited to institutions involved in this study) to the merger follows this section. In accordance with international higher education literature and practice, the institutional mergers took place in three phases. These three phases are:

- the pre-merger phase
- the transitional phase (or interim phase), and
- the integration phase (or post-merger phase).

These phases were considered to be important for conceptual as well as governance purposes (Hall, Symes & Luescher, 2004).

The above information suggests that, based on governmental decree, the South African higher education environment needed to undergo significant transformation to address what appear to be mainly the political effects of the apartheid system. Although the council structures of the various pre-merged institutions were consulted prior to the
merger, the question that arises is whether thought was given to the post-merged challenges that are imposed upon merged organisations in general as well as those challenges that are currently pervasive in the merged South African universities. A further consideration relates to the level of thought – if any – that had gone into the post-merged organisational cultures that would emerge and the extent to which such cultures would be conducive to the effective management of performance. The following section will focus on the impact of the merger primarily based on a study of five higher education institutions as conducted by Jansen (2003, p.28).

2.4.2 The impact of the mergers on some institutions

In his study on the impact of mergers on South African higher education, Jansen (2003, p.28) focuses on the following five higher education institutions:

- the incorporation of the South African College of Teacher Education (SACTE) into the University of South Africa (Unisa)
- the Johannesburg College of Education (JCE) into the University of the Witwatersrand (Wits)
- Giyani College of Education (GCE) into the University of Venda for Science and Technology (UNIVEN)
- the merger of ML Sultan (MLS) Technikon and Technikon Natal (TN) to form Durban University of Technology
- and the Faculties of Veterinary Science (FOVS) of the Medical University of South Africa (MEDUNSA) and the University of Pretoria (UP)

In his study, Jansen (2003, p.11) interrogates, in particular, the impact of the mergers on these five institutions by posing poignant questions regarding the following seven merger outcomes: equity effects, efficiency effects, curriculum effects, organisational effects, student effects, staffing effects and physical effects (Jansen 2003, p.11). The salient characteristics of each of these merger outcomes are contained in the abridged exposition that follows.
In dealing with the equity effects, Jansen (2003, p.11) dispels the notion that greater staff and student demographic equity was achieved through the mergers. He argues that government’s primary concern was to reduce cost. In the rare instances where a marginal increase in the staff demographic profile was achieved, it was limited to the lower levels of administrative and technical staff. Jansen’s view (2003, p.11) in respect of student demographic equity also contradicts one of the stated intentions of government, namely to advance access of black students through the merger process (Qhobela, 2009). The UKZN merger was characterised by low trust between the different race groups within and between the merger partners. While African staff were hopeful, Indian and white staff were fearful and angry (Makgoba, 2008). Their quest was to build a unified organisational culture conducive to the effective management of performance. To that end, Makgoba (2008) undertook to address two critical issues, firstly, to identify and address the variety of racial and cultural issues and, secondly, to elucidate on what a "truly South African university" and “African scholarship” means for the knowledge and cultural imperatives within the institution. The above information suggests that institutional mergers have the unintended and unfortunate consequence of sparking racial and cultural discord which, if not effectively managed, could have far reaching consequences for the creation of an organisational culture conducive to the effective management of performance.

In his commentary on the efficiency effects, Jansen (2003, p.16) concludes that government’s intentions to achieve a more cost efficient model in which higher education could operate (Qhobela, 2009) was not realisable. Amongst the reasons cited by Jansen (2003, pp.16-18) are the following: the upfront costs of consolidating debt and liabilities, the costs of new and expensive infrastructure to accommodate combined staffing and students on single campuses, curriculum development and integration cost, the cost of building technological alignment and capacity within the merged institutions, the cost of staff retrenchment and the cost harmonising salary anomalies between merging institutions. The quantification of possible downstream efficiency gains arising from the merger was further stymied by the lack of adequate management information
systems on the part of government to effectively track and monitor merger-related data (Jansen, 2003, p.18).

In expressing his view on the curriculum effects arising from the merger, Jansen (2003, p.19) argues very strongly that the mere bringing together of two institutions cannot be expected to equate to the “rationalisation of the curriculum” or at least the creation of a single curriculum as a result of the combined expertise and materials. The mergers between technikons and universities presented the problem of integrating the teaching of a practical, professional activity as opposed to a theoretical qualification.

With regards to organisational effects, Jansen (2003, p.20) argues that in all five cases included in his study, the merging institutions maintained their previous institutional identities for various reasons, but mostly because of strong and assertive leadership on the part of the previous administrations. This raises questions about the organisational cultures that evolved in the midst of anxiety about losing previous institutional identities and whether they are conducive to the effective management of performance. Asmal (2009) states that, while the mergers are still works-in-progress, the substantial merger goals have been bedded down, creating the conditions for focusing on the establishment of new institutional identities and organisational cultures that transcend the divides of the past, assisting in the achievement of organisational effectiveness.

Jansen (2003, pp.21-22) refers to a litany of complaints that students levelled against the merger process. These complaints included issues such as the very merging of institutions, the lack of student consultation, the problem of just being absorbed into a new institutional culture, the loss of identity, the “specialness” of their original institutions as well as the lack of clarity about their futures. There was strong opposition from students and staff, characterised by campaigns and strong resentment, and yet these concerns were not used as a basis to commission investigations or special research projects (Jansen 2003, p.22).
The effects on staff have been described, in all cases, as devastating. Affected staff were reportedly subjected to emotional and psychological trauma as a result of the silence from their indecisive leadership, muted unions and indifferent provincial governments (Jansen, 2003, pp.22-24), and yet these strong feelings of anger and resentment were not converted into political protestation against the protagonist of the merger – the government. There was, however, a healthy expression of what Jansen (2003, p.24) refers to as corridor politics, street politics and boardroom politics. While these various forms of politics served no purpose in pressuring government in its intent to proceed with the mergers, it did contribute to the shaping of an organisational culture characterised by employee indifference and withdrawal from the core business of the institution (Jansen, 2003, pp.22-24).

In a similar vein, Ramdas and Kruger (n.d.) express the belief that mergers between universities and technikons have caused problems in South African higher education in that the employees of these institutions have been treated in an inferior manner. A second problem they highlight is that universities have totally taken over technikons, causing a complete erosion of employee morale, and negatively impacting the entire teaching and learning process, as well as general service delivery in merged institutions (Ramdas & Kruger, n.d). According to Becker et al (2004), many respondents made a conscious decision not to discuss the incorporation of the college into the university with their students, but the offering of commiseration by the students suggested that staff must have unknowingly revealed their trauma of the merger to their students who, themselves, where uncertain of their futures. Merger transactions are never transactions of equals and this is exacerbated by the uncertainty and emotional upheaval. These conditions provide fertile ground for “regression into childhood roles” (Bezuidenhout, n.d). The above discussion gives rise to a vexing question that requires constant attention: what can merged institutions do to prevent these unfortunately negative and destructive behaviours from derailing the success of the merger, and, instead, create of an organisational culture within which individual and organisational performance can be effectively managed?
The physical integration of institutions was reported as by far the most problematic part of the mergers, as a result of it being a complex, messy and drawn-out process (Jansen, 2003, p.24). Naidoo (2009), reflecting on the NMMU merger, bemoans the fact that three and a half years after the merge, site allocation plans were not yet finalised and that many faculties were operating from at least two campuses. This merger brought 17 faculties from two pre-merged institutions together into seven faculties, spread over seven campuses (Naidoo, 2009). Similar logistical problems and space constraints were experienced during the merger that formed the UKZN, which is situated on five campuses (Makgoba, 2008).

In conclusion, Jansen (2003, pp.26-28) suggests certain guidelines that could be implemented to support the creation of a post-merged organisational culture conducive to the effective management of performance and the consequent achievement of institutional goals. These guidelines are described in greater detail in Chapter 3, which deals with strategies to create an organisational culture conducive to the effective management of performance. The next section specifically focuses on how each of the three merged institutions involved in this study have responded to the opportunities and challenges presented by the mergers.

2.4.3 Institutional responses to the mergers in the three selected institutions

The three institutions involved in this particular study are the NMMU (merged in 2005), CPUT (merged in 2005) and MSL (merged in 2003) (South Africa. info reporter, 2003). This section focuses, through reflective studies, on how each of these three institutions has responded to the mergers and its attendant challenges. The institution-specific information, together with some relevant theoretical merger-related references, could also provide insight into the extent to which each institution has managed to establish an organisational culture conducive to the effective management of performance. There is no consistent format as to how each institution’s response to the merger is presented.
2.4.3.1 Nelson Mandela Metropolitan University (NMMU)

a) Brief merger-related history

The NMMU merger involved the integration of Vista University (VU) into the University of Port Elizabeth (UPE) and, at a later stage, a merge with the Port Elizabeth Technikon (PET). The incorporation of VU into UPE took place in January 2004. This was followed by the merger with Port Elizabeth Technikon in January 2005. In the broader context of the South African higher education landscape, the NMMU is considered as one of the six comprehensive universities in the country. The other five are the University of Johannesburg, Walter Sisulu University, University of Zululand, University of Venda, University of South Africa (Nel, 2010). The merger at the NMMU has resulted in the amalgamation of the best of university and technikon qualification offerings, thus equipping the merged institution to be more responsive to the socioeconomic development needs of the Nelson Mandela Bay Metro (NMBM), the Eastern Cape and the country at large (Nel & Stumpf, 2007). The aspects discussed in this section include the opportunities arising from the merger for the NMMU, the NMMU merger experience and progress thus far, and a self-reflection on the attainment of the higher education policy objectives.

b) Some opportunities arising from the merger for the NMMU

Contextualising the general principles underlying the mergers in South African higher education, as articulated by the National Working Group, the view within the NMMU was that the following aspects may assist in closing the binary divide between the two institutions:

- A good fit in respect of the programme offerings of PET and UPE, as well as strong articulation possibilities between the university and the technikon programmes.
• The significant programme differences which existed between the two institutions at the time of the merger could serve to enhance the programmatic scope of the merged institution.
• Greater relevance and responsiveness regarding the meeting of vocational needs, given the opportunity to better plan a more coordinated system of multilevel courses with horizontal and vertical mobility possibilities.
• Improved rationalisation of the vast array of undergraduate diplomas and degrees through the application of improved coordination and consolidation measures.
• The consolidation of efforts aimed at establishing a stronger research culture in both institutions at the time of the merger. This would strengthen the research capacity and outputs, initiatives and resources in the NMBM.
• The favourable physical proximity of PET and UPE presented numerous opportunities for the sharing of resources – infrastructural and administrative. Specific programmes could be located on different campuses which could assist in creating a sense of integration, greater interaction and even a sense of unity.
• The incorporation of VU would enhance the level of multicultural integration, support the creation of a new institutional identity, and facilitate greater access to quality teaching, learning research and student life facilities located at the PET and UPE Summerstrand campuses (Nel & Stumpf, 2007).

From the above information, it is evident that the NMMU elected to adopt a positive and embracing approach to the merger by focusing on the various improvement opportunities latent in the restructuring of higher education institutions in South Africa. The following section looks at the progress made thus far, as well the experiences undergone in the merged institution.

c) The NMMU merger experience and progress thus far

Some of the immediate leadership challenges were addressed by the appointment of a permanent Council in 2005. This was followed by the installation of the first Chancellor of the NMMU, Judge Pius Langa and the appointment of the first Vice Chancellor, Dr
Rolf Stumpf, in 2005, as well as the appointment, in early 2006, of senior managers, and administrative and academic heads, including Directors of Schools and Heads of Departments within the seven faculties (Nel & Stumpf, 2007). The speedy appointment of the institutional leadership after a merger is recommended by Habeck et al (2000), and Macfarlane and Butterill (1999) as this assists in the fostering of a cohesive post-merged organisational culture integration process.

In addition to this, several strategic decisions were taken by the NMMU Council, which included the approval of the rules of Council, the delegation of authority decision-making document and several critical HR policies, such as recruitment and selection, as well as a set of guidelines in terms of which other employment-related practices would be administered. The development of a site allocation and multi-campus management model, an institutional operating plan inclusive of the vision, mission and values of the NMMU, together with a set of strategic priorities, academic focus areas, risk analyses and a financial turnaround strategy, formed part of the immediate post-merged achievements (Nel & Stumpf, 2007). The establishment of a vision, mission and values resonates with the views of Eigenhuis and van Dijk (2008, p.106) that a shared vision and engagement are inextricably linked, in that they are about winning the hearts and minds of employees. Carleton and Lineberry (2004, pp.89-91), in their nine-step model aimed at placing the merged organisation on a path to becoming one effective functioning entity, emphasise the importance of mission and vision (statements of organisational intent and purpose), aligning the governance aspects (power and influence), and creating regulatory infrastructure (policies, procedures and internal systems). Another key milestone for the NMMU was the agreement reached with unions on a set of conditions of employment that would serve as a basis for the ensuing harmonisation of conditions of service of employees from the pre-merged institutions.

Challenges that arose as a result of the merger included the process of aligning and integrating the anomalous conditions of service in order to treat staff equitably, the design and implementation of a new organisational structure, and staff uncertainty about the future of their jobs, on the one hand, and executive management’s plan to
embark on a speedy execution of the merger process, on the other hand. The staff placement process was carried out in accordance with Section 189 of the LRA of 1995 to ensure the establishment of a streamlined, unified and legally compliant organisational structure. Employment equity was a particularly pressing issue given the historical imbalances in respect of staff profiles prevalent in UPE and PET. The achievement of a more diverse workforce within the NMMU was identified as a strategic priority and specific strategies were formulated to attract and retain equity staff. However, employment uncertainty arising from the merger induced the unfortunate loss of staff and, in particular, equity staff, thus further complicating the achievement of greater employment equity. The development and implementation of the first Council-approved employment equity plan for the NMMU in 2007 meant that recruitment efforts could be specifically, preferentially and lawfully targeted on under-represented groupings within the NMMU (Sekobela, 2010). Attraction and retention of competent equity staff – both academic and administrative – proved to be a greater-than-anticipated challenge given the uncompetitive nature of higher education salaries and conditions of service. The institution currently employees a total number of 1600 permanent staff, which is comprised of 700 academic staff and 900 non-academic staff (Kamberos, 2010)

d) A self-reflection on the attainment of the higher education policy objectives

Based on the clear merger-related objectives set by government, the NMMU embarked upon self-reflection, contemplating the role that the merger has played in realising these objectives. The self-reflection is presented by stating each of the three objectives followed by a discussion of the NMMU’s merger-related experiences.

The first objective, which relates to the reconfiguration of higher education institutions in Port Elizabeth, was to overcome the apartheid induced divide between historically white and black institutions. The reconfiguration of higher education institutions in Port Elizabeth into the NMMU has resulted in its being viewed as a new institution in terms of its bases for engaging with the various constituencies in the metropolitan area. This has
been achieved as a result of the incorporation of the historically black VU into the historically white UPE followed by the amalgamation with PET. This changed landscape has introduced a re-think of the socio-political alignment with its constituent communities. Nel and Stumpf (2007) cite the diverse composition of the new NMMU Council in support of this contention.

The second relevant objective was to create a more effective and efficient use of resources. In relation to this, the institution derived significant benefit from measures such as the development of newly integrated policies, structures, processes and procedures. The leadership consciously optimised the opportunity to extract the best elements from the pre-merged institutions in their quest to develop more streamlined administrative systems which has resulted in a more effective use of resources. The NMMU’s Institutional Operating Plan resulted in the Department of Education (DoE) awarding significant funding allocation earmarked for the improvement of teaching and learning infrastructure and the achievement of its strategic objectives in the post-merged phase. The NMMU’s financial position was further boosted by the recapitalisation fund from the DoE as this enable the institution to settle its long-term borrowings, thus freeing up a sizable amount, previously spent on monthly debt repayments, in its operating budget. The pervasive view is that the merger-related funding has assisted the institution in achieving its merger-related objectives (Nel & Stumpf, 2007).

The third relevant objective was the consolidation of existing academic programmes to promote greater levels of student mobility and to strengthen research capacity. Nel and Stumpf (2007) consider this particular objective as the “most daunting merger challenge”. Their view is predominantly based on the absence of a clear set of guidelines from government in respect of their understanding of an academic model for a comprehensive institution. In response to this objective, the NMMU proceeded to establish what it considers to be models for cohesive academic management. This included the creation of academic faculties, schools and departments, representing the institution’s academic structures (Nel & Stumpf, 2007). Faculties have opted for various
levels of academic structural integration. Some have retained the pre-merged academic structures, thus perpetuating the binary divide, while others have fully assimilated the typical technikon and typical university programmes under a single academic management structure in the new institution. It is envisaged that the South Africa Norway Tertiary Education Development project will assist the NMMU in bedding down practical approaches to outstanding curriculum design and articulation pathway challenges (Nel & Stumpf, 2007).

From the above institutional information, as well as the various extracts from the relevant literature, it is evident that the NMMU leadership and its stakeholders have made a conscious, deliberate and determined effort to establish a post-merged organisational culture conducive to the effective management of performance.

2.4.3.2 Cape Peninsula University of Technology (CPUT)

a) Brief merger-related history

The Cape Peninsula University of Technology was established in 2005 when the Cape Technikon and the Peninsula Technikon embarked upon a merger as directed by National Plan of Higher Education. Like many other mergers, this particular one was a case of one historically advantaged institution (Cape Technikon) amalgamating with a historically disadvantaged institution (Peninsula Technikon) (South African Technology Network Board, 2007). In accordance with the Department of Education’s guidelines for mergers and incorporations, both institutions proceeded to set up combined and individual merger task teams (CPUT, 2005).

The interim executive of the CPUT was appointed towards the end of 2004 in order to direct and manage the merger process, which began in all earnestness in January 2005. The first Vice Chancellor for the CPUT, Professor Mazwi-Tanga, was appointed in February 2006 and, in May 2008, Dr Trevor Manuel was appointed as the first Chancellor of the University. Currently, the institution employs a total of 2136 staff,
which is comprised of 866 academic employees and 1270 non-academic employees (Olkers, 2010).

b) Some implications and challenges for CPUT arising from the merger

Central to the unbundling of the erstwhile Cape Technikon and the Peninsula Technikon was the fact that these institutions were organised around race and ethnicity. Various structural changes needed to be instituted to disaggregate the systemic effects in relation to transformation and social cohesion (CPUT, 2005). According to the South African Technology Network Board (2007), the development trajectory of universities of technology was derailed by the mergers in higher education. The CPUT and DUT, both of which are included in this research study, formed part of a comprehensive investigation into the status of universities of technology in a restructured higher education environment. The Board (2007) also expressed its reservation about the funding allocation that had been made to the merged institution, putting forward a wide range of disparities that had been created amongst the newly created multi-campus institutions. It was further argued that the merger has had an aggravating influence on the quality of education being offered by universities of technology, as can be seen in the low success rates, dwindling student numbers, staff turnover rates, and continuous and frequent leadership changes – causing high levels of institutional instability.

One of the more serious consequences facing the newly merged institutions relates to their quest for a new institutional culture. Different institutional cultures prevailing in the post-merged institutions, as a consequence of the merger, had a negative impact on the effective implementation of policies and procedures. A further complication was the fact that most staff members were considered “interim” which had a significant impact on the extent to which they could be held accountable for delivering work of an acceptable standard. The lack of harmony in respect of employment conditions of service added to the difficulty of establishing a common organisational culture conducive to the forging of strong institutional branding as well as the effective management of performance (South African Technology Network Board, 2007). Lalla (2009) states that issues such as
transformation, gender equity and opportunity, institutional identity, academic standards and job security had a negative impact on the merger process at CPUT. Given the merger-related challenges that CPUT and other universities of technology are still grappling with, after more than five years, concern must be raised about their ability to establish an organisational culture conducive to the effective management of performance. This could be considered as a key constraint in CPUT’s ability to better respond to the human resource, economic and development needs of South Africa.

2.4.3.3 Durban University of Technology (DUT)

a) Brief merger-related history

The Durban University of Technology (DUT) came about as a result of a voluntary merger between ML Sultan Technikon (a historically disadvantaged institution with mainly Indian enrolments) and Technikon Natal (a historically advantaged institution with mainly white enrolments). The merger took place in April 2002, at which time it was renamed to the Durban Institute for Technology. Three years later, it was accorded the designation of university of technology – hence the name Durban University of Technology (DUT) (Council on Higher Education Quality Committee, 2008). DUT is a medium-sized contact university, operating from six campuses and catering predominantly for undergraduate students. The post-merged institution consists of four faculties: Arts, Commerce, Engineering, Science and the Built Environment, and Health Sciences (Council on Higher Education Quality Committee, 2008). DUT currently employs a total number of 2500 staff which is comprised of 1200 academic staff and 1300 non-academic staff (Newman, 2010).

b) Some implications and challenges for DUT arising from the merger

The institution experienced ongoing leadership and governance crises which resulted in an environment that was not conducive for constructive engagement in respect of several institutional imperatives related to the core functions of DUT. It was noted that,
five years into the merger, the DUT was still struggling to establish a new institutional culture which would enable the merged institution to overcome its post-merged challenges. It was specifically reported by staff and students that DUT was still divided along race lines as well as according to allegiance to their pre-merged institutions. It was felt that the DUT needed to develop an organisational culture characterised by inclusivity, with a strong sense of being community-focused (Council on Higher Education Quality Committee, 2008).

In his overview of the Faculty of Commerce, the Dean concurred with the existence of organisational cultural duality within the DUT as a result of employees’ continued propensity to identify with one or the other pre-merged institution (Wallis, 2008).

In her study on the merger as it pertains to the DUT library, Muller (2006) reports that the library, as a separate department, was showing pleasing progress with the integration of its various systems, policies and procedures, while many other departments remained stuck to their previous (“normal”) modes of operation. This phenomenon is in line with the theory that suggests that organisations in the midst of change will find that different departments or sub-groups will advance at different paces towards the desired end-state. The same holds for individuals, as they experience change differently. Not only is there variation in respect of the rate of change between departments, sub-groups and individuals, but there is also variation in respect of the orderliness with which they transition from one phase to the next and, ultimately, towards the desired end-state. Some tend to get stuck in a particular phase longer than others (Muller, 2006). It is therefore evident that the rate of change, as well as the order within which the various departments were able to respond to merger-related changes, presented a challenge to the DUT during the merger. According to Muller (2006), a further complicating factor during the DUT merger was the lack of effective preparation of line managers to lead the change process in a manner that took care of their employees’ uncertainties and resistance. There is significant discord between the manner in which DUT line managers were prepared for their roles in a changing environment and what the theory suggests in this regard (Muller, 2006).
The fear of job losses and the change in employment conditions caused much emotional upheaval amongst staff at the DUT (Muller, 2006). Some of the factors described in Muller’s report (2006) are echoed in the report of the South African Technology Network Board (2007). Given the various similarities between the theory and these separate findings, it can be concluded that DUT is faced with various challenges in developing an organisation culture conducive to the effective management of performance. The following section deals with the current challenges facing merged institutions in creating a culture conducive to effectively managing performance.

2.5 CURRENT CHALLENGES FACING MERGED INSTITUTIONS IN CREATING AN ORGANISATIONAL CULTURE CONDUCIVE MANAGING PERFORMANCE

Higher education is one of the most rapidly changing sectors of South African society owing to the increasing level of complexity, uncertainty and turbulence experienced in recent years as result of government’s decision to restructure the sector (Froneman, 2003; Qhobela, 2009). One of the most recent changes in the higher education context relates to the splitting of the previous Department of Education into two separate departments, namely the Department of Higher Education and Training, and the Department of Basic Education. Each of these two national departments has its own minister who forms part of national government, which promises to allow for greater focus on the every real challenges faced in both sectors (Skillsportal, 2009). This has brought to the surface of the South African higher education landscape a myriad of new policies, legislation and qualification frameworks. These various challenges emanate from the various governmental communities, students’ demands for new political awareness and commitment, the “Africanisation” of curricula as well as issues relating to the language policies (Froneman, 2003). Froneman (2003) states that there is an enormous need for effective change management in South African higher education arising from the ongoing apartheid-legacy induced restructuring.
In addition to this, Schultz (2009) states that mergers have been a major and highly contested theme in higher education in the past decade. Referring to the South African context, she argues that a political decision was made to change the higher education landscape, which has resulted in lower organisational commitment and potentially lower employee job performance in the relevant higher education institutions owing to the manner in which the restructuring occurred. It is furthermore argued that employees’ responses to a merger have an impact on institutional performance and that serious thought should be given to realigning the people management component to support the business strategy and to produce a desired level of organisational performance (Schultz, 2009). This view is echoed by Ramphele (2009, p.21), who argues that the transformation of education and training could have been better effected by learning from the experiences of countries like South Korea, Finland, Ireland and even Zimbabwe, who were all able to increase mass access to education and training while improving the quality of outcomes. She further argues that improved access to education in South Africa has not necessarily translated into improved outcomes, such as in the lives of the poor (Ramphele, 2009, p.21).

Other challenges facing South African higher education include the implementation of an academic access policy (Maharasoa, 2003) and the addressing of the inequities of the past in a new democratic dispensation, as well as higher education’s response to the demands of an economically competitive global society (le Grange, 2002).

This suggests that factors such as employee morale, lower organisational commitment, lower job performance and culture integration will cause organisational performance management complications for post-merged institutions, as pointed out by various sources referred to in this study. These performance management complications could be amplified by the lack of vibrant institutional awareness of change management, culture integration, human resources systems, leadership, organisational structure, performance management and employee engagement. These imperatives form an integral part of the independent variables of this study. In the next section, theoretical evidence is presented to highlight the role of these imperatives as important precursors.
to achieving the desired level of organisational performance and thus supporting the creation an organisational culture conducive to the effective management of performance.

2.5.1 Change management challenges

Effective change management focuses on the human side of change by helping people to understand, accept and commit to new ways of working. Change management involves a process of assessing the current state, creating a common vision, designing the desired end-state, establishing new behaviours and working towards implementing the actual change. The effectiveness of the change process is enhanced by conducting a change readiness assessment early on in the change process (KLR Consulting, n.d). Mergers are often complicated transactions involving many risks for all contracting parties and often result in rapid and extensive implications (ChangeWright Consulting, 2008). According to Kilfoil and Groenewald (2005), effective change management could have a profoundly positive or negative impact on staff morale, which, in turn, could affect the pace and success of the merger. Key considerations that need to be borne in mind when implementing a change management programme are: What impact would the specific change management principles and practices have? How would the change management programme assist the university in achieving its strategic goals? (Kilfoil & Groenewald, 2005). Two important principles are highlighted by Duck (2001, pp.10-12) regarding merger pre-requisites:

- A successful change management programme requires that emotional and behavioural aspects are addressed as thoroughly as the operational issues. This view is supported by Huysamen and Geyer (2009), who suggest that one of the most important factors for gaining employees’ attention during a change process is to engage their emotions.
- Change unfolds in a predictable and manageable series of dynamic phases, known as the Change Curve.
ChangeWright Consulting (2008) points out that mergers and acquisitions are subjected to thorough due diligence studies through appointed lawyers and auditors to ensure legal and financial prudence. However, very little attention is spent on the people-related and organisational culture integration consequences involved in mergers and acquisitions.

Muller (2006) states that organisational change induces feelings of hurt and a sense of loss, possibly related to the past, the known, previous comfort, security and identity. When faced with a situation of high levels of uncertainty, people tend to respond by protecting themselves. Such coping behaviours tend to be self-orientated and dysfunctional in that they are not in the best interest of the organisation. Muller (2006) also mentions some further negative effects of organisational change on employees: deterioration in communication, poor productivity, deterioration in team work, increased close-mindedness, increased power struggles with work-disruptive consequences, decreased levels of commitment and a tendency of employees to “bail out”. The DUT library merger resulted in increased absenteeism by 26,6 per cent in the first year of the merger and there was much fear of possible job losses among staff (Muller, 2006). Kilfoil and Groenewald (2005) also caution about the fact that mergers are characterised by increased emotions, fears of job losses, panic owing to changes in offices and alarm about possible unfavourable changes in conditions of employment. They argue that attention to human issues through the speedy resolution of merger-induced fears and effective communication can significantly reduce the stress resulting from the merger (Kilfoil & Groenewald, 2005).

According to PeterBarronStark Companies (2009) employees’ ages can have a determining impact on their disposition to change. They argue that, the older employees get, the more comfortable they become with operating within in predictable routines and parameters. From the above information, it can be noted that the merger process in general and the merger process as it relates to South African higher education in particular, is fraught with high levels of employee emotions – usually of a negative nature – that have the potential to completely derail the creation of an effectively
performing post-merged institution. It is also evident that a change management programme needs to include management awareness of, involvement with and commitment to swift resolution of merger-induced employee concerns.

### 2.5.2 Culture integration challenges

Carleton and Lineberry (2004, p.13) contend that the phenomenon of culture clash, which stems from the impact of operational and cultural differences of the two organisations involved in the merger, is undeniably the primary causal factor in the failure of mergers and acquisitions. Hence, culture integration is an essential factor in implementing the new organisation’s business plan and rapidly gaining support for and commitment to the plan, as well as to the new organisation, from the members of the organisation. They therefore propose a nine-step alignment and integration model which is discussed in Chapter 3 of this study. These nine steps form the basis for placing the merged organisation on a path to becoming one effective functioning entity (Carleton & Lineberry, 2004, pp.89-91). Included in the nine-step model are activities such as clarifying the mission and vision (statements of organisational intent and purpose), aligning the governance aspects (power and influence), creating the regulatory infrastructure (policies, procedures and internal systems) and aligning the cultural aspects (values, practices and daily behaviours). These activities, along with stakeholder alignment and management, are aspects that form an integral part of the independent variables included in the conceptual framework for this research study.

According to Habeck et al (2000, p.81), culture integration is critical to the success of any merger. It can be managed in a defined process, provided that it is approached in a structured way. They further state that cultural differences during a merger are the most frequently quoted cause for failure in merger and acquisitions. To avoid such failures from occurring, Habeck et al (2000, pp.89-96) propose that organisations adopt one of three strategies in dealing with culture integration during a merger. The first would be to impose one culture on another – referred to as cultural imposition. The new culture must be imposed swiftly, explicitly and completely, and must be accompanied by the
appointment of a new leadership that consistently demonstrates the new norms of behaviour. Under such circumstances, a cultural limbo must be avoided at all cost. The benefits of a new dispensation must be communicated effectively, and support systems must be put in place to help people to adapt to the new situation.

The second strategy would be to leave the different cultures separate and to merge them over an extended period of time. The risk attached to allowing cultures to remain separate is that it inevitably reduces the possibility for effective communication, and makes synergistic benefits difficult. A variation to this approach is to allow the different cultures to grow closer on their own over an extended period of time. Although less traumatic and risky than the more assertive interventions to changing culture, this process is slow and may very well grind to an unyielding end.

The third strategy would be to take the best elements from each parent to create a better child – referred to as a compound culture. The new leadership team, made up from members of the parent companies, must outwardly appear to be unified, and must lead by example. It is critical, however, that leadership selection should be on the basis of “the best people for the job”, with a clear intent of creating a new cultural model that will ensure the future success of the merged organisation (Habeck et al, 2000, pp.81-95).

In respect of organisational culture integration as part of the merger process, Habeck et al (2000, pp.84-85) conclude that the culture of the merged company is critically important for its effective functioning and continued success. They further caution that the inappropriate handling of cultural issues during and after the merger has the potential to destroy much of the value that the merger was supposed to achieve (Habeck et al, 2000, p.86).

In his study of five recent merger cases in South Africa, Jansen (2003, pp.1-2) deals with five focal questions in evaluating and explaining merger outcomes. Organisational effects are one of the issues to which these questions relate. Jansen points out that, in
the cases with which his study was concerned, the degree of organisational culture integration was a function of conscious political decisions. This implies that very little authentic integration occurred between the various merging institutions.

Reflecting on the merger that resulted in the establishment of WSU, Jack (2007) highlights the fostering of a new institutional culture and identity, in the midst of a number of other merger-related challenges, as a major hurdle. Specific factors that impeded the ability of WSU to effectively create a new institutional culture include the unresolved historical imbalances, the merger postponement and its resultant contribution to low staff morale, and the DoE’s failure to assess the state of merger readiness of the three institutions. ChangeWright Consulting (2008) argues that even before the merger transaction is finally concluded, it is important to assess the cultural compatibility of the merging entities. This could assist in mitigating the risk that merging parties do not discover important differences until after they have committed themselves to the new organisation (ChangeWright Consulting, 2008). A further complicating factor, with regards to the WSU organisational culture creation process, is that they have to contend with the large distances between the various campuses (Jack, 2007).

The University of Kwazulu-Natal also has to deal with the reality of operating from five different campuses, which resulted in “enormous challenges for merger planners” (Makgoba, 2008). To acquire true cultural insight, merging parties should participate in each other’s cultures. This can be achieved by allowing employees from different locations to interact with their counterparts as a means of creating dialogues between the members of the various organisational cultures in order to debunk preconceived organisational cultures. It has been found that merging entities with well-developed organisational culture integration plans are able to achieve a successful merger (ChangeWright Consulting, 2008). A lack of effective organisational culture integration can also have harmful effects for the creation of an organisational culture conducive to the effective management of employee and organisational performance (Buytendijk, 2009, pp.154-157). Given the above exposition, it is important to develop specific organisational culture integration strategies, taking into account the nine-step model of
Carleton and Lineberry (2004, pp.89-91) and the three-step model of Habeck et al (2000, pp.89-96), in order to assist post-merged institutions in dealing with the various merger-induced performance management challenges.

2.5.3 Human resources-related challenges

Employees who form part of merging institutions or organisations may behave in different ways, depending on the circumstances that characterise the merger. In extreme cases, people in merging organisations and institutions simply keep on doing what they have been doing, but in a less positive frame of mind (Habeck et al, 2000, pp.6-7). Locke (2007) points out that the approach to human resources-related matters throughout the merger, especially during the post-merger phases, needs to be based on a sophisticated understanding of the organisational cultures of both pre-merged institutions as well as the organisational culture to be fostered in the post-merged institution. Locke (2007) argues that, in addition to social integration during the merger, mainstream HR techniques such as recruitment, induction, performance appraisal, staff development, reward and promotion should be closely aligned with the desired values. Martin and Roodt (2008) and Habeck et al (2000, p.6) emphasise the need for effective people management during a merger, stating that restructuring and mergers can cause high levels of employee anxiety, low morale and tardy job performance as well as unduly high rates of employee absenteeism. All of these factors can impact the success of the merger as well as the productivity and performance of individuals and the merged organisation.

Martin and Roodt (2008) argue that it is important that the various needs of employees are fulfilled as this determines their behaviour within an organisation. In dealing with the matter of job satisfaction within a post-merged environment, they argue that both intrinsic and extrinsic needs should be taken into account, as postulated in the theory of Maslow. They explain that intrinsic needs refer to the lower order needs within a working environment, such as compensation and working conditions, while extrinsic needs are higher order needs, such recognition and achievement. They further point out
that intrinsic job satisfaction is derived from performing work, and consequently experiencing feelings of accomplishment, self-actualisation and identification with the task. Extrinsic job satisfaction is derived from the rewards accorded to an individual by, amongst others, his/her peers, supervisors or the organisation, and can be in the form of recognition, compensation and advancement. They conclude that this association can result in the work environment’s fulfilling the requirements of the individual and the individual’s fulfilling the contractual requirements of his/her organisation (Martin & Roodt, 2008).

Habeck et al (2000, p.5) argue that people affected by a merger experience demonstrate a wide range of emotions over a period of time. They point out that employees’ emotional reaction during a merger are informed by factors such as a loss of status and former spheres of influence, lack of transparency in respect of the merging companies’ intentions, a ferocious fight for survival and increased workloads. Some people leave merging companies, either voluntarily or involuntarily, as a result of the spill-over effect of these factors into their personal lives (Habeck et al, 2000, p.5).

According to Schultz (2009), the challenges related to producing a holistic and integrative human resources strategy in a merged institution include the gaining of knowledge of HR practices, enhancing sound performance, ensuring the continuous availability of competent staff, developing leadership capability and being a human capital developer.
Figure 2.1 is a graphical illustration of the typical employee emotions during a merger process.

![Figure 2.1: Typical employee emotions during a merger process](image)

Source: Habeck et al, 2000, p.6

As can be seen from Figure 2.1 above, individuals in merging organisations experience various feelings at various times in the merger process. These feelings are reported to improve as the individuals spend more time in the merged organisations.

Cartwright and Cooper (1990) amplify the points made by Habeck et al (2000), and Martin and Roodt (2008) by arguing that the human resources-related aspects, although readily recognised by psychologists as a major and complex process of organisational change, have been “forgotten” or “hidden” factors in achieving merger success. This
point is further supported by the fact that between one-third and one-half of merger failures can be attributed to employee problems (Cartwright & Cooper, 1990). Although this study does not concern itself with the notion of merger failures as such, it is argued that a failed merger cannot be considered as a favourable condition for the creation of an organisational culture conducive to the effective management of performance. In their exposition of the cost or consequences of failed mergers, Carlton and Lineberry (2009, pp.9-14) seem to support this argument by noting that employee and organisational productivity changes during the merger, resulting in longer term overall productivity losses. The resultant low staff motivation and morale, widespread anxiety and a loss of motivation impact individual and organisational performance levels in the post-merged organisation (Carlton & Lineberry, 2009, pp.9-14). According to Cartwright and Cooper (1990), organisational performance and quality of service have also been strongly linked to organisational culture. Hence, organisational cultural incompatibility is increasingly considered as a key source of merger failure (Cartwright & Cooper, 1990). Changewright Consulting, (2006) concur, and report that ineffective people and organisational culture integration during a merger can reduce staff productivity by a staggering 50 per cent, as found in a survey of over 1000 mergers and acquisitions. This can lead to the merger not achieving its intended purpose and ultimately result in its failure (Changewright Consulting, 2006).

The conclusion reached from this line of argument is that there is a definite link between successful or failed mergers, staff morale and motivation, post-merged individual and organisational performance, and the creation of an organisational culture conducive to the effective management of performance.

Taking the above views into account, it must be asked: How can merging organisations deal with the human resources-related challenges in a manner that supports the establishment a post-merged organisational culture conducive to generating employee job satisfaction, lower anxiety, and higher employee morale and commitment, as well the effective management of performance?
2.5.4 Leadership-related challenges

In their study on the management of post-merged integration for the creation of a successfully performing organisation, Macfarlane and Butterill (1999) present six principles that are critical in ensuring the effective transitioning of employees during a merger. The list of six includes the development of a clear, concise and accessible vision of the positive benefits of the merger and the involvement of visible, strong, cohesive executive leadership throughout the post-merger integration process. This post-merger leadership, referred to as the Senior Management Group (SMG), advocated by Macfarlane and Butterill (1999), is required to take responsibility for embedding the accountability to lead the planning and implementation of the post-merged integration. Some of the specific roles of the SMG include developing a comprehensive set of transition planning principles and assumptions, convening a number of task forces and integration teams to assist in the planning, and approving their work plans and final reports, as well as developing macro-level indicators to monitor and evaluate the implementation of the post-merger integration (Macfarlane & Butterill, 1999).

As part of their seven post-merger strategies, Habeck et al (2000, p.4) refer to the need to establish the post-merger leadership “speedily”. According to Habeck et al (2000, p5), the purpose of appointing the new leadership swiftly, is to enable them to demonstrate consistently and visibly the new norms of behaviour. In congruence with the view of Macfarlane and Butterill (1999), the new leadership team, made up of members of the parent companies, must outwardly appear to be unified, and must lead by example. However, it is critical that leadership selection should be on the basis of “the best people for the job”, with a clear intent of creating a new cultural model that will ensure the future success of the merged organisation (Habeck et al, 2000, p.81-95).

Of the lessons learnt from the study of the five higher education institution mergers in South Africa, Jansen (2003, p.10) places specific emphasis on the importance of strong and reliable leadership across the various merging institutions. From the evidence that
emerged, it became apparent that weak leadership at the time of a merger has a negative impact on the lesser institution going into the merger. Specific reference is made to Veterinary School of Medunsa, the Giyani College, the Technikon Natal and the SACTE, where there was no strong, visible and respected leadership that could make demands on their merger partners in a manner that would strengthen the hand of the “weaker institution”. Leadership in the Technikon Natal was not visible and assertive in dealing with public hostility from the union, which led to the perpetuation of their own accounting and administrative processes in spite of being part of a merged institution (Jansen, 2003, p.10).

According to the report issued by the Council on Higher Education (2004), creative change leadership and management is required for the successful initiation, steering and management of higher education transformation. Leaders will be required to maintain the current strengths of the institutions while ensuring that no new dysfunctions are added to an already complex change landscape. The report further points out that leaders will be required to conceptualise, manage, legislate, regulate, plan and implement a comprehensive transformation agenda. This is clearly a formidable and demanding venture that requires temperate, detailed and realistic planning at both system and institutional level. Being located at the intersection of state market and civil society, each with its own specific set of needs, expectations and demands, higher education and institutional leadership are faced with an extraordinary demand overload. Institutions will require leadership with the ability to cope with a vast array of competing and differing national goals and imperatives, policy initiatives, market pressures, public expectations, and institutional stakeholder needs and demands. A further challenge for the present-day leaders in post-merged higher education is the reality of having to attend to all these additional needs, demands and expectations without any significant increase in public finance, limited scope for market-related increases in student fees as well as an array of difficulties raised by income from other sources (Council on Higher Education, 2004). Schultz (2009) suggests that the key behavioural requirements of leadership in a merged higher education institution in South Africa include the ability to engender trust, instil personal credibility, act ethically and provide expert advice.
The challenges outlined above confirm Habeck et al’s view (2000, pp.81-95) that the most suitable candidates for leadership should be chosen in order to support the creation of a culture that will promote the future success of the merged organisation.

2.5.5 Organisational structure-related challenges

According to a Deloitte Human Capital report (n.d.) dealing with post-merger integration as it relates to organisational design, the following priorities need to be borne in mind:

- harmonisation and alignment of job structures, roles and performance expectations
- change and transition management for leaders and management
- interim incentive programmes
- retention and upgrading of skills
- re-design of governance processes and HR performance metrics
- harmonisation of cultures to ensure compatibility

Deloitte Human Capital (n.d.) further argues that a well-designed organisational model is an essential prerequisite for transformation resulting from a merger, as it provides a platform for unlocking the full capabilities of people, processes and systems. From an employee’s perspective, a restructured organisational model is often one of the most tangible outcomes of the entire merger process. Organisational design, restructuring and governance entail everything from determining who does what and how decisions are made to how work flows, and competencies and standards against which employees are measured and assessed (Deloitte Human Capital, n.d.).

This approach resonates with the views of Carleton and Lineberry (2009, p.91), who propose that organisational alignment goes beyond just the populating of organograms, but requires, amongst other things, making clear the statement of organisational intent (mission and vision), aligning the governance implication (power and influence) and spelling out the values, practices and daily behaviours (culture). Similarly, Duggan (2010) argues that when two organisations merge, the hierarchy of people who work
together must often change dramatically in order to achieve new goals. Furthermore, the workforce must be prepared for the change that will take place as a result of a merger through the clear establishment of the purpose of the merger, the creation of a compelling vision statement and the overcoming of resistance by explaining why the status quo is insufficient (Duggan, 2010).

The Council on Higher Education (2004) report deals with several critical issues and challenges facing post-merged higher education institutions in South Africa. Amongst the list of twelve items stated are issues and challenges that relate to the institutional landscape and governance of the institution (Council on Higher Education, 2004), both of which are considered by Deloitte Human Capital (n.d) as important organisational design variables in a post-merger context. In respect of the institutional landscape, it is anticipated that post-merged institutions will be required to evaluate the impact of institutional restructuring with specific reference to organisational cultures, cost-effectiveness, outcomes in terms of equity, effectiveness and efficiency, appropriate academic provision in accordance with the various institutional types, quality and responsiveness of core business, and change management issues. With respect to governance, post-merged institutions can expect challenges relating to developing appropriate models of governance at institutional level as well as re-examining system-level governance dynamics, with particular reference to the interrelationship of the principles of public accountability, institutional autonomy and academic freedom.

This implies that post-merged higher education in South Africa could expect significant challenges arising from the organisational design and structure perspective on the basis that it has implications at system and institutional level. This interpretation is confirmed by Makgoba (2008), who states that that the process of populating the new structures of the post merged institution’s support sector, has proved cumbersome and fraught with obstacles.
2.5.6 Performance management-related challenges

Nel et al (2008, p.494) point out that there are several conditions that are important to the effective implementation of a system to manage performance in an organisation, one of which is the communication of a vision of the organisational strategic objectives. This view is congruent with the point made by Habeck et al (2000, p.8), with regards to the importance of an organisational vision during the critical post-merger integration phase.

A performance management system is a systematic process through which goals and objectives are formally documented for each employee, followed by a structured performance review process (Werner et al, 2007, p.76).

An effective performance management system entails the formulation of goals and objectives for each employee, linked to the organisation’s strategy. Individual performance measures are derived by cascading the organisational objectives down to departmental objectives. Departmental managers are required to set goals and objectives for their respective departments after which they assist each employee through a joint goal-setting session to formulate their individual performance contracts containing a set of agreed-upon goals and objectives. The process of aligning individual objectives with departmental objectives and organisational objectives is referred to as alignment (Werner et al, 2007, p.76).

The performance management cycle usually consists of the following steps:

- clarify expectations
- plan to facilitate performance
- monitor feedback
- provide feedback
- coach, counsel and support
- recognise good performance
deal with unsatisfactory performance

Werner et al (2007, pp.83-84) conclude that the effective management of performance is highly dependant on, amongst other factors, the existence of an enabling environment, a careful mixture between process and people management, and an awareness of the prevailing contextual realities within the organisation. They place special emphasis on the importance of securing employee buy-in by using a robust process of establishing strong interpersonal relationships through a series of one-on-one discussions. This implies that, should the organisational environment and the management of people’s issues be of such a nature that it would have a negative impact on the management of performance, the anticipated success of a performance management system might not be realisable. Habeck et al (2000, p.4) report that, of the three phases of a merger, the post-merged phase bears the greatest risk of merger failure (refer to Figure 2.2 below). The fact that all the higher education institutions in South Africa that were instructed by government to embark upon a merger process between 2003 and 2005 can still be considered to be in the post-merged phase suggests that individual and organisational performance are at risk in these institutions. This presents a very real challenge to post-merged higher education institutions in respect of the creation of organisational cultures conducive to the effective management of performance.

In a similar vein, Kilfoil and Groenewald (2005), reflecting on perceptions of organisational commitment, job satisfaction and turnover intentions in a post-merged South African tertiary institution, also argue the power of a relationship-based organisation and point out that leaders must build trust by first giving people attention and support, as well as communicating all the relevant data honestly. Members of the merging institutions must, in a pragmatic way, meet their counterparts, leaders and managers, and these interactions must be underpinned by values, integrity and ethics in order to build trust. Kilfoil and Groenewald (2005) emphasise that a relationship-based merged organisation creates a work environment that can optimise the full potential, intellectual capital and energy of the workforce, enabling them to produce breakthrough
results. This implies that a productive and high performing post-merged work environment is only achievable if the people and process requirements during the merger are effectively dealt with.

Kilfoil and Groenewald (2005) conclude by stating that South African higher education is reeling right now as a result of the imposed mergers and that the longer people dwell in post-merged implementation mode, the less the likely it is that innovation, effectiveness and excellent work will come to fruition.

2.5.7 Employee engagement-related challenges

Mabokela and Wei (2007, p. 160), reflecting on the “lingering effects of the past on a university merger process in post-apartheid”, caution that people involved with the merger come from divergent groupings that were divided in the past. The merger must therefore go beyond numerical representation. They emphasise the need, in order to promote effective engagement and integration into the post-merged institution, to transcend even the highly virtuous notion of tolerance, and argue in favour of a move towards a deep and mutual respect for different cultures. The term engagement in an organisational context can also be seen as a step on the evolution of organisational commitment on the basis that both these concepts suggest a bond or a linkage between an individual and an organisation (Kilfoil & Groenewald, 2005). Kilfoil and Groenewald (2005) report a link between organisational commitment or engagement and an employee’s age, gender, tenure and race. They further report that some studies have found positive relationships between race and organisational engagement, as well as between tenure and affective continuance commitment. Conflicting results have been reported in respect of gender from similar studies, some of which found that men are more committed to organisations than their female counterparts while others have reported the inverse. As regards race, studies have reported that people who are classified as black for statistical purposes have demonstrated higher levels of organisational commitment than those who are classified as white (Kilfoil & Groenewald, 2005). They further conclude that, in eradicating the equalities of the past, black staff
will feel more committed to the changes than their white counterparts, who may feel intimidated, particularly because pre-merged institutions were considered as historically white and protected institutions (Kilfoil & Groenewald, 2005).

The latter finding by Kilfoil and Groenewald (2005) suggests that merged higher education institutions in South Africa may currently experience ethnic or racial dissonance with resultant organisational commitment or engagement levels from employees. This could have a negative impact on the relationship between employees and the merged organisation.

In order to create an engaged organisation with high performance work environments, Macey, Schneider, Barbera and Young (2009, p10), propose that employees should have the capacity, motivation and freedom to engage, as well as the knowledge on how to engage. These authors further explain that a high performance and engaged work environment leads to tangible performance outcomes, which include enhanced productivity, as well as intangible outcomes, such as brand equity, customer satisfaction, innovation and lower risk (Macey et al, 2009, pp.11-15). Given such favourable outcomes, it can be concluded that the engagement principles referred to by Macey et al (2009, p11) are critical enabling conditions in the creation of an organisation culture conducive to the effective management of performance. It can furthermore be concluded that post-merged higher education institutions in South Africa should strive to establish greater levels of employee engagement in their quests to create organisational cultures conducive to the effective management of performance.

According to Macey et al (2009, p.46), the degree to which people have trust in the organisation and its leadership, is another key factor which contributes to employees’ experience of engagement. The simple, yet profound conclusion that they arrive at, is that organisational engagement or commitment cannot exist without trust (Macey et al, 2009, pp.48-49).
In order to assist employees through the organisational engagement process, Macey et al (2009, pp.52-53) suggest that leaders should posses and demonstrate the following competencies:

- **Problem-solving skills** – the ability to identify and solve new and unusual, ill-defined organisational problems, as well as the identification of positive and negative consequences of possible solutions
- **Social judgement skills** – the ability to solve organisational problems in order to mitigate conflict and acrimony to the largest extent possible and promote the positive goodwill required for the implementation of the necessary organisational changes
- **Knowledge** – the ability to organise information based on knowledge resources acquired through experience and training; therefore also refers to what people possess intrinsically as well as that which is useful in applying information in problem-solving methodologies
- **Style** – the ability to influencing employees to achieve targets while at the same time also maintaining the social relationships necessary to enhance that impact

Macey et al (2009, p.53) contend that, in the context of organisational engagement, effective leaders require these competencies to get the work done while establishing positive interpersonal relationships based on fair treatment. This will result in a leader's being perceived as honest and fair, and create a sense of trust in their employees for the organisation – a critical pre-condition for effective employee engagement during turbulent times such as a merger.

The mergers have resulted in the prevalence of an emotionally tumultuous landscape in post-merged South African higher education (Becker, 2004). There is also a need for a strong and loyal staff compliment in post-merged institutions (Jansen, 2003, p28). This implies that post-merged institutions will need to place special emphasis on the organisational engagement skills of its leadership in order to create an organisation culture conducive to the effective management of performance.
2.6 INTERVIEWS WITH SENIOR HR PRACTITIONERS: MANAGING PERFORMANCE AT THE SELECTED POST-MERGED INSTITUTIONS

Performance management is the most complex HR system to implement in an organisation and often is one of the lowest, if not the lowest, rated area in an employee satisfaction survey. Notwithstanding, it has to be acknowledged that performance management is the key process through which work is carried out in an accountable manner. Through performance management, an organisation is able to communicate expectations and drive behaviours that are aligned to the achievement of goals (Pulakos, 2009, p.3). Pulakos (2009, p.5) presents the following outcomes of effective performance management:

- Creates clear performance expectations and standards
- Improves productivity at all organisational levels
- Motivates employees to do their best
- Maximises on employees’ skills and capabilities to optimise their contributions
- Creates alignment between units’ performance levels and organisational values, goals and strategies
- Enables the organisation to make human capital decisions (e.g. pay and promotion)
- Enhances relationships, understanding and insight between employees and managers

These outcomes suggest that both employees and the organisation stand to benefit from effective performance management.

Palmer (2005) states that, in the minority of cases when mergers have worked, it was because the merging companies paid close attention to a number of important factors, one of which is the setting of clear performance goals for employees, coupled with an effective recognition system. Palmer (2005) also cautions that failure to carefully manage human and culture integration could cause merged organisations to undergo a
slow and painful demise. Adolph, Elrod and Neely (2007), in their analysis of what they refer to as the “Nine Deadly Sins of Merger Failure”, also point out that the management of a merged organisation must set aggressive targets right from the outset, expecting that their employees will find a way to achieve these targets. They also advise that it is not indulgent but critical that a culture change management process, which connects the desired employee behaviours, culture integration plan and business goals, is put in place in a merged organisation (Adolph et al, 2007).

In attempt to understand how the three institutions involved in this study are dealing with the challenges related to managing performance in their respective institutions, the researcher conducted semi-structured interviews with senior HR practitioner in each of these institutions. However, this study is not intended to focus on effective performance management *per se*, but rather its primary purpose is to investigate factors that influence the creation of an organisational culture conducive to the effective management of performance.

Table 2.1 below indicates the questions that were posed to the senior HR practitioners at the various merged institutions involved in this study.

**Table 2.1: Interview questionnaire: Managing performance at NMMU, CPUT and DUT**

<table>
<thead>
<tr>
<th>No</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How is performance being managed in your post-merged institution?</td>
</tr>
<tr>
<td>2</td>
<td>Do you have a formal Performance Management System (PMS) in place?</td>
</tr>
<tr>
<td>3</td>
<td>How long has your PMS been in place?</td>
</tr>
<tr>
<td>4</td>
<td>Does your PMS have a special name?</td>
</tr>
<tr>
<td>5</td>
<td>How did you go about implementing your PMS after the merger? (Mention any special measures/actions taken.)</td>
</tr>
<tr>
<td>6</td>
<td>Have you had to stop your initial attempts to implement your PMS?</td>
</tr>
<tr>
<td>7</td>
<td>What were the reasons for having to stop and re-start the implementation process?</td>
</tr>
<tr>
<td>8</td>
<td>Is your PMS implemented at all levels within your institution and in terms of the same model?</td>
</tr>
<tr>
<td>9</td>
<td>Who is the primary driver/owner of your PMS?</td>
</tr>
<tr>
<td>10</td>
<td>How did you go about securing buy-in from the various stakeholders:</td>
</tr>
</tbody>
</table>
Is your PMS used for **decision-making** (base-pay increases, bonuses, promotions or special job assignments) or **development purposes** (identifying strengths and weaknesses or performance gaps) or a **combination** of the two?

Do you believe that your PMS is effective in measuring and managing performance within your institution? Explain briefly.

Have you effected any changes to your PMS since its inception? Explain briefly.

How did you go about communicating these changes to all employees in your institution?

Please add any other comments that you believe are pertinent to your PMS.

The following responses were obtained from the senior HR practitioners at the various merged institutions involved in this study.

### 2.6.1 NMMU

<table>
<thead>
<tr>
<th>No</th>
<th>Questions</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How is performance being managed in your post-merged institution?</td>
<td>A system is in the process of being implemented – hence there is no formal process in terms of which performance is being managed currently – except for the executive management employees.</td>
</tr>
<tr>
<td>2</td>
<td>Do you have a formal Performance Management System (PMS) in place?</td>
<td>Only for executive managers.</td>
</tr>
<tr>
<td>3</td>
<td>How long has your PMS been in place?</td>
<td>Four years – for executives.</td>
</tr>
<tr>
<td>4</td>
<td>Does your PMS have a special name?</td>
<td>Yes, the Excellence Development System (EDS).</td>
</tr>
<tr>
<td>5</td>
<td>How did you go about implementing your PMS after the merger? (Mention any special measures/actions taken.)</td>
<td>We developed and obtained Council approval on an EDS policy. We then presented training sessions to employees and managers on the EDS policy, the development of a performance contract as well as the formulation on performance goals.</td>
</tr>
<tr>
<td>6</td>
<td>Have you had to stop your initial attempts to implement your PMS?</td>
<td>Yes, the Deans’ Forum required a process of formal consultation as a pre-condition for the implementation of EDS in the faculties.</td>
</tr>
<tr>
<td>7</td>
<td>What were the reasons for having to stop and re-start the implementation process?</td>
<td>There was initial resistance to the management of performance via EDS.</td>
</tr>
<tr>
<td>8</td>
<td>Is your PMS implemented at all levels within your institution and in terms of the same model?</td>
<td>Currently only at executive management, but there is a process to implement the system at Peromnes levels 5 to 18 as well by end 2010.</td>
</tr>
<tr>
<td>9</td>
<td>Who is the primary driver/owner of your PMS?</td>
<td>The HR department.</td>
</tr>
</tbody>
</table>
|   | How did you go about securing buy-in from the various stakeholders:  
|   | • Executives  
|   | • Council  
|   | • Unions  
|   | • Employees (academics and professional) | Executives are employed on performance-based contracts and needed to have performance contracts in place.  
|   | | Council was presented with a policy in terms of which performance would be managed.  
|   | | Unions needed to be provided with a mechanism that would replace the previous salary notch increases  
|   | | Employees felt unhappy that all staff received the same level of increase – regardless of performance.  
|   | Is your PMS used for **decision-making** (base-pay increases, bonuses, promotions or special job assignments) or **development purposes** (identifying strengths and weaknesses or performance gaps) or a **combination** of the two? | Initially, the system will be used to determine a once-off bonus as well as for developmental purposes. Eventually, the system will also be used to determine salary increases commensurate with employees’ levels of performance.  
|   | Do you believe that your PMS is effective in measuring and managing performance within your institution? Explain briefly. | At executive management level, it has enabled Council to ensure that managers deliver on their respective mandates.  
|   | Have you effected any changes to your PMS since its inception? Explain briefly. | Yes, at executive level, the pay-to-performance link was changed. The changes were communicated through a process of consultation with the executive managers.  
|   | How did you go about communicating these changes to all employees in your institution? | It was not necessary.  
|   | Please add any other comments that you believe are pertinent to your PMS. | We do not yet have an organisational culture which is conducive to the effective management of performance. We still have to do a great deal of work to achieve effective organisational culture integration – aligned to our core values.  
|   | | The implementation of EDS in an academic environment requires a major paradigm shift that must be consistently driven from the top.  
|   | | The merger diluted the urgency and importance of EDS as the system was operating well in the pre-merged institutions.  
|   | | The newly appointed executives did not undergo an in-depth briefing of the EDS system as it was simply not deemed a priority by top management who had to deal with merger demands.  
|   | | The conclusion is therefore drawn that the post-merger environment is far from ideal for the implementation of a change process of this magnitude.  

Source: Botha, 2009
### Table 2.3: Interview questionnaire: CPUT responses

<table>
<thead>
<tr>
<th>No</th>
<th>Questions</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How is performance being managed in your post-merged institution?</td>
<td>By means of a formal performance management system. Each employee has a formal performance contract.</td>
</tr>
<tr>
<td>2</td>
<td>Do you have a formal Performance Management System (PMS) in place?</td>
<td>Yes, we do have a performance management system in place.</td>
</tr>
<tr>
<td>3</td>
<td>How long has your PMS been in place?</td>
<td>Since 2006.</td>
</tr>
<tr>
<td>4</td>
<td>Does your PMS have a special name?</td>
<td>No.</td>
</tr>
<tr>
<td>5</td>
<td>How did you go about implementing your PMS after the merger? (Mention any special measures/actions taken.)</td>
<td>We aligned our institutional goals to faculty and directorate goals and then to individual goals. Staff are given an opportunity for development.</td>
</tr>
<tr>
<td>6</td>
<td>Have you had to stop your initial attempts to implement your PMS?</td>
<td>No.</td>
</tr>
<tr>
<td>7</td>
<td>What were the reasons for having to stop and re-start the implementation process?</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>8</td>
<td>Is your PMS implemented at all levels within your institution and in terms of the same model?</td>
<td>The same model applies to all levels of employees.</td>
</tr>
<tr>
<td>9</td>
<td>Who is the primary driver/owner of your PMS?</td>
<td>The responsibility is located in HR, the Learning and Development Section, because PMS is also for development purposes.</td>
</tr>
<tr>
<td>10</td>
<td>How did you go about securing buy-in from the various stakeholders:</td>
<td>Council instructed executive management to implement performance management and the system was negotiated with the unions (on behalf of the employees).</td>
</tr>
<tr>
<td></td>
<td>• Executives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Council</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Unions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Employees (academics and professional)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Is your PMS used for decision-making (base-pay increases, bonuses, promotions or special job assignments) or development purposes (identifying strengths and weaknesses or performance gaps) or a combination of the two?</td>
<td>Thus far it has only been used for development purposes. In 2007 and 2009, we had 80 per cent participation. We will implement a once-off bonus in June 2010.</td>
</tr>
<tr>
<td>12</td>
<td>Do you believe that your PMS is effective in measuring and managing performance within your institution? Explain briefly.</td>
<td>Yes, we have seen a shift in employees’ performance (e.g. increased third stream income; HOD’s also reported various other forms of improvement).</td>
</tr>
<tr>
<td>13</td>
<td>Have you effected any changes to your PMS since its inception? Explain briefly.</td>
<td>No – the system is still the same.</td>
</tr>
<tr>
<td>14</td>
<td>How did you go about communicating these changes to all employees in your institution?</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>15</td>
<td>Please add any other comments that you believe are pertinent to your PMS.</td>
<td>We do not have a culture that supports the effective management of performance. The merger has brought together two different institutions with two</td>
</tr>
</tbody>
</table>
different cultures. Culture integration mechanisms were not used effectively. We do not have spontaneous employee buy-in; rather, a state of compliance.

Source: Gilbert, 2010

### 2.6.3 DUT

#### Table 2.4: Interview questionnaire: DUT responses

<table>
<thead>
<tr>
<th>No</th>
<th>Questions</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How is performance being managed in your post-merged institution?</td>
<td>Through performance plans and agreements, and conducting timeous performance reviews.</td>
</tr>
<tr>
<td>2</td>
<td>Do you have a formal Performance Management System (PMS) in place?</td>
<td>Yes.</td>
</tr>
<tr>
<td>3</td>
<td>How long has your PMS been in place?</td>
<td>Since June 2008.</td>
</tr>
<tr>
<td>4</td>
<td>Does your PMS have a special name?</td>
<td>No, we call the system the Performance Management System abbrev PERMs</td>
</tr>
<tr>
<td>5</td>
<td>How did you go about implementing your PMS after the merger? (Mention any special measures/actions taken.)</td>
<td>Met with major stakeholders to approve a formal policy. Received union buy-in through consultation. The next step was capacity building by training the executives first, then cascading the system and policy down to staff levels.</td>
</tr>
<tr>
<td>6</td>
<td>Have you had to stop your initial attempts to implement your PMS?</td>
<td>No, but we chose to implement PMS in phases – executives to managers to staff.</td>
</tr>
<tr>
<td>7</td>
<td>What were the reasons for having to stop and re-start the implementation process?</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>8</td>
<td>Is your PMS implemented at all levels within your institution and in terms of the same model?</td>
<td>Yes.</td>
</tr>
<tr>
<td>9</td>
<td>Who is the primary driver/owner of your PMS?</td>
<td>The Vice Chancellor and executive management.</td>
</tr>
<tr>
<td>10</td>
<td>How did you go about securing buy-in from the various stakeholders:</td>
<td>Through communication, consultation and capacity building. PM presentations were made to Council and the unions and it became an agenda item at executive management meetings.</td>
</tr>
<tr>
<td></td>
<td>- Executives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Council</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Unions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Employees (academics and professional)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Is your PMS used for decision-making (base-pay increases, bonuses, promotions or special job assignments) or development purposes (identifying strengths and weaknesses or performance gaps) or a combination of the two?</td>
<td>Development purposes (identifying strengths and weaknesses, performance gaps). By 2011/2012 the institution’s aim is to introduce performance-based incentives.</td>
</tr>
<tr>
<td>12</td>
<td>Do you believe that your PMS is effective in measuring and managing performance within your institution? Explain briefly.</td>
<td>Yes. There are set targets and timeframes. KRA’s and objectives are also linked to the institution’s strategic plan and balanced scorecard.</td>
</tr>
<tr>
<td>13</td>
<td>Have you effected any changes to your PMS since its inception? Explain briefly.</td>
<td>No.</td>
</tr>
<tr>
<td></td>
<td>How did you go about communicating these changes to all employees in your institution?</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>15</td>
<td>Please add any other comments that you believe are pertinent to your PMS.</td>
<td>Management buy-in and consultation, and effective communication are critical for the success of the PMS.</td>
</tr>
</tbody>
</table>

Source: Mbata, 2010

The above information shows that the three merged institutions have certain similarities in respect of performance management. These similarities include the following:

- They all have a system in terms of which performance is managed.
- All three expressed the view that performance management is effective to a certain extent in their institutions.
- They are all using performance management for development purposes.
- All three had to consult with unions to ensure that employee buy-in was secured.
- All three expressed the importance of management buy-in.

However, respondents from two of the three institutions, NMMU and CPUT, stated that their organisational cultures are not conducive to the effective management of performance. CPUT's respondent cited the lack of effective post-merger culture integration and spontaneous employee buy-in as the reason for this. The NMMU's respondent stated that executives are not effectively prepared for performance management at their induction, and that the merger diluted and reduced the importance of performance management that had existed before the merger of UPE and PE Technikon. DUT's respondent pointed out that the Vice Chancellor and executive management are responsible for driving performance management in the institution. The responses obtained are congruent with the literature in respect of the importance of effective culture integration as well as the role of executive leadership in driving the setting of performance goals directing the management of performance. The insights gleaned from responses to the semi-structured interviews were utilised in the survey questionnaire which were completed by various executive managers, line managers, HR practitioners and non-management employees from each of the institutions participating in this study.
2.7 CONCLUSION

This chapter provided a multi-faceted overview of higher education in South Africa. The literature reviewed in this chapter clearly suggests that effective management of performance in a merged institution is dependant on effective organisational culture integration. This, together with the effective management of change management challenges, human resources-related challenges, leadership-related challenges, organisational structure-related challenges, performance management-related challenges and employee engagement-related challenges, could assist a post-merged institution in creating an organisational culture conducive to managing performance. The literature further suggests that failure on the part of the merged organisation to effectively manage these challenges could lead to a failed merger, and consequently to low productivity arising from extremely low employee morale, high levels of uncertainty and anxiety, and lack of employee engagement. Chapter 3 deals with strategies to create an organisational culture conducive to managing performance.
CHAPTER 3
STRATEGIES TO CREATE AN ORGANISATIONAL CULTURE CONDUCIVE TO EFFECTIVE MANAGEMENT OF PERFORMANCE

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CHAPTER 3
STRATEGIES TO CREATE AN ORGANISATIONAL CULTURE CONDUCIVE TO EFFECTIVE MANAGEMENT OF PERFORMANCE

3.1 INTRODUCTION

Chapter 2 focused on an overview of South African higher education, which included a multi-faceted reflection on the mergers. One of the key aspects that emerged from this chapter was the notion that the decision regarding the mergers in South African higher education had a political rationale and that this has created a myriad of challenges for the post-merged institutions. Much emphasis was placed on the importance of effective organisational culture integration, as substantiated by the research of ChangeWright Consulting (2008), and Carleton and Lineberry (2004, pp.89-91), as well as the impact of this on the success of the merger and the creation of a culture conducive to the effective management of performance. Muller (2006), and Kilfoil and Groenewald’s (2005) opinion that the negative feelings amongst employees of stress, anxiety and uncertainty, associated with a failed merger, would affect employee morale and commitment, and could ultimately also derail the effective management of performance, was presented in this chapter. The swift appointment of effective leadership structures and the thorough preparation of line managers were highlighted by Habeck et al (2000), and Macfarlane and Butterill (1999) as two critical requirements in the creation of an environment of trust and a sense of stability amongst employees in a post-merged organisation.

In Chapter 2, the challenges facing South African higher education in general and merged institutions in particular were identified and discussed. These challenges, which could cause organisational performance management complications for post-merged institutions, include low employee morale, lower organisational commitment, lower job performance and lack of culture integration. It was noted that these complications could be aggravated if merger-related variables, such as change management, culture
integration, human resources systems, leadership, organisation structure, performance management and employee engagement, are not effectively implemented. In Chapter 2, it was also concluded that it is important for post-merged organisations to develop and implement specific organisational integration strategies in their attempts to deal with the various merger-induced performance management challenges.

In this chapter, some perspectives on organisational culture, as well as different types of organisational cultures and strategies that create an organisational culture conducive to managing performance, are discussed. Included in this discussion are the integration, alignment and management of post-merged organisational culture, as well as strategies to create a culture of high work performance and employee engagement, and strategies to achieve post-merger success.

3.2 SOME PERSPECTIVES ON ORGANISATIONAL CULTURE

Kreitner and Kinicki (1995, pp.532-535) describe organisational culture as the “social glue” that holds together the members of an organisation. They suggest that organisational culture exists at two levels, which influence each other. The one level varies between outward visibility and resistance to change. The second, less visible level reflects the values shared by the organisational members. Reid and Hubbell (2005) refer to organisational culture as the “operating system” of an organisation, the organisational DNA, since it guides the way employees think, act and feel.

A similar view is articulated by Werner et al (2007, pp.25-27), who state that organisational culture refers to a system of shared assumptions, held by its members, which distinguishes one organisation from the other. Mechanisms that could be utilised to establish or reinforce organisational culture include orientation and training programmes with ideological as well as practical content, internal universities and training centres, unique language and terminology, as well as awards, contests and public recognition. The purpose of organisational culture includes creating a corporate identity that distinguishes one organisation from another, giving its members a unique
identity, creating greater organisational commitment as a result of the unique identity and creating social system stability linked to emotional security (Werner et al, 2007, p.24).

Carleton and Lineberry (2004, p.18) point out that organisational culture is profound, pervades all types of organisations and has caught the attention of various levels of organisational leadership. They report on various definitions that have evolved over several years:

- The norms that evolve in working groups. For example, the norm of a fair day’s work for a fair day’s pay.
- The feeling or climate that is communicated in an organisation by means of factors such as the physical layout or the way that members of an organisation interact with its customers.
- The dominant values that are adopted by an organisation, such as product quality or cost leadership.
- The philosophy that guides an organisation’s policy toward employees and/or its customers.
- The rules of the game for members of an organisation to get along or the ropes that a newcomer has to learn.

Carlton and Lineberry (2004, pp.18-19) give a more comprehensive definition of organisational culture as a pattern of basic assumptions – invented, discovered, or developed – by a given group as it learns to cope with its challenges of external adaptation and internal integration. These assumptions are considered to be valid by a critical mass and therefore suitable to be taught to new members as the correct way to perceive, think and feel in relation to those challenges (Carlton & Lineberry, 2004, pp.18-19).

The above exposition on organisational culture suggests that there are various different definitions and interpretations accorded to this phenomenon. What appears to be a
common denominator, however, is the notion that organisational culture is that which holds the members of an organisation together in its quest to achieving its performance objectives.

3.3 UNDERSTANDING THE TYPES OF ORGANISATIONAL CULTURE

Werner et al (2007, p.30) caution that it is difficult to prove scientifically the link between specific types of culture and organisational performance. They point to the following three cultures that could exist in an organisation:

1) Constructive cultures, in which members are encouraged to interact constructively with one another in order to attain goals, and to achieve growth and development. This type of culture emphasises normative beliefs of achievement, self-actualisation, human encouragement and affiliation.

2) Passive-defensive cultures, in which members are required to act passively to ensure greater job security. This type of culture reinforces normative beliefs associated with approval, traditional rules, dependence and avoidance.

3) Aggressive-defensive cultures, in which members are encouraged to act in forceful ways in order to protect their status and job security. This type of culture places emphasis on competition, perfectionism, power and opposition.

Werner et al (2007, p.26) point out that, owing to the complex nature of an organisation, it may predominantly reflect one type of culture or combinations of characteristics from more than one culture type.

Carlton and Lineberry (2004, p.19) argue that the impact of organisational culture on organisational performance is undeniably real. They amplify their contention by suggesting that the analysis and management of organisational culture is key to business success and cannot be considered as corporate social work to be looked after by the HR department only. In support of this contention, they highlight the significant organisational performance differences between what they refer to as adaptive and non-
adaptive cultures. In terms of their analysis, adaptive cultures outperformed their non-adaptive counterparts by far. It therefore warrants the active pursuit of the creation of an adaptive culture during mergers.

3.4 ACHIEVING ORGANISATIONAL CULTURE INTEGRATION AND ALIGNMENT IN A POST-MERGED ENVIRONMENT

According to Habeck et al (2000, p.81), culture integration is critical to the success of any merger. It can be managed in a defined process, provided that it is approached in a structured way. They point out that cultural differences during a merger are the most frequently quoted cause for failure in mergers and acquisitions.

To avoid such failures from occurring, Habeck et al (2000, pp.89-96) propose that organisations could adopt one of three strategies in dealing with culture integration during a merger. The first would be to impose one culture on another – referred to as cultural imposition. The new culture must be imposed swiftly, explicitly and completely, and must be accompanied by the appointment of a new leadership that consistently demonstrates the new norms of behaviour. Under such circumstances, a cultural limbo must be avoided at all cost. The benefits of a new dispensation must be communicated effectively, and support systems must be put in place to help people to adapt to the new situation.

The second strategy would be to leave the different cultures separate and to merge them over an extended period of time. The risk attached to allowing cultures to remain separate is that it inevitably reduces the possibility for effective communication, and makes synergistic benefits difficult. A variation to this approach is to allow the different cultures to grow closer on their own over an extended period of time. Although less traumatic and risky than the more assertive interventions to changing culture, this process is slow and may very well grind to an unyielding end.
The third strategy would be to take the best elements from each parent to create a better child – referred to as creating a compound culture. The new leadership team, made up from members of the parent companies, must outwardly appear to be unified and must lead by example. It is critical, however, that leadership selection should be on the basis of “the best people for the job”, with the clear intention of creating a new cultural model that will ensure the future success of the merged organisation (Habeck et al, 2000, pp.81-95).

Carleton and Lineberry, (2004, p.13) contend that the phenomenon of culture clash, which stems from the impact of the operational and cultural differences of the two organisations involved in the merger, is the primary causal factor in the failure of mergers and acquisitions. Hence, culture integration is an essential factor in implementing the new organisation’s business plan, and rapidly gaining support for and commitment to the plan and to the new organisation from the members of the organisation. Carleton and Lineberry (2004, pp.89-92) propose a nine-step alignment and culture integration model which forms the basis for placing the merged organisation on the path to becoming one effective, functioning entity. The nine steps are as follows:

1) *Review the business plan and overall organisational intent* by ascertaining what the merged organisation wishes to accomplish, the purpose of the organisation, what results are expected from the business activity of the organisation, and, most importantly, how these things are to be talked about, described and communicated at the various levels within the organisation. Carleton and Lineberry (2004, pp.89-92) suggest that this is the one area that can yield very “telling” data about “the way things are done around here”. Freedman (2005) emphasises the importance of conducting a pre-merger due diligence assessment. The purpose of such an assessment is to enable both organisations to be very clear about what they are getting themselves into. It is all about avoiding misperceptions and misconceptions, bait and switch tactics or creating problems for an organisation where there were none before. In short, it can be described as a compatibility assessment (Freedman, 2005). Osti and Associates (2003) refers to this as the screening phase, which
serves to identify possible stress points between the merging organisations. The stress points referred to by Osti and Associates (2003) include disagreement and confusion about the future vision, and the real purpose and benefits of the merger.

2) **Achieve ringing clarity on organisational intent and business plan by means of discussions with the CEO** in order to find out what the merged organisation intends to measure, why they intend measuring certain aspects and not others, and the consequences of this. The key measures provide meaningful insight into what drives executives and staff. It is also necessary to identify the primary issues that will be driving the business strategy. This requires an understanding of what constitutes competitive edge, and whether it is defined in terms of pride differentiation, quality, market share, service or reliability. This information will provide insights on how the organisation views its industry and its subsequent efforts to be competitive within that industry.

3) **Complete a cultural due diligence assessment on both acquiring and target companies.** This can be done by means of qualitative and quantitative methodologies. Qualitative methodologies include interviews, focus groups, workplace observations and documentation reviews. Researchers could capture the voice of the culture and the employees by collecting their verbal comments and arranging the data according to predetermined cultural attributes or according to the types of cultural behaviours that are displayed. Quantitative methodologies are shaped by the qualitative data obtained from the methods mentioned above. It is advisable to administer a web-based cultural due diligence survey to a sample of the total population of the two organisations involved in the merger in order to develop a high-level cultural profile of each organisation.

4) **Review results with the CEO and plan work sessions with the executive group.** It is necessary to ensure that all the important systemic and alignment issues that require immediate resolution are addressed before any further culture integration activities can be embarked upon. At this point, it is also necessary to review the
entire nine-step model with particular emphasis on steps 5 to 9 as a means of identifying time-critical issues as well as opportunities for quick-wins.

5) **Conduct issues-based team-building sessions with the executive group of the new organisation.** Clarity and agreement on strategy, and development of a vision and a set of organisational values to support the business plan are the necessary outcomes. Special focus should be placed on the accountable leadership of the organisation through executive commitment to “walking the talk”. The approach taken should emphasise individual and collective behaviour, and the effectiveness of the new organisation’s executive team as it provides direction, motivation, guidance and clarity to the merged organisation. The term “issues-based” relates to both personal management and leadership styles, and the issues highlighted during the cultural due diligence study.

6) **Conduct all-manager sessions with all the managers in the merged organisation.** The required outcomes are to create clarity on strategy, and the business plan, vision and values of the merged organisation, as well as an articulation of necessary leadership and management practices, to define the values in performance terms. This step focuses on senior managers and first-line managers as they are viewed as the primary drivers of organisational behaviour.

7) **Conduct feedback-based planning sessions for executives and managers to review their past and present performance, as well as that of their respective units.** This should be done in relation to the vision, mission, strategy, values and practices of the organisation, and result in the development of individual action plans for change, improvement and development.

8) **Conduct all-staff sessions.** The necessary outcomes are clarity on strategy, intent, understanding of management activity around infrastructure and feedback, and the seeking of new ideas and suggestions. It is important that every employee must be personally invited to assist the merged organisation in succeeding in its pursuits and
endeavours. The group sessions, consisting of from twenty to as many as one hundred employees at a time, are primarily presented by the merged organisation’s executives and senior managers.

9) *Conduct work process re-engineering sessions as required.* This can be done by assembling small teams, who are capable and willing to take on a particular problem or issue that will affect performance, and, with the support of a manager or consultant, drive it to its resolution in the shortest possible timeframe, usually two or three weeks. Another approach is to make use of large group re-engineering sessions. This approach requires that a representative sample of all organisational departments or units, and staff and management levels within those units, as well as senior managers responsible for those units, are assembled. The benefit of this approach is that all aspects of the organisational system that require changes are represented, allowing the re-engineering process to take place in a rapid and time-efficient manner.

The above nine-step model, if properly applied, could assist merging organisations to achieve effective culture integration and the creation of an organisational culture in which individual and organisational performance support the new business plan. Habeck et al (2000, p.12) caution that factors such as employee buy-in for the merger, employee orientation to support the vision and merger rationale, the potential loss of status, and the spill-over effect on employees’ personal lives, as well as the management of stakeholder expectations, could have a moderating impact on the organisational culture that is established in the post-merged organisation. ChangeWright Consulting (2008) also cites factors such as loss of skilled workers, low employee morale and the resistance to change, as factors that could impact the nature of the post-merged organisational culture. Werner et al (2003, p.24) emphasise the importance of clarity in respect of employees’ new roles and identities, and the impact this could have on employee job satisfaction and commitment. Additionally, managers need to be aware of the current cultures as well as the type of culture they wish to establish and the possible resistance to change. The factors discussed by Habeck et al
(2000, p.12), ChangeWright Consulting (2008) and Werner et al (2007, p.24) form part of the moderating variables that are included in the conceptual model for research in this study. The moderating variables are discussed in greater detail in Chapter 4 of this study.

3.5 UNDERSTANDING THE IMPORTANCE OF CULTURE INTEGRATION, ALIGNMENT AND EFFECTIVE MANAGEMENT OF POST-MERGED ORGANISATIONAL CULTURE

Marsh, Mercer and Carpenter (2009) argue that, in a merged environment, organisational culture is viewed positively if desired outcomes such as growth, profitability, presence, quality, competence and reputation are generated. Like Habeck et al (2000), Marsh et al (2009) caution that failed culture integrations are often at the heart of merger difficulties and failures. This was confirmed by a transatlantic study of executives involved in mergers and acquisitions, in which 75 per cent cited “harmonising culture and communicating with employees” as the most important factors for successful post-merger integration (Marsh et al, 2009). Table 3.1 below provides details about the critical success factors and the sample indicators in relation to organisational culture integration as postulated by Marsh et al (2009).

Table 3.1: Organisational culture integration and alignment: Critical success factors and sample indicators

<table>
<thead>
<tr>
<th>No</th>
<th>Critical Success Factor (CSF)</th>
<th>Sample Indicators</th>
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</table>
| 1  | The existence of a well-defined and well-articulated business strategy | • The merger is clearly explained.  
• The degree of post-merged integration is defined.  
• The deal is placed in its proper context and is understood. |
| 2  | The existence of a clear “product” roadmap | • There is clear communication with the marketplace.  
• Internal efforts are aligned.  
• There is a clear branding strategy. |
|   | An underlying focus on the customer | • There is clarity in respect of contact points.  
|   |   | • There is seamless attention and support.  
|   |   | • Partnerships and value-chain relationships are maintained.  
| 4 | Readiness of the post-merged organisation on day one | • All functions, business and locations are well-planned.  
|   |   | • Planning to execution happens effectively.  
| 5 | Clearly defined synergies | • Cost and revenue are reflected.  
|   |   | • Metrics and targets are assigned to each project.  
|   |   | • There is a strong focus on effective project management capability.  
| 6 | Clearly communicated governance | • Executive roles are agreed.  
|   |   | • There is defined organisational structure.  
|   |   | • Line management roles are clearly defined.  
| 7 | Effective communication with stakeholders | • There is early and continuous communication.  
|   |   | • There is effective stakeholder management.  
|   |   | • Messages are honest, clear and consistent.  
| 8 | An underlying focus on employees and appropriate retention | • Key employees are targeted for retention.  
|   |   | • Employee morale concerns are swiftly addressed.  
|   |   | • Incentives offered are appropriate.  
| 9 | The addressing of divergent operating principles | • Differences are identified.  
|   |   | • Gaps are addressed proactively.  
|   |   | • Rules of engagement are clearly defined.  
| 10 | Quick and decisive action by the post-merged organisation | • Periods of uncertainty are minimised.  
|   |   | • Planning is completed timeously.  
|   |   | • Synergies are actively pursued from day one.  

Source: Marsh et al, 2009

Table 3.1 above reflects the top ten critical success factors for mergers and acquisitions. Marsh et al (2009) report that each of these critical success factors can be undermined by the organisational culture attributes of an organisation or by highly
differentiated cultures. For example, a merged organisation that does not value communication will be less inclined to clearly communicate to its employees the real context and rationale of the merger or acquisition. Marsh et al (2009) also report that the same merged organisation is also unlikely to communicate governance issues well or to successfully win the hearts and minds of stakeholder groups through meaningful and engaging communication. This implies that merged organisations’ executives and line managers need to be aware of the critical success factors that require their constant attention as well as the effect that the organisational culture may have on one or more of these factors. It can be concluded that ineffective application of these critical success factors could possibly have a negative impact on the performance of a post-merged organisation.

Valimaa and Ylijoki (2008, p.213-226) state that the study of organisational culture is important in post-merged universities because these cultures could be significantly different from those of the pre-merged institutions. They distinguish between three levels of culture. The first level deals with visible organisational structures and actions, such as dress code, facilities and procedures. This level of culture is easily observed. The second level refers to espoused values found in the public images of organisations, such as strategies, goals and philosophies. This level is less visible than the first, and can be ascertained by studying norms and the way things are done in organisations. The third level consists of basic assumptions, or unconscious beliefs, perceptions, thoughts and feelings. These elements determine both behavioural norms (the way people are required to behave) and organisational values (the things that are highly valued). In respect of mergers, Valimaa and Ylijoki (2008, p.213-226) conclude it is not the more salient aspects that may be important, but the more concealed and unquestioned sub-cultures. The latter can be divided into occupational, product or geographical lines, which have the ability to counter or enhance one another. Based on the above, it is evident that organisational culture is multi-dimensional in nature. It can also be concluded that each merging organisation must pay careful attention to the characteristics of each level of its own organisational culture in its efforts to work
towards a shared post-merged organisational culture that will be conducive for its effective functioning and people management.

In Chapter 1, different types of organisational cultures as conceived by Buytendijk (2009, p.153) were discussed. Emphasis was placed on the differences between an internally and externally oriented performance mindset as well as how these different mindsets can impact an organisation’s endeavours to create an effective performance management culture.

Buytendijk (2009, p.153) cautions that failure to have due regard for these differences could confuse the members of two distinctly different organisational cultural orientations. Employees would typically behave in an obstructive manner, which could derail the process of creating an organisational culture conducive to effective performance management (Buytendijk, 2009, p.153).

This view is shared by Habeck et al (2000, pp.41-99), who are also of the belief that managing is the most challenging aspect of establishing effective mergers and acquisitions. They support this assertion by warning of the negative consequences that result when people from different organisational cultures are suddenly plunged into a shared space and are expected to address complex issues of strategy and work practices.

As stated in Chapter 1, Habeck et al (2000, pp.6-7) also point out that staff in merging institutions or organisations may behave in diverse ways, depending on the conditions under which the merger occurred. Either consciously or unconsciously, people in merging organisations simply continue behaving the way they used to in the pre-merged organisation, but in a less engaged frame of mind (Habeck et al, 2000, pp.6-7). It can thus be concluded that, if it is not effectively managed, the organisational culture integration and alignment process may have a negative impact on employees’ attitudes in the merged organisation. This could lead to difficulties in developing a post-merged organisational culture conducive to the management of performance.
3.6 CREATING AN ORGANISATIONAL CULTURE OF HIGH WORK PERFORMANCE AND EMPLOYEE ENGAGEMENT IN A POST-MERGED ORGANISATION

According to Cartwright and Cooper (1990), organisational culture has been strongly linked with organisational performance. Reid and Hubbell (2005) argue that the creation of a performance culture in order to manage the performance of the organisation, teams and individuals requires a systematic and disciplined approach. They suggest that, in a performance culture, proactive performance management prevents obstructive behaviours, and supports, reinforces and rewards constructive behaviours (Reid & Hubbell, 2005). Reid and Hubbell propose the following building blocks to approaching performance culture:

- **Openness and trust** that give employees the willingness to speak the unspeakable, react more honestly, ask questions more frequently and be more spontaneous with their comments and contributions.

- **Managed differences** by addressing conflicts and dealing with unfulfilled commitments. Alternatives are considered without a preconceived outcome, and employees express real opinions and feel free to move beyond the perceived “safe talk” zone.

- **Simplicity and focus** on effective implementation, defining in clear terms what needs to be accomplished and how. Employees at all levels are committed to removing rather than adding complexity to the way of conducting business. Employees do not view the notion of having fun and being results-driven as being mutually exclusive; instead, they view them is being interdependent.

- **Playing to each person’s strengths**, where leaders are less concerned about closing gaps, and focus more on learning and building strengths. This requires that leaders know their people and are able to effectively match talent and task.

Mergers and acquisitions are considered to be the greatest disturbers of organisational cultural peace. They create ambiguous working environments, employee incongruity
and stress, which could adversely affect organisational performance and quality of work life. Organisational cultural incompatibility is increasingly blamed as the source of merger failure (Cartwright & Cooper, 1990). Bain and Company (2010) express the view that high performing companies do not take organisational culture change for granted. Instead, they show a strong capacity to change – a critical attribute since organisations must continue to evolve as their strategic goals shift from time to time (Bain and Company, 2010).

In reflecting on the ways in which post-merged organisations can capitalise on latent synergies in order to create an organisational culture of high performance, Bohlin, Daley and Thomson (2000) suggest that the transition process must reflect the principles of and provide the conditions for synergy through its design and execution. This implies that people from both merging organisations must be promptly involved in substantive and meaningful core business tasks, as well as on merger project teams. It further implies that there be visible demonstration of commitment to joint learning and creation of something which is greater than either party could create on its own (Bohlin et al, 2000).

To further support the process of creating a high performance organisational culture through successful post-merger integration, Bohlin et al (2000) point out that senior management must spend time interacting with employees in an authentic manner, rather than simply delivering well-prepared presentations. According to Bohlin et al (2000), the post-merger integration process needs to be:

- Driven by a clear vision of the new post-merged organisation, including its intended core purpose, mission, strategy and essential values,
- Owned and executed by and in conjunction with key stakeholders,
- Fluidly coordinated and flexibly self-adjusting,
- Continuously communicated – laterally and vertically, across the organisation and as part of the day-to-day operations,
- Encouraging of openness and responsive, constant feedback, and
Cognisant of human needs such as inclusion, order, self-control and the opportunity to make choices.

Denison Consulting (2007) illustrates that a high performance post-merged organisational culture was created in Reynolds American by implementing the following strategies:

- A pre-merged culture survey was conducted in order to determine the progress in respect of the culture integration as well as to identify the areas in need of immediate attention. Over 3 000 employees completed this survey, which provided positive reinforcement for the integration work that had been done.
- The vision, strategy and core values were relentlessly communicated through open and meaningful conversations with all employees about the roadmap to post-merged success.
- Employees were encouraged to take responsibility and ownership of their work in order to fully realise the benefits of the merger.
- Each function within the merging organisation was charged with developing an Employee Engagement Plan, describing how it was going to engage employees in an effort to make progress in “empowerment and creating change” – the two areas that received the lowest rating in the pre-merger culture survey.
- Most Employee Engagement Plans included the use of functional focus groups to explore other issues raised in the pre-merger survey.
- Leaders were tasked to get as much input and employee reaction as possible prior to launching any major initiatives.
- Each functional team was then tasked to present their Employee Engagement Plans to the High Performance Culture Team which included senior executives from Reynolds American.

Employee engagement is described as a powerful concept, because it represents the notion of employees who are prepared to give it their all, work with passion and go the extra mile (Macey et al, 2009). Macey et al (2009) suggest that effective employee
engagement could assist in the creation of high performance work environments. Employee engagement can only take place provided that the following four conditions exist (Macey et al, 2009):

- Employees must have the capacity to engage – this implies that effective employee engagement requires a work environment that does not only demand “more”, but also promotes information sharing, provides opportunities for learning and development, and encourages a balance in people’s lives. This creates the basis for sustained energy and personal initiative. This will enable employees to have the goal-directed energy and resilience to deal with organisational and personal obstacles.
- Employees must have a reason to engage – this requires employees to have work that interests them and aligns them with their own values and the values of the organisation.
- Employees must have the freedom to engage – engagement will occur when members feel secure to take action of their own accord. This emphasises the need for trust in order for employees to deal with adversity, uncertainty and change. Macey et al (2009) amplify the importance of trust in management and the organisation by describing it as a key factor that must be present in order for employees to experience a culture of employee engagement.
- Employees must know how to engage – this implies that employees will engage with the organisation when they know what the strategic priorities are and the reasons behind these, as well as when the organisation aligns its processes and practices, in other words, its culture, in the pursuit of its goals.

Based on the above discussion, it can be concluded that merged organisations that are striving to create a culture of high performance and effective performance management could extract significant benefit from formulating and implementing an employee engagement plan. Employee engagement can therefore be considered as a critically important variable in the context of organisational change management.
Schoemer (2009, pp. 102-109) refers to three types of employee behaviour, which need to be carefully considered when embarking upon employee engagement as part of a broader change management process.

- **Design behaviour** is typically demonstrated when employees show initiative, take risks or even “rock the boat”. These individuals are usually ready to get on with the work at hand owing to their impatience and the need to try something new. Stepping on the toes of their colleagues and making them feel uncomfortable is also not uncommon. They are usually not invited to important meetings, are the last to receive important information and are even called names. These employees are actively involved in work processes – both at the level of getting work done and making suggestions about how work is done. They would typically say things like: “How can we make this process better?”; “How can we simplify it?”; “Why do we do it this way?” or “Why does everyone have to wait so long?” In short, they are risk takers, innovators and changers in an organisation.

- **Default behaviour** is characterised by delaying tactics and the propensity to point out the big negatives before an important change initiative is embarked upon. There is a strong tendency to act in a self-preserving way owing to the employees’ tendency to feel threatened by change. They tend to shy away from taking risks, asking questions and taking on assignments. They would typically make statements like: “The board will never go for that,” or “Let’s just wait for six months to see if any of this stuff is still around”. According to Schoemer (2009, p. 109), 90 per cent of what goes on in a typical organisation stems from default behaviour.

- **Defiant behaviour** is described as the most dramatic form of resistance to change. These individuals display clear signs of hostility towards the very idea of change. Their defiant behaviour can usually be noticed in hostile glances, nervous shifting in chairs, rolling of eyes to the ceiling and even frowns on faces. These employees do not care about the impact of their behaviour on the client or the organisation and only care about protecting their comfortable work life. They would typically make
statements like: “This is a complete waste of time”; “I am not going to do that and you can’t force me to either,” or “You adopt that new tracking system and I will quit”. Quite strangely, they feel that they have the right and the latitude not to buy-in to the change.

Merged organisations need to be aware of the existence of these types of behaviour, and the possible adverse impact that default and defiant behaviours could have on their efforts to foster employee engagement and create a culture conducive to effective performance management.

### 3.7 THE IMPORTANCE OF CREATING EMPLOYEE ENGAGEMENT IN A POST-MERGED ORGANISATION

Ambler (2007) defines an engaged employee as an individual who is fully involved in, and enthusiastic about, his/her work. He argues that engaged employees care about the future of the company. They are willing to invest discretionary efforts that far exceed the call of duty in order to see that the organisation succeeds (Ambler, 2007). He also points to findings of a study which suggest that only between 17 and 29 per cent of an organisation’s employees are fully engaged in their jobs at any one time. If equated to a soccer team, this would imply that only two or three players on the team would be 100 per cent committed to the team’s success (Ambler, 2007). Given the pivotal role of effective employee engagement during organisational changes such as mergers and acquisitions, Ambler (2007) suggests that organisations should consider implementing the “ten C’s of employee engagement” in order to achieve effective employee engagement. In summary, these ten principles are:

- **Connect**: Leaders need to demonstrate that they value employees. Employee engagement is a direct reflection of how employees perceive their relationships with their immediate superiors.
- **Career**: Leaders are required to provide challenging and meaningful work with relevant career advancement opportunities. Employees desire to perform new and
different tasks in their jobs. For example, organisations need to provide job rotation opportunities and assign stretch goals to its top, talented employees.

- **Clarity:** Leaders need to communicate a clear vision to their employees. Employees on the other hand, need to understand what the organisation’s goals are, why they are important and how the goals can best be attained.

- **Convey:** Leaders need to clarify their expectations about employees and provide feedback on their functioning in the organisation.

- **Congratulate:** Employees require feedback and recognition. Leaders, in turn, provide coaching and mentoring to ensure sustained achievement.

- **Contribute:** Employees want to know that their contributions are making a difference and that they are adding value to the organisation’s success in a meaningful way. Visionary leaders assist employees in understanding how they are contributing to the organisation’s success and future.

- **Control:** Employees value the opportunity to take charge of the flow and pace of their jobs, and leaders can create an environment in which employees can exercise this control. A sense of “being in on things” and of being given opportunities to participate in decision making often reduces stress. Trust is enhanced and a culture in which employees want to take ownership of problems and their solutions is fostered.

- **Collaborate:** Leaders should foster an environment in which employees are encouraged to enter into collaborative efforts. Studies show that when employees work in teams, and have the trust and cooperation of their team members, they outperform individuals and teams which do not have good relationships.

- **Credibility:** Leaders should strive to maintain the organisation’s reputation and demonstrate their allegiance to the values of the organisation through their consistently high ethical standards.

- **Confidence:** Leaders need to instill confidence in the organisation amongst employees by demonstrating high ethical and performance standards.

Based on the above discussion, effective employee engagement seems to depend very strongly on the provision of effective leadership by the executives of an organisation.
According to Gulati and Teo (2008), the most important driver of employees’ attitudes and engagement after a merger is their understanding of new jobs and roles in the merged organisation. They suggest that merged organisations can minimise their human capital risks by effectively restructuring jobs, and unambiguously communicating changes in roles and responsibilities to affected employees. They also point out that the greater the proportion of disengaged employees in a merged organisation’s workforce, the greater the human capital risk as well as the risk of ineffective performance management. Engaged employees are committed and focused. They feel proud of their organisations, and have a clear line of sight of how their own performance aligns with the goals and objectives of their organisations. Gulati and Teo (2008) further contend that there is a proven link between employee engagement and business success; employee engagement plays an important role in corporate productivity and organisational performance.

Macey et al (2009, p.2) argue that engaged employees create more value and offer more of what they have. Consequently, an engaged workforce is simply more productive than a workforce that is not engaged. Macey et al (2009, p.2) further point out that the more employees are engaged in their organisations, the more superior the financial performance of those organisations. This conclusion is based on a study of the employee engagement index of 65 organisations in different industries. A distinction was drawn between the top and bottom 25 per cent of these companies, comparing their levels of employee engagement with three measures of financial performance, return on assets, profitability and shareholder value. The results of this comparison are illustrated in Figure 3.1 below.
Figure 3.1: Engagement and financial performance comparisons

![Bar charts showing differences in financial performance and employee engagement](image)

Source: Macey et al, 2009, p.3

Figure 3.1 above depicts the major differences between the top and bottom 25 per cent of organisations in the study conducted by Macey et al (2009) in respect of employee engagement and relevant financial indices. In all three measures of financial performance, employee-engaged organisations outperformed organisations with low employee engagement. The top 25 per cent of employee-engaged organisations' shareholder value, in particular, is almost double that of the bottom 25 per cent. This suggests that an engaged workforce produces dramatically superior results to those of their counterparts whose workforces are not effectively engaged (Macey et al, 2009, pp.3-4).

Lineberry and Carleton (2004, pp.117-118) also suggest that the achievement of post-merged financial and organisational culture integration is critical in ensuring post-merger organisational success. With regards to employee engagement-related variables, they
propose that the staff retention, absenteeism, individual performance to budget, and staff perception and satisfaction, in relation to organisational culture integration, be measured and monitored. Lineberry and Carleton (2004, pp.117-118) also propose that, in terms of post-merged financial success, increases or decreases in profitability, productivity levels, revenue and market share be measured and monitored.

It can therefore be concluded that merged organisations that do not measure and monitor some or all of the above variables related to employee engagement and organisational performance, as suggested by Lineberry and Carlton (2004, pp.117-118), could be at risk of not achieving their performance objectives. This, in turn, has the potential of causing merger failure and, consequently, low employee morale, and increased anxiety and uncertainty. Such negative emotions on the part of employees could have an adverse impact on an organisation’s aspirations of creating a culture conducive to effective performance management.

3.8 ROLES OF HR PRACTITIONERS IN ACHIEVING EFFECTIVE PERFORMANCE IN THE POST-MERGED ORGANISATION

Fong (2009) highlights the importance of the effective handling of people-related matters, by HR practitioners, throughout the merger process, for the following reasons:

- The greatest risk of merger failure exists in the area of people issues.
- The costs of ineffective mergers will be realised in lost talent, lost productivity and loss of competitive position as a result of distracted employees.
- A “soft” due diligence audit focusing on human resources can be performed to identify people who are critical to the success of the merger: those whose leaving after the union would lower the true value of the merger.
- The loss of key people can result in the loss of organisational effectiveness.
- The hidden costs of combining organisations include tardiness, absenteeism, turnover, reduced output, employee separation costs and replacement labour costs.
• The merging of organisations directly affects between 25 and 50 per cent of all employees in the two organisations.
• Most employees will feel some degree of impact from the merger process, regardless of whether they are directly impacted by the merger through loss of employment.

Expressing a similar view, Schuler and Jackson (2001) caution that while merger failures can be explained by financial and market factors, a substantial number can be attributed to neglected human resources issues and activities. They further point out that numerous studies confirm the need for merged organisations to systematically address a variety of human resources issues and activities in their merger and acquisition activities.

Armour (2000) contends that employers are beginning to realise that human resources issues are the primary indicators of the success or failure of a merger. Schuler and Jackson (2001) propose the following reasons why people issues, and by implication the role of HR practitioners, are neglected:

• The belief that they are too soft, and therefore, too hard to manage,
• A lack of awareness of the critical nature of people issues,
• The lack of a spokesperson to articulate the people issues,
• The absence of a model that can serve as a tool to systematically address and manage the people issues, and
• The fact that the predominant merger focus usually falls on issues related to finance, accounting and manufacturing.

Schuler and Jackson (2001), and Chugh (2008) suggest that the role of HR practitioners during the merger typically spans all three phases of the merger, namely the pre-merged or pre-combination phase, the integration planning or combination phase, and the post-merger or solidification phase.
3.8.1 Pre-merged or pre-combination phase

Chugh (2008) suggests that HR practitioners' role in the pre-merged or pre-combination phase relates to decisions about culture creation. Typical, pre-merged organisations would consider using one or the other culture in order to create a culture that incorporates the strongest aspects of either culture, or creating a completely new culture that does not use either culture as its base. The cultural issues that need to be handled by HR are, according to Chugh (2008):

- Integration – the handling of the situation in which members of the acquired organisation wish to retain their independence and cultural identity. This leads to the structural assimilation of two cultures, with very little cultural or behavioural assimilation.
- Assimilation – this requires HR to guide the process in which one group willingly adopts the identity and culture of the other.
- Separation – this approach requires minimum cultural exchanges between the two organisations, with each functioning independently.
- Deculturation – HR is required to guide the process in which both merging organisations decide to lose their pre-merger cultures in pursuit of a new culture.

Under these conditions, the general role of HR can be summarised as:

- Helping to identify issues through the due diligence process,
- Planning the organisational culture fit,
- Assisting in the development of acquisition guidelines,
- Estimating people-related savings,
- Developing and recommending HR policies and processes, and
- Assessing the costs of integrating HR systems.

Schuler and Jackson (2001) argue that the critical HR issues in the pre-combination phase include the identification of the reasons to initiate the merger, the appointment of
a senior executive to take leadership in the merger processes and the creation of processes to maximise the learning opportunities arising from the merger.

3.8.2 During the merger or combination phase

According to Chugh (2008), employees crave to be treated with respect, to identify with the new organisation, to be accepted as members of the new team, and to keep their status and prestige in the new organisation. Typical HR roles, according to Chugh (2008), during the combination phase include:

- Developing strategies for employee communications,
- Designing programmes to retain key talent,
- Planning and leading the integration process,
- Developing a total rewards strategy for the new organisation,
- Helping the organisation to cope with the change,
- Monitoring employee attitudes and engagement, and
- Managing the selection and placement process.

According to Schuler and Jackson (2001), the combination phase incorporates a wide variety of activities for the HR department, most important of which is the initiation of an explicit and systematic integration process, which is at the heart of a successful merger. Some of the key HR activities during this phase, according to Schuler and Jackson (2001), are:

- Designing and implementing teams,
- Creating the new organisational structures,
- Retaining key employees,
- Managing the change process, and
- Deciding on the most appropriate HR policies and procedures.
This concurs with Anderson’s (1999) statement that HR practitioners should assist in developing a new organisational structure and establishing clear, well-defined reporting relationships. Many unsuccessful mergers are the result of the tendency to change poorly defined reporting relationships several times during the first year of the merger. Specific short-term organisational goals should be defined to provide employees with a clear direction for the merger. HR practitioners should conduct a talent audit to identify employees who will be critical to the success of the new organisation and who would be difficult to replace. Anderson (1999) further suggests that long-term incentive grants should be provided to critical employees to persuade them to stay with the newly merged organisation and to enhance their motivation.

3.8.3 Post-merged or solidification phase

Chugh (2008) contends that the role of HR in the post-merged phase includes:

- Aligning HR policies, practices and programmes with business practices,
- Monitoring the progress of people-related synergies,
- Ensuring that workforce productivity is achieved and sustained, and
- Developing and implementing sustainable incentive and reward programmes for key employees and executives.

Additionally, according to Chugh (2008), HR should encourage the organisation’s leaders to:

- Recognise and reward behaviours that are supportive of the post-merged culture,
- Consider cultural behaviours that support the post-merged culture, and
- Align culture with the vision and business strategy of the combined organisation.

According to Schuler and Jackson (2001), the solidification phase requires HR to assist in solidifying the leadership and staffing structure of the new organisation, and to assess
its new culture, and HR policies and procedures, as well as the concerns of the various stakeholders.

The above discussion suggests that there is a definite need for HR professionals to be fully engaged throughout the merger process in order to ensure that the people issues are effectively dealt with in the various merger phases. Schuler and Jackson (2001) conclude by advising that merged organisations put their best HR people in charge of attending to the people-related merger issues.

3.9 CONCLUSION

The understanding and effective implementation of organisational culture integration and employee engagement have been identified as key strategies in ensuring the achievement of post-merged success. This, in turn, could assist in creating an organisational culture in which performance is effectively managed. The nine-step model proposed by Carleton and Lineberry (2004, pp.89-92), as well as the approaches suggested by Denison Consulting (2007) in creating a high performance post-merged organisational culture, as illustrated in the case of Reynolds American, could also be important strategies in creating an organisational culture conducive to the effective management of performance. Chapter 4 deals with constraining factors related to the establishment of a culture conducive to managing performance.
CHAPTER 4
CONSTRaining factors related to creating an organisational culture conducive to effective performance management

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CHAPTER 4

CONSTRAINING FACTORS RELATED TO CREATING AN ORGANISATIONAL CULTURE CONducive TO EFFECTIVE PERFORMANCE MANAGEMENT

4.1 INTRODUCTION

In Chapter 2, various strategies, which could assist merging organisations in dealing with matters such as culture integration and alignment, as well as the creation of an organisational culture of high performance work and employee engagement, were presented. Included in this discussion was the nine-step alignment and culture integration model proposed by Carleton and Lineberry (2004, pp.89-92), the ten critical success factors suggested by Marsh et al (2009), as well as Reid and Hubbell’s (2005) building block approach to the creation of a performance culture. These strategies are further explored in Chapter 5 in the development of a theoretical model for creating an organisational culture conducive to effective performance management.

Chapter 3 provided perspectives on the various types of organisational culture that typically prevail within an organisation.

This chapter focuses on resistance to change as well as some specific merger-related constraining factors that could impact on the creation of an organisational culture conducive to effective performance management in a post-merged environment. An extensive exposition on the concept of resistance to change is provided, followed by a discussion of the constraining factors.

4.2 RESISTANCE TO CHANGE

Post-merger integration is without a doubt considered to be the ultimate change management challenge, a sentiment with which, according to Watson Wyatt (2000), any manager or executive, who has been through the rigours of a merger process, can
identify. The various merger steps and its processes may not be unique and novel in-and-of-themselves, but the negative emotions, such as scepticism and fear, combined with the large volume of difficult decisions can overwhelm even the most astute and accomplished manager or executive, and even the most sophisticated organisation (Watson Wyatt, 2000). Werner et al (2007, p.390) point out that resistance to change is a natural phenomenon, but that it can be a hindrance to change management efforts and results if ignored. They further argue that the forces against change are numerous and interrelated, and that a systematic and holistic approach is required to address these forces (Werner et al, 2007, p.390). Maurer (2009) argues that if organisations are serious about creating shifts from scepticism to support for change, or to minimise opposition before it occurs, they need to understand the nature of resistance. He defines resistance as any force that slows or stops movement and explains that the force is not necessarily negative nor are there “resisters” out there just waiting to derail a positive idea (Maurer, 2009). Maurer (2009) identifies three levels of resistance.

4.2.1 Three levels of resistance to change

1) Level 1 resistance – based on information

This resistance is based on information such as facts, figures or even ideas, and takes place in the world of thinking and rational action. Presentations, diagrams and logical arguments are typically part of this level. Level 1 resistance may arise as a result of a lack of information, disagreement with the idea itself or lack of exposure. It is possible for organisations to err by treating all forms of resistance to change as if they were Level 1 resisters. In doing so, the leaders tend to give people more and better arguments and detailed facts when something totally different may be required. Typical Level 1 questions that are asked during a restructuring presentation include: “How much will it cost?”; “When will the process start?” or “What is the timeline?”

Maurer (2009) suggests that Level 1 resistance can be worked away by giving presentations, followed by questions and answers.
2) Level 2 resistance – based on physiological and emotional reactions to change

This level of resistance is characterised by physiological reactions, such as elevated blood pressure or increased pulse and adrenaline flows, to change. These reactions are driven by fear, as people are afraid that they will lose face, friends or even their jobs. Maurer (2009) points out that the fear response is uncontrollable and can occur without conscious awareness. Given the debilitating nature of fear, Maurer (2009) contends that it can override logical reasoning. During a restructuring presentation, Level 2 resistance takes over when there is even the slightest mention of downsizing. Two-thirds of the audience migrate from Level 1 responses to Level 2 reactions at this point. The situation is then perceived as dangerous and emotions tend to take over from rational thinking. The factual presentation may as well be aborted at this point as the rational mindset is replaced by the fight-or-flight response.

Level 2 resistance can be dealt with by creating opportunities for conversations in addition to the formal presentations (Maurer, 2009).

3) Level 3 resistance – bigger than the current change

This level of resistance is deeply entrenched and bigger than the change process at hand. At this level, people are not merely resisting the idea – they may in fact embrace the idea – but are resisting the person or people who are driving the change. Such resistance may originate from past negative experiences with the change driver(s) or those whom the change driver(s) represent. These types of relationships are characterised by deep divisions and are typically found in the labour relations arena. Maurer (2009) suggests that, at a Level 3 resistance, people will resist virtually any change.

Level 3 resistance requires that the relationship be rebuilt before new ideas are presented (Maurer, 2009).
4.2.2 The types of resistance to change

Werner et al (2007, p.390) contend that resistance to change occurs at individual, managerial and organisational level. The reasons for each type of resistance are provided in Table 4.1 below.

<table>
<thead>
<tr>
<th>Individual resistance</th>
<th>Managerial resistance</th>
<th>Organisational resistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Fear of the unknown</td>
<td>• Loss of authority</td>
<td>• Cost, time and efforts involved in change</td>
</tr>
<tr>
<td>• Potential job losses</td>
<td>• Fear of the unknown</td>
<td>• Deep-rooted organisational culture</td>
</tr>
<tr>
<td>• Influences from peers</td>
<td>• Influences from peers</td>
<td>• Bureaucracy</td>
</tr>
<tr>
<td>• Low self-efficacy or external locus of control</td>
<td>• Low self-efficacy or external locus of control</td>
<td>• Upholding organisational stability</td>
</tr>
<tr>
<td>• The inconvenience factor</td>
<td>• Loss in status</td>
<td>• Past agreements with suppliers, trade unions and customers</td>
</tr>
<tr>
<td>• Distrust of management</td>
<td>• Exposure of previous inadequate approaches and behaviours</td>
<td>• Previous investments in buildings, technology and equipment</td>
</tr>
<tr>
<td></td>
<td>• Change in territorial ownership</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Increased responsibility resulting from the change</td>
<td></td>
</tr>
</tbody>
</table>


It is noteworthy that, even at management level, employees experience the same feelings of fear of the unknown and loss in self-efficacy that non-management employees experience in relation to change.

Buelens et al (2005, p.643) point out that, regardless of how technically or administratively sound a change process may be, individuals and groups experience feelings and mindsets that range from cynicism, pessimism, indifference and enthusiasm regarding the change. According to Werner et al (2007, p.390), these types of resistance can be minimised by applying the following techniques during the change process:
• Encouraging genuine participation right from the outset. Greater buy-in and enthusiasm will be achieved by involving all organisational members in meetings and workshops to discuss the changing environment, the organisational vision and change strategies.

• Creating an environment of trust in which top management communicates relevant, timely and accurate information to all organisation members. On the other hand, organisation members must be encouraged to believe in the integrity of top management and must perceive their intentions as being in the best interests of the organisation and all its members.

• Sharing the economic gains with employees and managers alike. Reward structures should be aligned to the change process, and this should be communicated to all organisational members as an incentive to support the change process.

• Developing a strategic human resources plan and communicating it to all organisation members. The purpose of this plan should be to retain, retrain and redeploy employees within the changed organisation. Inevitable job losses must be implemented through a fair and equitable process.

4.2.3 The stages of resistance to change – the resistance to change continuum

Buelens et al (2005, p.643) suggest that resistance occurs on a continuum that is characterised by different emotional and behavioural responses. This continuum of resistance to change is depicted in Figure 4.1 below.
Figure 4.1: The continuum of resistance to change

Source: Buelens et al, 2005, p.642

The continuum of resistance to change ranges from active resistance to acceptance. The above figure illustrates that resistance to change can be placed in four broad categories: active resistance, passive resistance, indifference and acceptance. Each of these four broad categories has its own set of resistance behaviours. Figure 4.1 also illustrates that resistance to change can be as subtle as passive resignation or as deliberate as sabotage (Buelens et al, 2005, p.643). Organisations that are in the midst of a change process need to be aware of the various phases of resistance in which its members could find themselves. Equally important for such organisations is to be aware
of and manage the behaviours that are associated with each phase. In the context of post-merged organisations, it would be particularly necessary for leaders to learn to recognise the manifestations of resistance to change behaviour, both in themselves and others, in order to create an organisational culture conducive to effective performance management.

4.2.4 The impact of resistance to change

Buelens et al (2005, p.642) highlight the importance for organisations to effectively manage change because of the costly nature of failed change efforts. Some of the costs associated with failed change include decreased employee loyalty, lowered probability of achieving organisational goals, and the waste of money, resources and time that is spent on trying to fix failed change interventions (Buelens et al, 2005, p.642).

The Change Management Learning Centre (2006) points out that every individual has a threshold for how much change they can absorb based on their personal and organisational context. It is further suggested that organisations undergoing change, such as a merger, should not aim to eliminate resistance, but rather to minimise the impact this resistance has on employees and the business (Change Management Learning Centre, 2006).
Figure 4.2: The principle of minimising the impact of change resistance over time

Source: Change Management Learning Centre, 2006

Figure 4.2 indicates employees’ reactions to change after the first communication relating to the change has been issued or after the first rumour regarding the change has been raised. The longer the organisation remains in the “high-stress” risk and flight region (the red-zone), the more extreme the consequences will be for employees, customers and the business (Change Management Learning Centre, 2006). As depicted in Figure 4.2, the potential impact of resistance to change includes the following:

- Productivity loss,
- Employee dissatisfaction,
- Passive resistance,
- Turnover of valued employees,
- Tangible customer impact, and
- Active resistance.

An increase in fear and resistance will lead to a decrease in productivity characterised by the above forms of organisational impact. The longer the change management
process is dragged out or the poorer the quality of the change management process, the lower the curve will fall into the red-zone illustrated in Figure 4.2.

A similar view is expressed by Smit (2007), who points out that a lack of people integration could lead to the following difficulties:

- A loss of skilled employees other than those in leadership positions,
- Retrenchment of employees, which could cause panic and a loss of motivation, resulting in reduced productivity and revenue,
- Unhappy customers, and
- Resistance to future change initiatives.

Nel et al (2008) refer to a series of negative reactions that employees can demonstrate as a consequence of a change intervention. These reactions are:

- Disengagement – Employees that experience disengagement psychologically withdraw from the change process. Such employees may appear to have lost initiative and interest in their jobs, and are physically present, but mentally absent. Disengaged employees lack drive and commitment, and opt to comply without any meaningful psychological investment in their jobs.

- Dis-identification – Employees that experience dis-identification feel that their identity has been threatened by the change. These employees tend to hold on to past procedures, because it provides them with a sense of being in control. Their refusal to move forward can cause them to feel like victims of the change process. However, the need for things to be done differently could result in their feeling vulnerable, sad and worried.

- Disenchantment – Employees that experience disenchantment react in anger or with extreme negativity as a result of the realisation that the past is gone forever. These employees may even attempt to influence other employees in the
furtherance of their destructive behaviour, which could include sabotage, back-stabbing, bad-mouthing and rumour mongering.

- Disorientation – Employees that experience disorientation feel lost and confused, and usually spend their energies on figuring out what to do instead of how do to do things effectively. These employees are out of touch with what is really important to the organisation and can get caught up in wanting to over-analyse everything. The lack of clear goals and the prevalence of ambiguity can result in their drifting into a state of purposelessness.

These reactions to organisational changes can be problematic if they are not understood and effectively managed. Smit (2007) describes mergers as complicated transactions involving many risks with far-reaching impact for all parties concerned, because of their change intensive nature. This implies that post-merged organisations could encounter the above reactions, described by Nel et al (2008), in their efforts to create an organisational culture conducive to effective performance management.

4.2.5 The reasons for and solutions to employees’ resistance to change

According to Bacal (n.d.), whether a change is of major proportions or insignificantly small, it must be expected that people in the organisation are going to find reasons to resist it. It is a basic tenet of human behaviour that any system or process, which has been previously successful in meeting the organisation’s needs, will be subjected to resistance if there is an attempt to change it. This applies even if there are better, more successful alternatives to meeting those needs. In dealing with the challenges related to getting past “no”, or a flat refusal to accept alternatives, Ury (1991, p.7) suggests that it is useful to understand what lies behind the refusal. It is often easy to believe that stonewalling, attacks and tricks are just part of basic human nature, and that organisations can do little to change this type of behaviour and attitude. Ury (1991, p.7), however, points out that such behaviour and attitudes can be altered if one can deal successfully with the underlying motivations that drive the resistance to accept
alternatives. He further suggests that behind the “no” behaviour and attitudes, there may lay anger and hostility, fear and distrust (Ury, 1991, p.7).

Schuler (2003) provides some insightful reasons into employees’ propensity to resist change, as well as practical approaches to overcome such resistance. These reasons and practical approaches are:

- The risk of change is seen as greater than the risk of standing still

He argues that change requires individuals to undergo a leap of faith in that it involves deciding to move in the direction of the unknown on the promise that something better will unfold for them. They are required to do this without any tangible proof that the future state will indeed be better. Taking that leap of faith is usually risky, and people will only take active steps toward the unknown if they intuitively believe and, more importantly, feel that the risks of standing still are greater than those of moving forward in a new direction.

The case for change must be set out in stark, truthful terms, providing reasons why the organisation believes the imminent change is fully justified. It is strongly advisable to provide numbers wherever and whenever possible. This will succeed in engaging employees’ rational minds while simultaneously allowing the emotional mind (which is typically most decisive) to begin grappling with the prospect of change. Selling the idea of change on the basis of a set of idealistic, unseen promises of reward is not nearly as effective as moving people to action.

- People feel connected to other people who are identified with the old way

Schuler (2003) points out that people are a social species, and tend become emotionally connected to those they know, those who have taught them and those with whom they are familiar – even at times to their own detriment. When people in an organisation are requested to do things in a new way, as rational as that new way may
seem, one may be setting oneself up against some hardened loyalties – all those emotional connections to those who taught them the old way – and that should not be trivialised.

When crafting the change message, it is advisable, at the very least, to make statements that honour the work and contributions of those who brought such success to the organisation in the past. The rationale behind this is that, on a very human, but seldom articulated level, people may feel that they are being asked to betray their former mentors (whether those people remain in the organisation or not). A diplomatic approach right from the outset can stave off a lot of resistance.

- People have no role models for the new activity

Schuler (2003) suggests that one should never underestimate the power of observational learning. He further cautions that employees will not simply follow some esoteric concept being framed as a new possibility. What is required, to make it acceptable to those who must support the change, is to get credible people on board, who can demonstrate how the new way can work. Less rhetoric and more demonstration can go a long way toward overcoming resistance.

This may require the setting up of effective pilot programmes that can model the change and work out the difficulties before embarking on a full-scale implementation of the change process. People prefer to see tangible proof that the change initiative is effective.

- People fear they lack the competence to change

Change in organisations invariably necessitates changes in skills, and, although this fear is not easily admitted, employees often grapple with the uncertainty of whether they would be able to deliver on their new job requirements. The sad reality is that they are
often correct. However, in many cases, such fears are imaginary; hence, moving people toward change requires one to be an effective motivator.

A successful change process includes effective new training programmes covering various aspects of the change process. The initial events should be large scale gatherings that serve as information events, presenting the rationale and plan for change, specifying the next steps, outlining future communications channels for questions and concerns, and indicating how people will learn the specifics of what will be required of them, from whom and when. Change-related training programmes must be implemented and evaluated over time. This will minimise the initial fear of a lack of personal competence for change by showing how people will be brought to competence through the change process.

- People feel overloaded and overwhelmed

Employee fatigue needs to be carefully monitored as it can derail the change effort for the organisation and for the individual equally badly. When one is introducing a change effort, organisations need to be aware that fatigue can be a factor in keeping people from moving forward, even if they appear to be in support of the change initiative.

In an organisation where there has been frequent change and much upheaval, people may resist change simply because they are tired and overwhelmed. These feelings could set in at precisely the time when more radical change is most needed. It would then be advisable to do two things: firstly, re-emphasise the risk scenario that forms the rationale for change; secondly, be very generous, provide continuous praise and demonstrate understanding for people’s complaints throughout the change process.

- People have a healthy scepticism and want to be sure new ideas are sound

Healthy sceptics perform an important social function in that they can assist in putting the change idea or process to the test so that it can be improved upon along the road to
becoming a reality. It is therefore important to listen to sceptics within organisations, because many of their views will prompt genuine improvements to the change idea, even if some of the criticism will be fear-based and driven by anger rather than by substance.

- People fear hidden agendas among would-be reformers

Reformers are capable of providing contrasting and confusing messages. Hence Schuler (2003) points out that all messengers and their messages are to be truthful and trustworthy. A lack of trust can cause unnecessary and lengthy delays in the change process. This thought is expanded upon by Covey (2006, pp.13-14), when he refers to the economics of trust. He explains that when trust is low, the speed of decision-making will be slow and the cost will be high. Conversely, when trust is high, the decision-making speed will also be high and the cost will be low. He cites the example of an acquisition transaction in which Warren Buffet, the CEO of Berkshire Hathaway, acquired McLane Distribution (a 23 billion US dollar company) from Wal-Mart. Usually such big deals between such big companies are subjected to onerous due-diligence studies. However, given that both companies operated in a spirit of high trust, the deal was completed with one two-hour meeting. In less than a month, the entire merger process was completed (Covey, 2006, p.15).

- People feel the proposed change threatens their notions of themselves

Often job-related changes have an effect on people’s sense of themselves. Schuler (2003) says that radical changes in people’s jobs arising from the change process could have the effect of threatening their self-identity, especially if the new circumstances result in a job which is perceived to be more menial than the original job. Consequently, people may feel that the intrinsic rewards that brought them to a particular line of work will be lost with the change process.
A possible solution is to help people see and understand the new rewards that may come with a new work process, or to see how their own underlying sense of mission and values can still be realised under the new way of operating. When resistance emerges from these identity-related roots, it is deep and powerful, and to play down its force would be a mistake. Change leaders must be able to understand it and then address it, acknowledging that change does have costs, but also, possible larger benefits.

- People anticipate a loss of status or quality of life

Schuler (2003) argues that change does not have to be a zero sum game, and that change can (and should) produce more advantage to more people than disadvantage. However, in reality, if there were no obstacles such as people and their self-interest aligned against change, then special efforts to promote change would be unnecessary. It has to be noted that some people will almost naturally be aligned against change because they will clearly, and, in some cases, correctly view the change as being contrary to their interests.

The short route for dealing with this problem is to do what one can to present the inevitability of the change given the risk that pervades the operating environment, and offer to help people to adjust. However, there are few organisational change efforts that do not result in some people choosing to leave the organisation, and, sometimes, this is the best for all concerned. When the organisation changes, it will not be to everyone’s preference, and, in such instances, it is best for people to be mature and honest in making decisions about their future employment plans.

- People genuinely believe that the proposed change is a bad idea

Often people are not being obstinate, afraid, muddle-headed, nasty or foolish when they resist the change effort; their view is that those who propagate the change are in the wrong. It is therefore important not to ignore people when they have genuine, rational
reservations or objections to a change process. Not all resistance is about emotion and, if these reservations or objections were taken into account, this could result in reducing the resistance to change.

To win people’s commitment to the change process, organisations must engage them on both a rational and an emotional level. Extra emphasis must be placed on the emotional side of the equation, because this is the area where change agents are least informed about. Organisations must also be mindful that a failure to listen to and respond to people’s rational objections and beliefs is ultimately disrespectful to them (Schuler, 2003).

The above reasons for and solutions to employees’ resistance to change are diverse in nature, but seem mostly to emanate from a troubled emotional state. This confirms the views of Kilfoil and Groenewald (2005), and Habeck et al (2000, p.5) regarding employees’ emotional responses of fear and panic during a merger process. This implies that the effects of a merger process on employees’ lives need to be carefully monitored as these could have a constraining impact on the organisational culture that is created in the post-merged organisation. The following section examines some of the post-merged constraining factors which merging organisations have to deal with.

4.3 SOME POST-MERGED CONSTRAINING FACTORS

Despite the compelling business cases often presented in support of organisational mergers, many mergers have been found to be fraught with considerable challenges, rarely materialising as planned, and nearly always taking a major toll on the psychological well-being of both managers and employees involved. There seems to be growing recognition that organisational change associated with a merger has widespread effects on employees’ emotional well-being, behaviour, attitudes and work performance (Salleh & Clarke, 2009). This is a very real concern given that a number of studies have revealed that, in many cases, mergers have not resulted in particularly higher levels of performance as a result of organisational culture- or people-related
factors (Agrawal & Jaffe, 1999; Carleton & Lineberry, 2004; Muller, 2006). This section focuses on the various organisational culture- or people-related issues that can have a constraining impact on the creation of a post-merged culture conducive to the effective management of performance. Strategies, in terms of which such constraining factors can be dealt with, are discussed in the following section.

4.3.1 Employees’ loss in status

Anderson (1999) identifies employees’ anxieties about a possible loss in status as a result of the merger as one of the most common stressors during a merger. Chipunza (2009, p.62) also comments about employees’ fear and mistrust in relation to what their roles will be in the future organisation. Other aspects of the merger process that could result in a loss in status include altered job responsibilities, changes in career paths and workgroup changes (Chipunza, 2009, p.62). Employees become preoccupied with rumours of possible job losses and this typically leads to substandard productivity (Anderson, 1999). These views reinforce the notion that employees who are distracted by unnecessary confusion about their future roles cannot contribute to the objectives of the merged organisation (Muller, 2006). Schraeder (2001) concurs with these views by pointing out that individuals who perceive that their jobs are secure are more likely to remain committed to the organisation, and be willing to support, rather than resist a possible merger.

4.3.2 Employee buy-in and orientation

According to Pheifer (2002), many managers fear the change process because they are reluctant to go through the work of "selling" it to their staff. Although leaders may know what is best for the organisation, they also know that change is difficult, and that certain employees will always fear change because it represents a threat to them and huge uncertainty. Many individuals enjoy consistency and a sense of knowing what is coming. Change must therefore be handled with care so that employees do not become too
unsettled and fearful of the future. The following activities proposed by HR Tools (2010) could assist in creating and enhancing employee buy-in and orientation to a merger.

- **Get employees on board** – build a merger team comprising senior leaders as well as employees from all the way down to the lowest levels in the organisation. If employees are onboard with the change process, buy-in and success will increase.

- **Get everyone on the same page** – provide the resources, training and development necessary to prepare employees for and acquaint them with the changes. Employees should be encouraged to participate in deciding which best practices to keep or integrate into the merged organisation.

- **Show appreciation of employees’ work** – jobs tend to become an integral part of people’s identities. An important aspect of delivering a successful merger is to recognise and show appreciation to employees for their efforts during the various merger-related phases and activities.

- **Communicate** – not all information can be divulged; however, it is critical to frequently communicate with employees even if there is nothing of real significance to impart. A lack of constant communication from top management will lead employees to draw their own and unfortunately negative conclusions about what is happening.

### 4.3.3 Impact of the merger on employees’ personal lives

Lalla (2009) argues that employees internalise the value of their jobs and can become severely distressed if anything related to their jobs is under threat as a result of a change of any kind. This distress can manifest itself in the form of altered behaviour, stress, interpersonal conflict, anger, resentment, denial and even depression. This, in turn, could lead to impaired job performance.

The following is the experience of an employee who had lost his job owing to a merger:

"When they told me my job was terminated, I went through some of the same mental
and physical torment that had happened to me only once before, when my 13 year old son was killed in an accident. I can't describe the degree of trauma – the gut-wrenching thoughts, the ulcerous symptoms, and my loss of grasp on reality” (Hollman, 1991).

4.3.4 Stakeholder expectations

According to Goliath Business News (2006), stakeholders are groups or individuals who can affect or are affected by the achievement of an organisation’s objectives. In the private sector, the primary stakeholders are investors, customers, employees and suppliers, while government and the community are typically thought of as secondary stakeholders. In higher education institutions, government and the community could be seen as the primary stakeholders while investors, customers, employees and suppliers could be considered as the secondary stakeholders (Goliath Business News, 2006). Stakeholder relationships are important because stakeholders can make legitimate claims on organisations, because they share in the risks with which organisations are faced, or because they can otherwise influence organisations as a result of various sources of power, urgency or legitimacy. Goliath Business News (2006) concludes that positive stakeholder relations can become an inimitable resource, forming the basis for a significant source of competitive advantage.

In his reflection on how to manage stakeholder expectations, Junnarkar (2002) states that the expectations of stakeholders regarding the change process or project need to be made explicit right from the outset in order to design the process in such a manner that it enjoys their continued support. Recklies (2001) highlights the importance of understanding the reasons for resistance by particular stakeholder groups involved and suggests that a thorough analysis be conducted in that regard. Table 4.2 below illustrates the various stakeholders that would typically form part of the analysis in a merger of financial organisations.
### Table 4.2: Stakeholder groups and challenges

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Experiences, problems and types of resistances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of the board of directors</td>
<td>• Fear of a dominating merger partner&lt;br&gt;• Fear of losing own position as CEO&lt;br&gt;• Conflicts in allocation of responsibilities and tasks&lt;br&gt;• Conflicts in choosing location of new headquarters&lt;br&gt;• Personal hostility between CEOs of both partners&lt;br&gt;• Conflicts because of higher claims for redundancy payments</td>
</tr>
<tr>
<td>Members of supervisory board</td>
<td>• Fear of a dominating merger partner&lt;br&gt;• Fear of losing seat on the supervisory board&lt;br&gt;• Conflicts in choosing name of merged bank and location of new headquarters&lt;br&gt;• Problems with regional/local politics&lt;br&gt;• Interest in regional independence</td>
</tr>
<tr>
<td>Owners/members of cooperative</td>
<td>• Lack of understanding of need for merger&lt;br&gt;• Problems with regional/local politics&lt;br&gt;• Interest in regional independence&lt;br&gt;• Interest in improved financial benefits</td>
</tr>
<tr>
<td>Staff</td>
<td>• Conflicts owing to fear of changes in middle management and among all the staff</td>
</tr>
</tbody>
</table>

Source: Recklies, 2001

Although the stakeholders may differ from one organisation to the next, the reasons for the resistance as stated in Table 4.2 above may be equally applicable to other merging organisations in general and higher education institutions in particular.

#### 4.3.5 Clarity of merger rationale

Anderson (1999) reports that employees tend to experience much confusion and uncertainty about the exact details of merger-related issues such as the future ownership and leadership of the merged organisation, as well as how the workforce will be blended to produce a unified post-merged organisation. Anderson (1999) argues that HR practitioners should play an integral role in ensuring that employees are given clarity about the business reasons for the merger as well as the positive opportunities that will result from it. Fletcher (2008) cautions that the inherent uncertainty associated with a
merger needs to be demystified through effective leadership, communication and guidance on key issues such as organisational restructuring and policy changes supporting the rationale behind the merger. In a global report on mergers and acquisitions, Kelly, Cook and Spitzer (1999), on behalf of KPMG, reported that 80 per cent of respondents were unclear about the real rationale of the merger. They conclude this could be the cause of mergers very often failing to unlock the anticipated benefits, of which increased shareholder value is one.

The above discussion implies that if employees are not provided with clear and continuous communication about the merger rationale and related processes, the inherent confusion and uncertainty could have an adverse impact on the possible positive spin-offs of the merger.

4.3.6 Clarity of employees’ new roles

According PricewaterhouseCoopers (2009), employees have a need to know to whom they will report in the merged organisation. However, having information about reporting relationships alone does not ensure alignment, productivity and high performance. High performance is a by-product of organisational clarity. This relates to clarity about how a person influences the merged organisation’s end-results, as well as the person’s role in relation to the roles of others. Until individual roles relative to core business processes are addressed, the only value of an organisational chart is the superficial sense of control it provides senior leaders in the merged organisation. Employees want to know what is expected of them, what they are accountable for, and what decisions they own. It cannot be expected of employees to effectively execute their responsibilities until the accountabilities (i.e. answerability for end-results) and decision authority for each position on the chart are published and clearly communicated (PricewaterhouseCoopers, 2009). This suggests that a lack of role clarity in the merged organisation can have a negative impact on employees’ performance.
4.3.7 Pre-merged cultures

Habeck et al (2000, p.83) state that mastering cultural differences is by far the most challenging phenomenon merging organisations have to deal with. Mergers require people from different cultures, who have been plunged into the situation, to work together and to deal with complex issues of "strategy and work practices". Garrow, Devine, Hirsh and Holbech (2000, p.4) argue that strategic alliances such as mergers and acquisitions result in immense managerial and people-related challenges, because they require a willingness to dissolve the pre-merged boundaries that existed between organisations and in people's minds. If done effectively, this could unlock collaborative opportunities as merger partners learn from one another's skills and different ways of working. They further propose that, as organisations move along the integration continuum, they need to shed the pre-merged certainties and embrace the post-merged ambiguities (Garrow et al, 2000, p.4-5).

4.3.8 Loss of key staff and low morale

Davis (2007) argues that there are few other business events that have the potential to create chaos, lose key people and adversely affect morale to the extent that mergers and acquisitions can. The main reason that critical staff members leave the merged organisation is the tendency of executive management to hand over the integration process to middle management. According to Davis (2007), the top talent within the merged organisation wants to see the executive driving and leading the integration by assigning project managers to the various processes, as well as to gain absolute clarity in respect of the following questions:

- What are the facts pertaining to the progress of the merger?
- Who is in charge of the merged organisation?
- How can I contribute if I don’t understand the vision of the new organisation?
- Will the changing culture be good or bad?
- How does all of this affect my pay and promotion prospects?
Stockdale (2006) cautions that, while executives may think that the merger process is going according to plan, employees may have a totally different view on the matter. Employee attitudes can be drastically affected if executives do not deal with their concerns about their jobs with the necessary sensitivity and commitment. This will eventually have a negative impact on employees’ morale and, ultimately, the productivity, customer relations and the bottom line of the organisation (Stockdale, 2006).

4.3.9 Employees’ ages and tenures

Previous chapters in this study placed significant emphasis on the importance of carefully planning for human issues that might arise during the merger process. It is argued that, although little information regarding demographic influences on individual merger satisfaction is available, it could intuitively be expected that particular personal characteristics might predispose an individual toward favourable or unfavourable merger attitudes (Morán & Panasian, 2005).

In their discussion of the influence of pre-merger employment relations and individual characteristics on the psychological contract as it pertains to the post-merged organisation, Linde and Schalk (2006) point out that employees’ ages, as an individual characteristic, have a prominent influence on how employees form a psychological contract in the merged organisation. In the context of a merger, the psychological contract could refer to the perception of reciprocal expectations and obligations implied in the employment relationship (Linde & Schalk, 2006).

Schraeder (2001) contends that it is likely that employees with more positive attitudes, such as organisational commitment, will tend to be more supportive of the proposed merger, while those with less positive attitudes will be more likely to resist the proposed merger. The findings of Schraeder’s study (2001) indicated that individuals with more than five years’ work experience at the pre-merged company had higher levels of organisational commitment than individuals with less than five years’ experience. He
therefore suggests that organisations in the midst of a merger could enhance the efficacy of the transition by involving individuals with more job tenure in serving as change champions, promoting the merger transition amongst those with comparatively less job tenure.

4.4 STRATEGIES TO DEAL WITH POST-MERGED CONSTRAINING FACTORS

From the above discussion, it is evident that each merger is unique, and may thus require different strategies and approaches in dealing with the various constraining factors experienced during the merger process. Some of the general guidelines suggested by Anderson (1999), which are presented below, could assist in alleviating the impact these constraints may have on the short-term effectiveness of the merger process as well as in fostering its long-term success.

- Include HR specialists in pre-merger discussions

In the strategic planning phase, HR personnel should assess the corporate cultures of the two merging organisations to identify areas of divergence that could hinder the post-merged organisational culture integration process. Typical areas that could be focused on and that need to be assessed include communication methods, compensation policies, skill sets and company goals. Before reaching a merger deal, the merging organisations should ideally agree which elements of their respective cultures should be retained and how they will rectify significant differences.

- Identify and address employee concerns

An employee attitude survey can assist merging organisations to extract common employee perceptions and concerns, and allow the new management to create a more appropriate post-merged integration plan, develop tools to minimise negative employee experiences, such as stress, change resistance or indifference, and, instead, send a message that the organisation truly cares about its human resources.
• Provide a realistic merger preview and communicate continually

It is critical that all employees be aware of what the merger intends to achieve, why it is important, what the organisation will look like in its post-merged condition in the short-term and the long-term, and how they are likely to be affected. Employees who know what to expect are less likely to suffer from stress and be change-resistant. Open and honest communication during all stages of the merger is of the utmost importance. Employee communications must continually keep members informed regarding the progress of the merger. Employee participation should be encouraged throughout the merger process.

• Develop an integration plan

HR professionals, in collaboration with executive and line management, should initiate a detailed post-merged integration plan to facilitate the process, by identifying individuals who might be crucial to the long-term success of the merged company and creating incentives to retain their services. Developing and communicating the new organisational structure, and developing and implementing downsizing measures that will minimise the adverse impact on the organisation and individuals are equally critical. The integration plan should also address employee issues, such as stress and uncertainty, through various employee support programmes. Another key requirement is that the two organisations’ policies and processes should be merged in alignment with the new strategy and revised organisational structures.

• Conduct a talent audit

HR professionals should identify the workforce segments that will be critical to the success of the merged organisation. Attending to the workforce planning, and identifying who will go and who will stay when merging two divisions is complex, but it must be done swiftly and fairly. Employees’ developmental needs must also be identified to enable the merged organisation to nurture the necessary talent in order to ensure its success.
Manage downsizing with care

If headcount reduction is carried out properly, displaced employees will feel that they have been treated fairly. Similarly, the remaining employees can feel proud to work for the merged organisation and the public image of the organisation will be positive. Usually, compulsory retrenchments are mitigated by natural attrition, early retirement incentives and enhanced severance packages. However, if employees are to be affected by lay-offs or terminations, they should be identified as soon as possible. This unfortunate eventuality should be communicated with honesty, sensitivity and fairness.

Employee support services such as career counselling, retraining programmes, and job search, stress management, retirement preparation and financial counselling workshops should be provided to assist employees in adjusting to the traumatic change.

Motivate employees

In order to provide employees with a clear sense of direction and purpose, the merged organisation needs to define and communicate specific short-term organisational goals. These goals should then be cascaded to individual performance standards, which should preferably be somewhat higher than the standards employees were striving for before the merger. The development of short-term performance goals will enable employees to become familiar with the merged organisation’s goals and objectives, motivate them to attain their performance targets, encourage both employees and supervisors to define and communicate their expectations, and clarify how performance will be measured in the merged organisation.

Monitor the integration progress continually

HR personnel, together with executive and line managers should monitor the integration process by utilising various mechanisms, such as employee questionnaires or informal interviews, to establish the current organisational culture as well as the present level of
job satisfaction, and employee motivation and commitment. Such constant contact with employees will serve as a demonstration of the importance attached to their opinions. The solicitation of their ongoing feedback will assist in re-establishing organisational trust and renew or strengthen their commitment.

4.5 CONCLUSION

The various sources of literature referred to in this chapter highlight the belief that resistance to change is a very real and complex phenomenon, which requires decisive and ongoing attention, especially in the context of a merger. The diverse nature of some of the factors that could constrain the effective implementation of post-merger integration strategies suggests that the creation of a post-merged organisational culture conducive to the effective management of performance will require a structured and systematic approach. Certain of the strategies and guidelines for dealing with the constraining factors presented in this chapter could possibly be included in the development of a model for creating an organisational culture conducive to the effective management of performance in a post-merged organisation. The development of such a model is discussed in the following chapter.
CHAPTER 5
AN INTEGRATED THEORETICAL MODEL TO CREATE A POST-MERGED ORGANISATIONAL CULTURE CONDUCIVE TO EFFECTIVE PERFORMANCE MANAGEMENT

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CHAPTER 5

AN INTEGRATED THEORETICAL MODEL TO CREATE A POST-MERGED ORGANISATIONAL CULTURE CONDUCIVE TO EFFECTIVE PERFORMANCE MANAGEMENT

5.1 INTRODUCTION

Chapter 4 provided an overview of resistance to change as well as other specific merger-related factors that could impact on the creation of an organisational culture conducive to effective performance management in a post-merged organisation. The concept of resistance to change was highlighted by focusing on the various types of resistance that could be encountered in an organisation seeking to create this desired culture. The literature also emphasised the stages that resistance to change usually traverses in such an organisation, as well as the impact it may have on the organisation. Information was also provided regarding the possible reasons for resistance to change. The literature review furthermore outlined some of the merger-related constraining factors that typically derail the achievement of a successful post-merged organisational culture – an organisational culture that supports effective performance management.

This chapter focuses on strategies that could assist in developing an integrated model for the creation of a post-merged organisational culture conducive to effective performance management. The nature and benefits of an integrated model, with its various phases, are discussed in terms of the various sources of literature referred to in earlier chapters of this study. Strategies to support the successful conclusion of the merger and the culture creation process are also discussed in this chapter.
5.2 ORGANISATIONAL CULTURE INTEGRATION – AN INTEGRATED THEORETICAL MODEL

5.2.1 The rationale behind an integrated theoretical model

Carleton and Lineberry (2004, p.17) argue very strongly that organisational culture and, therefore, culture integration, cannot be dealt with in isolation. According to these authors, a “simple and focused culture change programme” is destined to fail in its efforts to create sustainable and measurable organisational change (Carleton & Lineberry, 2004, p.17). They further postulate that organisational culture is deeply embedded in every aspect of the entire organisational system and that the drivers of organisational culture are multiple and varied. They conclude that culture is not amenable to being treated independently or in isolation and that attempts to do so will invariably result in failure (Carleton & Lineberry, 2004, p.31). These views can be extended to imply that an attempt to integrate two or more organisational cultures as a result of a merger should be done in an integrated manner, cutting across the various systems and processes of an organisation.

A similar view is expressed by Skelton-Green, Simpson and Scott (2007), who point out that an integrated conceptual framework for change should incorporate the need to be strategy-driven, people-centred and project management orientated. By focusing only on being strategy-driven, leaders may make the mistake of communicating minimal information on specifications or rules. On the other hand, leaders who are only people-driven may run the risk of over-emphasising activities such as stakeholder engagement, facilitation and capacity building. Leaders who prefer a project management approach tend to place significantly more emphasis on tasks, deliverables and accountabilities. In reference to such lack of integration, Skelton-Green et al (2007) caution that change efforts will falter when strategic vision fails to provide people with the necessary support and direction to effect the change or when leaders are overwhelmingly people- and relationship-centred, and nothing concrete is achieved. The last instance cited by Skelton-Green et al (2007) relates to a situation in which leaders manage projects by
locking themselves into a room and forgetting about the bigger strategic picture and the people aspects involved.

Habeck et al (2000, p.83) argue that the very pervasiveness of culture and the fact that it is often blamed for merger failures implies that it could lead to failures in communication, divergence of objectives, differences in business models, political rivalries and even personality clashes. Based on the argument of Habeck et al (2000), it could be concluded that organisational culture integration in a post-merged environment should be driven by an integrated model that takes into account the need to involve all the constituent parts of an organisation's operation, as opposed to the notion of treating culture as a free-standing concept. The inverse interpretation of the individual and collective views expressed by Carlton and Lineberry (2004), Skelton-Green et al (2007) and Habeck et al (2000) implies that, if approached in isolation in a post-merged environment, organisational culture integration will be treated in a flawed fashion, guaranteed of producing adverse post-merged results.

Fletcher (2008) addresses post-merged cultural incompatibility on the basis of five key areas namely, leadership, governance, communication, business processes, and performance management and rewards. Fletcher (2008) cautions that, if left unattended, these “cultural landmines” could create untenable business risks for the merged organisation. These five key areas are presented and discussed in the section that follows.

5.2.2 Five key culture integration risks

Wyman (2008) points out that no other management project is as complex or poses such a high risk of failure as a post-merged integration. Fletcher (2008) suggests that organisations should actively manage their post-merged culture integration by closely focusing on the following five key areas early on in the merger process:
1) Leadership

In many unsuccessful mergers, leadership incompatibility has been singled out as a key source of conflict. One merging organisation’s leadership may prefer a command-and-control style while leaders from the other organisation may prefer a more hands-off approach. To the extent that such fundamental differences are allowed to divide leaders in the post-merged environment, this could cause friction and additional risks such as a lack of employee commitment to the goals of the merged organisation or high turnover amongst key employees. Given the negative impact that leadership incompatibility can have on effective culture integration, merging organisations should begin to identify such incompatibility even before the merger deal is finalised. Posing critical leadership compatibility questions to both merging companies could assist the merged organisation in dealing with some of the differences in a proactive manner. Such questions could include the following:

- How do leaders in your organisation drive and assess results?
- How would you describe the leadership style in your organisation?
- When differences of opinion arise among senior staff, how are such differences resolved?

2) Governance

To be effective, corporate governance requires a great deal more than just a system of checks and balances to protect the interests of stakeholders in an organisation. Corporate governance needs to permeate the way decisions are made in every aspect of the business and across the boundaries of the merging organisations. Included in these business aspects is the work of governing bodies, such as programme management steering committees, councils that direct the work of support functions and corporate governance boards. An intrinsic and central aspect of corporate governance is the people-dynamic, and the way individual leaders make and execute decisions in the merged organisation.
3) Communication

Given the inherent uncertainties experienced by employees during a merger, communication is an essential task of the leadership of the post-merged organisation. Different merging organisations will adopt different approaches and attitudes in relation to what needs to be communicated to the various stakeholders. As regards employees, insufficient or inconsistent communication and guidance on key aspects, such as organisational restructuring, customer relations and changes in financial policies, can become untenable business risks for the post-merged organisation. The leadership in the merged organisation can adopt a proactive approach by utilising two-way communication in order to reinforce values, goals, and policies and procedures throughout the organisation.

4) Business processes

Mergers typically result in organisations’ seeking ways to realise new efficiencies through integrated functions and procedures. These may include the consolidation of plants or branch offices, decisions to centralise purchasing to leverage their buying power or the consolidation of their back-office and other support functions. These changes invariably result in the design and implementation of new core business processes. As in the case of leadership styles, governance and communication models, the enforcement of these newly designed core business processes may differ from one organisation to the next. It is critical that these new processes are understood and respected by all concerned, in particular during the post-merged integration phase. This requires decisive leadership, supported by mindful and frequent communication to all stakeholders in the organisation. Failure to give careful and systematic thought to the changes in the core business processes during the integration phase may expose the merged organisation to breakdowns in the quality of its products and services.
5) Performance management and rewards

People who are brought together in a merged organisation usually resent the fact that their newly acquired colleagues in similar positions are receiving significantly better remuneration, rewards or recognition. If indefensible differences in employee reward and recognition are overlooked, this can lead to employee morale issues, undesired employee turnover, inconsistent performance and an overall decline in productivity. Merger integration plans should therefore include efforts aimed at harmonising performance measurement and compensation systems to the largest extent possible. Differences in remuneration, if defensible owing to the nature of pre-merged compensation realities, need to be explained to help employees understand that they are fair although not uniform across the organisation.

To be truly integrated, a post-merged culture integration framework needs to provide proactive, equal and disciplined focus on all five of the aspects discussed above. In doing so, the culture integration process can support the realisation of the inherent benefits of the merger transaction more swiftly (Fletcher, 2008). Failure to do so can result in catastrophic post-merged consequences, destroying much of the potential value of the merger. A classical case in point of a merger in which these five aspects were apparently dealt with in a reactive and impromptu fashion is the 36 billion US dollar merger of Daimler-Benz and Chrysler. It was anticipated that, as a result of the merge, the new organisation’s stock price would be triple those of both the pre-merged companies. However, owing to severe culture clashes, accompanied by the exodus of Chrysler executives, DaimlerChrysler was left with a chaotic American operation. Two years after the merger, the stock price had plunged and the merged company was worth less than Daimler-Benz had been before the merger (Fletcher, 2008). Reid and Hubbell (2005) emphasise the importance of a disciplined approach to creating a performance culture by arguing that a sense of discipline, which recognises clear boundaries, combined with inherent flexibility, is truly liberating.
In an exposition on the successful merger of Reynolds American – a merger between J. Reynolds, and Brown and Williamson, America’s second and third largest tobacco companies respectively – it is reported that most merged organisations state in hindsight that they should have focused more on an integrated and proactive approach to all the cultural aspects of the merger (Denison Consulting, 2007).

5.3 THE PRESENTATION OF THE INTEGRATED THEORETICAL MODEL

5.3.1 Overview of an integrated theoretical model

This section provides a description of the integrated theoretical model depicted in Figure 5.1, which was developed by drawing on the literature which has been referred to in previous chapters of this study. Each phase of the model is discussed together with the various underpinning process steps. The integrated nature of the model is graphically illustrated by the vertical and horizontal arrows that connect the various process steps within and across the various phases. This suggests that the model might not achieve its intended outcome if only certain phases or process steps of the model are implemented. The outcome of the model is described as an “organisational culture conducive to effective performance management”. The model further illustrates that this outcome will be influenced by various merger-related variables, such as employees’ age, clarity of the merger rationale, employee buy-in and stakeholder expectations. These merger-related variables are illustrated in Figure 1.2 in the conceptual model for this research study.

The model consists of four distinct phases and eight process steps within these phases. The four phases are as follows:

1) Phase 1, namely the pre-merged assessment phase, consisting of three process steps,
2) Phase 2 deals with the commissioning of an integration and alignment planning process, and consists of one process step,
3) Phase 3, during which the integration and alignment process is implemented, consists of three process steps,

4) Phase 4 deals with the design of post integration monitoring and evaluation measures, and consists of one process step.
Figure 5.1: An integrated theoretical model: Organisational culture integration

**PHASE 1 – CONDUCT PRE-MERGED ASSESSMENT**

- **Step 1** Conduct cultural assessment
- **Step 2** Assess human capital capability
- **Step 3** Assess change readiness

**PHASE 2 – COMMISSION INTEGRATION AND ALIGNMENT PLANNING PROCESS**

- **Step 4** Develop cultural alignment and integration plan

**PHASE 3 – INITIATE INTEGRATION AND ALIGNMENT IMPLEMENTATION PROCESS**

- **Step 5** Executive management
- **Step 6** Senior & line management
- **Step 7** Total organisation

**PHASE 4 – DESIGN POST INTEGRATION MONITORING & EVALUATION MEASURES**

- **Step 8** Develop organisational culture integration success monitoring measures

Various merger-related variables

**ORGANISATIONAL CULTURE CONducive TO EFFECTIVE PERFORMANCE MANAGEMENT**

(Source: Researcher’s own development)
The different phases of the integrated theoretical model, as depicted in Figure 5.1 above, are described in greater details in the sections below.

5.3.2 Phase 1: Conduct a pre-merged assessment

This phase of the model, which consists of three steps, requires that merging organisations conduct a pre-merged assessment. This assessment involves a cultural assessment, a human resources capability assessment and a change readiness assessment, each of which is illustrated as a separate step. Freedman (2005) highlights the importance of a pre-merged assessment or due diligence in order to avoid misperceptions or misconceptions that could create problems in the post-merged phase. This view is supported by Osti and Associates (2003), which cautions that, if not dealt with, certain pre-merged stress points could derail the merger process. These stress points include assessments about the vision, real purpose and benefits of the merger, as well as the appropriateness of the business objectives of the merged organisation.

**STEP 1: Conduct a cultural assessment**

The conducting of a cultural assessment is strongly supported by Carleton and Lineberry (2004), and Habeck et al (2000) on the basis that cultural incompatibility is considered one of the main causes of failed mergers.

Researchers would typically capture the culture of the organisation and the voice of the employees by collecting employees’ verbal comments and arranging the data according to predetermined cultural attributes or according to the types of cultural behaviours that are displayed. The information value of the research findings is enhanced as the quantitative methodologies are shaped by the qualitative data obtained from interviews.
with the CEO and executives, workplace observation and documentation review. It is advisable to administer a web-based cultural due diligence survey to a sample of the total population of the two organisations involved in the merger in order to develop a high-level cultural profile of each organisation (Carleton & Lineberry, 2004, p.92). Organisations have to decide whether they will be making use of an off-the-shelf or a customised cultural assessment instrument (Carlton & Lineberry, 2004. p.56). A pre-merged cultural assessment can include evaluation of aspects of each company, such as their organising arrangements, social factors, physical settings, use of technology, leadership, products and services, visions and financial strength (Collins & Porras, 1998). Organisational culture has been strongly linked with organisational performance. The creation of a performance culture requires a systematic and disciplined approach to the management of the performance of the organisation, teams and individuals (Cartwright & Cooper, 1990; Reid & Hubbell, 2005). Buytendijk (2009 p.153) cautions that it is important to determine whether the pre-merged performance management mindset is externally or internally oriented, a finding that is particularly relevant in the cultural assessment phase.

**STEP 2: Assess the human capital capability**

This step of the model requires that a human resources assessment be conducted prior to the merger. It is critically important that all people-related issues are dealt with in an effective manner prior to the merger, as well as throughout the entire merger process. An audit or assessment that focuses very specifically on human resources may also be performed to identify employees who are critical to the success of the merger. The true value of the merger is at risk if such employees leave the organisation during or soon after the merger. Mergers negatively affect between 25 and 50 per cent of employees in both pre-merged organisations either through job losses or a lowering in job status. This induces much fear, uncertainty and anxiety amongst employees involved in a merger. (Fong, 2009; Habeck et al, 2000; Martin & Roodt, 2008). Davis (2007) propounds that there are few business events that have the potential to create chaos, lose key people and adversely affect morale to the extent that mergers and acquisitions can.
The human resources audit will also assist in determining whether the merged organisation will be able to face its existing and future leadership challenges. The audit could guide the development of a cohesive leadership model capable of effectively dealing with the planning and implementation of the post-merged integration process (Macfarlane & Butterill, 1999). Assessment of the human resources capability will address the need for a holistic and integrative human resources strategy in the merged institution. Such a strategy will promote knowledge of HR practices, enhance sound post-merger organisational performance, ensure the continuous availability of competent staff, develop leadership capability and result in the merged organisation’s being a human capital developer (Schultz, 2009).

**STEP 3: Assess the level of change readiness**

This step of the model refers to the assessment of the merging organisations’ change readiness prior to the merger. Effective change management involves a process of assessing the current state, creating a common vision, designing the desired end-state, establishing new behaviours and working towards implementing the actual change. An important early step in the change process is the change readiness assessment (KLR Consulting, n.d.).

According to KRL Consulting, (n.d.), the following steps are typically associated with a change readiness assessment process:

- Develop an understanding of the scope and context of the change by meeting and working with all the key stakeholders.
- Design the assessment instrument by specifying the key data requirements, data sources and data collection instruments.
- Collect the data by means of structured interviews, focus groups, questionnaires, archival data or any combination of these, depending on the nature and scope of the change, and analyse the collected data.
5.3.3 Phase 2: Commission the integration and alignment planning process

This phase of the model consists of one step which requires the merging organisation to commission a culture integration and alignment planning process. The outcome of this process step is an organisational culture integration and alignment plan.

STEP 4: Develop a cultural alignment and integration plan

The post-merger integration of two or more organisations to create one effective functioning unit is complex and unique given the vast array of mergers that can take place. No two organisations, even in the same industry or market sector, conduct their businesses in the same manner (Booz, Allen and Hamilton Incorporated, 2001; Carleton & Lineberry, 2004, p.89). This implies that their organisational cultures would naturally be different as well. There can therefore be no textbook or blueprint in terms of which organisational culture integration and alignment should occur. However, two basic principles can guide the planning process. Firstly, all issues that are time-sensitive, such as legal, regulatory, competitive demand or broad system alignment issues, which will require resolution early on in the integration in order to process ensuing actions, need to be given priority attention. Secondly, the plan should detail the systematic alignment and integration of the two organisations’ cultures at executive, management and non-management staff levels (Carleton & Lineberry, 2004, p.89). Carleton and Lineberry (2004) propose a generic nine-step culture integration and alignment model as an outcome of the planning process:

- Review the business plan and overall organisational intent.
- Achieve absolute clarity from the CEO in respect of the business plan and organisational intent.
Complete the cultural assessment (due diligence) of both organisations.

Review the results of the cultural assessment with the CEO to achieve optimum clarity.

Conduct issues-based team-building sessions with the executives of the merged organisation.

Conduct workshop sessions with all managers of the merged organisation regarding its business plan, strategies, vision and values.

Conduct feedback-based planning sessions with executives and managers to review past and present performance of self and their respective units against the vision, mission, strategy, values and practices of the merged organisation. This will lead to the development of an action plan for change, development and improvement.

Conduct workshop sessions for all non-management staff in order to create optimum clarity regarding the business plan, strategies and management activities related to organisational infrastructure.

Conduct work process reengineering on an as-needed basis.

Carleton and Lineberry (2004, p.91) suggest that the nine-step model can be used as a basis for the activities related to the culture integration and alignment process.

5.3.4 Phase 3: Initiate the integration and alignment implementation process

This phase of the model deals with the actual implementation of the integration and alignment process. This phase comprises three steps, namely the integration of executive management, the integration of line management and the integration of the total organisation.

STEP 5: Integration and alignment as it relates to executive management

This step requires that members of the executive management address four aspects. Firstly, they need to “walk the talk” through faultless behavioural modelling. This requires executives to become adept in self-awareness and constant introspection as
employees tend to observe and analyse executive behaviour very closely during stressful times such as a merger. This will avoid the clash of culture, aptly expressed in metaphoric terms as the collision of two icebergs (non-management employees and top management) below the surface despite their tips’ having “joined” (Bijlsma-Frankema, 2001).

Secondly, the development of a mission, vision, organisational strategy and cultural values is arguably the most critical role of executive management during post-merged integration and alignment.

Thirdly, executive management must embark upon an issues-based teambuilding session in order to focus on the individual and collective behaviour and effectiveness of the executives. The term “issues-based” relates to both self management and the leadership of others, and requires that issues associated with these be treated with candour and authentic understanding of the strengths, weaknesses and personal preferences of each member of the executive team. This will enable the executive team to provide direction, motivation, guidance and clarity in the new organisation.

Fourthly, the mission, vision, strategy and values must be meaningfully communicated throughout the merged organisation in order to avoid or reduce confusion amongst the rest of the organisation (Carleton & Lineberry, 2004, p.94). Denison Consulting (2007) endorses executives’ relentless communication of the vision, strategy and core values of the merged organisation. This communication should be effected by means of open and meaningful conversations with all employees about the roadmap to creating a high performance post-merged organisation and therefore post-merged success.

**STEP 6: Integration and alignment as it relates to senior and line management**

This step of the model deals with the integration of all senior and line managers in the organisation. The purpose of this step is to provide absolute clarity to line managers on the key outcomes of the executive issues-based teambuilding session. This step
involves all senior managers to first line supervisors, on the basis that this cohort of the management group is the primary driver of organisational behaviour in the merged organisation. The integration of all senior and line managers entails the following sequential elements (Carleton & Lineberry, 2004, pp.100-103):

- Gaining clarity on organisational direction.
- Reviewing the new organisational values to establish how they relate to the new strategy.
- Gaining agreement on the values, as well as work practices that will strengthen the values.
- Communicating the senior and line managers’ session results to the rest of the organisation.

**STEP 7: Integration and alignment as it relates to the total organisation**

This step of the model deals with the integration and alignment of the total organisation and is designed to afford every member of the new organisation the opportunity to understand the reasons for the merger, the direction of the merged organisation as well as the changes that are required to achieve post-merged success. In this way, all staff members are able to commit to and become engaged in the new organisation. It is advisable to issue personal communiqués to every staff member, inviting them to be a part of creating a new and successful organisation.

In their study of employee attitudes after mergers and acquisitions, Gulati and Teo (2009) found that organisations have come to realise that establishing effective communication channels during merger activity is critical to post-merged success. They advise that top and senior management keep employees informed and aligned to the organisation in order to minimise employee turnover (Gulati & Teo, 2009). In the absence of clearly established, communicated and understood lines of authority, managers and employees will be caught in a web of conflicting objectives and loyalties. This can be prevented by concentrating on substance over form and focusing on
helping people authentically to adapt in the merged organisation (Gitelson, Bing & Laroche, 2001).

All staff sessions are typically one-day sessions, comprising of groups ranging between 20 and 100 people, and should be presented by the executives and senior managers (Carleton & Lineberry, 2004, pp.110-114. These sessions should cover the following topics:

- The case for change,
- An overview of the organisation’s strategic direction,
- A focus on the competitors or customers (optional),
- A briefing on the organisational values,
- An overview of the management action plans, and
- Development of performance improvement suggestions.

According to Carleton and Lineberry (2004, p.115), this will typically be the last step in the culture integration and alignment process of the merged organisation.

However, this particular model, developed in the course of this study, proposes that culture integration and alignment measures should be developed and implemented in order to determine the progress and status of the integration process. Adams and Neely (n.d.) point out that executives tend to get caught-up in the throes of deal-making and invariably fail to install effective post-merger integration tracking and monitoring processes. They further highlight the critical need to track all the elements of post-merged integration, at the appropriate level of detail, in order to make it meaningful to all stakeholders and not just investors and customers, as is the case with the often “abused” balanced scorecard. This aspect is dealt with in Phase 4 of the integrated theoretical model.
5.3.5 Phase 4: Design post integration monitoring and evaluation measures

This phase, which contains one step, deals with the gathering and analysing of data originating from various departments, such as Finance, HR and Legal, as proposed by Carlton and Lineberry (2004, p.117).

STEP 8: Develop organisational culture integration success monitoring measures

Carlton and Lineberry (2004, p.117) recommend that data relating to the following aspects be collected in order to monitor the success of the culture integration process:

- Increase or decrease in revenue,
- Increase or decrease in profit and profitability,
- Payback on capital cost,
- Increase or decrease in productivity levels, and
- Performance to budget.

They further propose that the following measures be utilised to track and monitor culture integration:

- Web-based opinion and attitude surveys,
- Web-based follow-up cultural assessment surveys,
- Web-based 360-degree leadership and management surveys,
- Monitoring of customer satisfaction levels,
- Monitoring current organisational measures,
- Establishing listening "posts" or focus groups,
- Monitoring of loss of key executives or key staff, and
- Monitoring of absenteeism.
The above measures are to be routinely reviewed to ensure that they remain relevant to the purpose of measuring organisational culture integration success (Carlton & Lineberry, 2004, p.118).

The integrated theoretical model addresses, in part, the envisaged outcome of Sub-problem 6 of this study, in that it represents a consolidation of the theoretical findings of the study. This model serves as the basis for the empirical study conducted at the three merged institutions, NMMU, CPUT and DUT, involved in the study. In its current state, the model also links back to the independent variables contained in the conceptual model of this study, depicted in Figure 3.1. Together with the findings that emerge from the empirical study, a refined version of the integrated theoretical model, which could be used by post-merged organisations to create an organisational culture conducive to the effective management of performance, has been formulated. The refined version of the model addresses the sum total of the fusion between the theoretical and empirical findings related to this study as referred to in Sub-problem 6.

5.4 THE SUCCESS GUARANTEES OF POST-MERGED INTEGRATION – THE EIGHT DECISIONS TO BE MADE

Wyman (2008) provides eight critical and explicit levers in terms of which a successful post-merged integration can be achieved. These eight levers have to be placed at specific settings in order to achieve an effectively performing post-merged organisation as the various levers interact synergistically. The eight levers, which are discussed individually in the section below, include the type of synergies to be achieved, the speed of integration, the extent of the integration, the starting point of the integration work, the nature of the integration team, the basis for decisions and the type of change management process to be utilised. The settings in respect of these levers require a “conscious decision” on the part of the leadership of the merged organisation (Wyman, 2008).
5.4.1 The type of synergies to be achieved

The key question that must be posed in relation to this lever is whether cost synergies or growth synergies will be pursued by the merged organisation. In the case of cost synergies, it is suggested that all divisions of both merging organisations should embark upon a rigorous review of potential cost savings. Right from the outset, a clear and unambiguous message must be sent regarding the need to take unpleasant decisions, with possible retrenchments as a consequence. On the other hand, should the merger be about exploiting growth potential, the integration process is more likely to be in the form of a growth project that is more future-focused in nature. In this instance, the focus would be on understanding customer needs, evaluating market opportunities and generating new business ideas (Wyman, 2008).

5.4.2 The speed of the integration process

The key question that must be posed in relation to this lever is whether the integration will be lightning fast or slow and steady. It is contended that most managers would opt for post-merged integration to be carried out rapidly in order for them to return to their operational imperatives. Swift integration has its benefits and is typically the type of integration that the financial community prefers to implement. Invariably, speedy integration processes require that decisions be made with minimum information and high levels of uncertainty, with the possible loss of the opportunity to fine-tune the outcomes. Hostile takeovers are typically done with great speed while friendly takeovers generally occur at a slower pace (Wyman, 2008).

5.4.3 The extent of the integration process

The key question that must be posed in relation to this lever is whether the entire organisation or just selected parts or regions of the merging organisations will be affected. In other words, will it be a partial integration or a full-scale integration? Wyman (2008) contends that the more intense the focus on cost synergies, the more extensive
the post-merged integration process. This implies that all functions and all regions will be affected. This approach requires huge amounts of additional resources in order to effectively identify and address integration “hotspots” at an early stage of the process. Significantly less effort is required in the case of a partial takeover, which is typically characterised by the acquisition of new products or new customer segments. Most companies seem to prefer a partial integration as opposed to a complete integration as it is simpler and less controversial (Wyman, 2008).

5.4.4 The spirit of the integration process

The key question that must be posed in relation to this lever is whether it is a merger of equals or a hostile takeover. A merger of equals sounds more appealing, but is replete with risks as it generates an expectation among parties that current practices will remain intact and that affected parties will be duly consulted in relation to decisions that will negatively impact them. Unmet expectations often lead to extreme disappointment, frustration and mental resignation. A takeover on the other hand raises feelings of mistrust, with employees fearing the worst. The acquiring company often acts like the “lord of the manor”, suppressing the employees of the company being taken over (Wyman, 2008).

5.4.5 The starting point of the integration process

The key question that must be posed in relation to this lever is whether the start of the integration process will be immediate or deferred. In the ideal situation, both management teams work constructively together and the two companies can start the integration process immediately after an agreement has been reached. The leadership team needs to get down to defining focal points, creating teams and commencing with actual work as soon as possible. The benefit of an immediate start is that participants to the integration process openly share information. Customers, employees and suppliers are purposefully addressed to avoid confusion and concerns. Very often, however, much time passes between takeover, the closing of the deal and the integration...
process, causing employees, suppliers and customers to become unsettled as a result of the forced waiting period. Extensive communication is necessary to stabilise the situation and positively influence all stakeholders involved in the process (Wyman, 2008).

5.4.6 The nature of the integration team

The key question that must be posed in relation to this lever is whether the integration team will consist of “clean teams” or joint teams. Depending on the waiting period that is imposed on the integration process, it may be necessary to work with “clean teams”. These teams are responsible for laying the groundwork for integration by working collaboratively with a third party, whose responsibility it is to ensure that the merger deal conforms to the necessary guidelines and regulations. However, working with joint project teams is far more beneficial as it fosters the inclusion of all parties in the integration process, which fast-tracks the transference of project work into areas of responsibility for future managers (Wyman, 2008).

5.4.7 The basis for decisions

The key question that must be posed in relation to this lever is whether decisions will be taken informally in advance or explicitly after the fact. Pre-merged cultures that are vastly dissimilar, together with a strong level of resistance to the merger process, increase the need for definitive decisions. These decisions require in-depth and detailed preparation, and need to be made shortly after the start of the integration process, with the explicit inclusion of various stakeholders in the process. Should the merger process be characterised by a friendly takeover of a similar company with a similar culture, decisions can be prepared during the preliminary stage. Decisions about the future company’s policies and staff are often taken during informal meetings, eliminating the need for extensive analyses and opinion-shaping processes (Wyman, 2008).
5.4.8 The type of change management process

The key question that must be posed in relation to this lever is whether the change management process will be explicit or implicit. The merger of two companies with similar cultural backgrounds requires less explicit communication activities than one which involves two companies with hugely different cultural backgrounds. Typically, during the initial stages, frequent statements are issued about the importance of change management to ensure the ultimate success of the merger transaction. The initial drive and commitment to ongoing and effective change management tends to fizzle out to a few isolated workshops and an occasional update of the intranet. It is critical for key employees to meet at an early stage to share their ideas, experiences and expectations. Effective change management should be explicit and ongoing, consisting of get-togethers, town-hall meetings, outdoor activities and various other measures that are used over an extended period of time to establish one integrated company (Wyman, 2008).

5.5 CONCLUSION

This chapter highlighted the need for and importance of a structured approach to post-merged culture integration. The four-phase integrated theoretical model presented in this chapter represents a consolidation of the various post-merged culture integration strategies that have been discussed in previous chapters of this study. The integrated nature of the model suggests that the various phases and steps contained in it are unlikely to achieve an organisational culture conducive to effective performance management, if implemented in a fragmented manner. The eight conscious decisions identified by Wyman (2008) further highlight the need for a carefully planned, formulated and executed post-merged integration process. The eight decisions require individual and collective consideration in order to achieve the desired post-merged organisational culture.

The following chapter focuses on the research methodology utilised in this study.
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CHAPTER 6
RESEARCH METHODOLOGY

6.1 INTRODUCTION

In Chapter 5, an integrated theoretical model to create a post-merged organisational culture conducive to effective performance management was presented. This model consists of four phases and eight integrated process steps. The model was developed from the various salient organisational culture creation and integration strategies that emerged from the theoretical study. Chapter 2 focused on the challenges facing higher education in general and post-merged institutions in particular. Chapter 3 centered on strategies to create an organisational culture conducive to effective performance management and Chapter 4 dealt with the constraining factors related to the creation of an organisational culture conducive to the effective management of performance.

The primary objective of this chapter is to discuss the research methodology that was utilised in order to address the various sub-problems of this study. In particular, this chapter focuses on professional research design, the population, the questionnaire and the pilot study, as well as the survey and the survey response rate. The biographical information gathered through the survey questionnaire is also presented and discussed.

6.2 PROFESSIONAL RESEARCH DESIGN

A basis for sound decision-making is the knowledge generated through a research process, rather than intuition, tradition or a gut-feel. This applies to decision-making in both the public and private sectors (Brynard & Hanekom, 2006, pp.2-3). Brynard and Hanekom (2006, p.3) point out that research or a scientific enquiry is a procedure used to obtain answers to questions and solve problems, in a systematic manner, with the support of verifiable facts. Meyers (2009, p.12) argues that a researcher finds a topic or
a research problem that relates to the body of knowledge in a particular field or discipline as illustrated in Figure 6.1 below.

**Figure 6.1: A model of research in business and management**

![A model of research in business and management](image)

Source: Meyers, 2009, p.12

According to Figure 6.1, research questions are usually derived from a theoretical body of knowledge, but they could also emerge from the prevailing business practice or the researcher’s own intuition. In order to find answers to the questions arising from the research problems, the researcher elects a research method with which to find the empirical evidence systematically (Meyers, 2009, pp.11-13).

The views expressed above place an important obligation on the researcher to ensure that the empirical questionnaire is capable of obtaining the desired answers to the various research questions, so as to create new knowledge or generate solutions to the research problems. The research design that was applied in this study emerged from the formulation of a main problem and related sub-problems based on the literature review.

Brynard and Hanekom (2009, p.16) state that a problem statement should be posed in a concise and succinct manner to ensure that any person who reads it will be able to understand it with relative ease. The main problem and the six sub-problem statements were stated and discussed in Chapter 1. The main problem statement, namely “What
strategies can be utilised to develop a post-merged organisational culture conducive to the management of performance?” was derived from a theoretical discussion in Chapter 1. This discussion concentrated on the various theoretical perspectives related to a post-merged organisation’s efforts to create a culture conducive to the effective management of performance. The following sub-problem statements were derived from the main problem statement:

Sub-problem 1 dealt with the challenges related to the management of performance in a post-merged organisation. This sub-problem was addressed by means of a literature study that focused on the unique challenges that post-merged universities and other organisations face in their efforts to create an organisational culture conducive to effective performance management. The researcher also conducted interviews with senior HR practitioners at the selected post-merged universities in order to gain an understanding of their experiences of performance management in their post-merged institutions. The insights gained from the theoretical study and the interviews were incorporated into the survey questionnaire that was issued to executive managers, line managers, HR practitioners and non-management employees from the selected post-merged universities as part of the empirical study.

Sub-problem 2 explored the various strategies that organisations can utilise to develop an organisational culture that enhances the management of performance. This sub-problem was addressed by means of a literature study which identified strategies that merged organisations, and specifically post-merged universities, could utilise to develop such an organisational culture. These strategies included aspects such as the articulation of a vision and mission, the deployment of effective leadership, change management, culture integration interventions and effective communication.

Sub-problem 3 explored the extent to which the strategies revealed in addressing Sub-problem 2 are considered important by the selected post-merged universities. In pursuit of this outcome, an empirical study was conducted by means of a survey questionnaire
that was issued to executive managers, line managers, HR practitioners and non-management employees at the selected post-merged universities.

Sub-problem 4 focused on the moderating variables that can impact on the relationship between the application of the strategies referred to in Sub-problem 3 and the dependent variable in this study. This sub-problem was addressed by means of a literature study focusing on those factors (the moderating variables as depicted in the conceptual model in Figure 1.3) that can influence the effectiveness of the strategies that post-merged institutions apply to create an organisational culture conducive to the effective management of performance (the dependent variable in Figure 1.3).

Sub-problem 5 focused on merger-related variables, such as loss of status, employees’ clarity of their new roles, the impact of the merger on employees’ personal lives, and the loss of key staff and low morale, which could moderate the impact of a performance management-oriented culture, and the extent to which these variables are considered important by the selected merged institutions. This sub-problem was also addressed in the empirical study by means of a questionnaire which was issued to executive managers, line managers, HR practitioners and non-management employees at the selected post-merged universities.

Sub-problem 6 focused on how the results from Sub-problem 2 to 5 could be integrated into a theoretical model that could be utilised by merged institutions to develop an organisational culture conducive to the effective management of performance. The development of the model was based on the theoretical and empirical findings of the study.

### 6.3 THE EMPIRICAL STUDY

The empirical study was conducted by means of a survey questionnaire which provided for the collection of large amounts of data. According to Brynard and Hanekom (2009, p.46), questionnaires provide respondents with an opportunity to carefully consider their
responses to various questions. An added advantage of questionnaires is that large numbers of respondents, spread over a vast geographical area, can be reached by means of a questionnaire. The researcher also has more control over the research process, provided that sufficient time is spent on developing and piloting the questionnaire prior to issuing it for the actual empirical research process (de Vos, Strydom, Fouche & Delport, 2005, pp.170-171).

When utilising a questionnaire as part of the empirical study, the researcher must be sensitive to the literacy and eyesight of the intended respondents. Respondents should also be able to carry out the instructions in the questionnaire (Welman, Kruger & Mitchell, 2005, p.153). This implies that electronic questionnaires, in particular, should be used with due regard for respondents who either do not have access to computers or are not computer literate. The questionnaire in this study was made available to potential respondents through the Internet. A general communiqué was issued to all employees through the intranet at the respective participating institutions, inviting employees who fall in the following functional categories to participate in the survey:

- executive management
- line managers
- HR practitioners, and
- non-HR / non-management employees.

Respondents were required to complete the questionnaire by accessing the hyperlink that was inserted in the body of the communiqué.

**6.3.1 Population and sampling**

Welman et al (2005, pp.52-53) argue that a research hypothesis is derived from the relationship between variables in some or other population. They further point out that a research problem relates to a very specific population which represents the total spectrum of all units of analysis regarding which the researcher desires to seek answers.
and make certain conclusions (Welman et al, 2005, pp.52-53). Similarly, de Vos et al (2005, p.193) suggest that the term sample implies the existence of a population or universe. They state that a sample is a smaller set of individuals who have been chosen from a population. The practical constraints of accessing a total population related to the research problem makes sampling a more feasible option. These constraints include time, money and effort. The use of a sample may therefore result in a more efficient research process with accurate information and a better quality of research output (de Vos et al, 2005, p.194).

Sample selection is very important and needs to be representative in order for the research results to be generalisable. Representative implies that the sample has the exact properties as the population from which it is drawn (Welman et al, 2005, p.55). In this regard, de Vos et al (2005, p.196) propound that if gender and socio-economic class are variables or characteristics relevant to the research problem, a representative sample will have approximately the same proportions of men and women as well as working class and middle class individuals as the population. In their efforts to secure a representative sample, de Vos et al (2005, p.196) suggest that researchers should opt for a random sampling method as it will ensure an optimal chance of drawing a sample which is representative of the population from which it is drawn. They define random sampling as a method of drawing a portion of a population so that each member of the population has an equal opportunity to be selected to participate in the study.

Welman et al (2005, p.59) describe random sampling as the “most attractive type of probability sampling.” In this study, the researcher made use of a stratified random sampling strategy, in that each member of the four identified categories had an equal opportunity to respond to the electronic survey questionnaire. The target population was stratified according to four functional categories, namely executive management, line management, HR practitioners and non-HR / non-management employees at the three post-merged South African higher education institutions NMMU (Port Elizabeth), CPUT (Cape Town) and DUT (Durban). It would not have been feasible to include all employees at each institution in the study as that would have required a response from
every single employee. Instead, a random sample of responses was taken from each of these four categories. Furthermore, as depicted in Figure 1.4 and discussed in Section 1.7.2, the responses received from CPUT and DUT were combined into one single data set and compared to those responses received from the NMMU. The NMMU executives, line managers and HR practitioners’ responses are compared to those of the non-HR / non-management employees of the NMMU. The survey findings of the combined set of CPUT and DUT data are presented and discussed across the same categories as the NMMU. The NMMU and the CPUT / DUT combination are referred to as “groups” for the purposes of providing clarity.

The total permanent employee headcount was taken into account when determining the number of respondents to be taken from each functional category. However, non-HR / non-management employees who did not have access to a dedicated computer were excluded from the population as the questionnaire was in an electronic format and placed on the intranet of the respective participating institutions as well as the open internet. Furthermore, those non-HR / non-management employees who occupy Peromnes grades 13 to 18 positions were excluded from the population based on the assertion of Welman et al (2005, p.153) that the researcher should be sensitive to respondents’ literacy levels. Parker (2010), Doria (2010), Naidoo (2010) and Gilbert (2010) confirmed that the low educational requirements of those posts as well as the low literacy levels of most employees in those types of positions could have presented a problem given the complex nature of some of the issues addressed in the various questions of the questionnaire. This, in turn, may also have resulted in poorly completed questionnaires, as mentioned by Welman et al (2005, p.153).

6.3.2 The questionnaire

de Vos et al (2005, p.166) indicate that the basic objective of a questionnaire is to secure facts and opinions about a particular phenomenon from respondents who are informed about the specific subject under research. They further suggest that questionnaires are likely to be the most frequently used research instrument of all.
Welman et al (2005, p.174) advise that the decision to utilise a questionnaire should be as a result of a process of careful consideration of all possible research techniques. The questionnaire design process should be meticulously guided by the theoretical concepts and variables involved as well as the relationships that are being investigated. When designing a questionnaire, the researcher should review as many previous research studies on the topic or related topics as possible. The following section contains a discussion of the development of the questionnaire.

6.3.2.1 The development of the questionnaire

The content of the integrated theoretical model as well as the insights gleaned from the interviews with senior HR practitioners of the three participating institutions, discussed in Chapter 5 and 2 respectively, served as the basis for the development of the questionnaire used in the empirical study.

Struwig and Stead (2001, pp.89-90) suggest that the following guidelines should be applied in the development of a research questionnaire:

- Instructions should be clear and concise,
- Questions should be divided into distinct sections in accordance with the subjects covered,
- Easier questions should be posed first,
- Advance from general to specific questions,
- Pose personal or sensitive questions at the end,
- Avoid the use of jargon or technical terms,
- Consider using the respondents’ vocabulary, and
- Keep the questionnaire as short as possible.

Welman et al (2005, p.175) provide some equally useful suggestions regarding questionnaire development:
The choice between open-ended and close-ended questions should be made carefully,
Consider the respondents' literacy levels,
Beware of offending the respondents,
Be brief and focused,
Maintain neutrality,
Use a specific sequence,
Questions should be applicable to all respondents, and
Attend to the layout of questions.

Struwig and Stead (2001, p.95) furthermore provide suggestions regarding the content and formulation of the questions in the questionnaire. Respondents should be able to accurately interpret each question without being influenced to provide a specific answer. The types of questions that could be included are open-ended questions, multiple-choice questions, checklists, dichotomous questions that require a “yes” or “no” answer, ranking questions and scaled-response questions (Struwig & Stead, 2001, p.95). Ethridge (2004, p.152) cautions that questions should be asked in value-free language, oriented to obtaining factual information and evaluation or assessment, without connotations of right and wrong.

The questions that were included in the questionnaire used in this study were formulated in accordance with the guidelines provided by Welman et al (2005, p.175), and Struwig and Stead (2001, p.95). The majority of the questions were close-ended; however, at the end of Section 2, 3, 4 and 5 provision was made for respondents to provide any information that they considered relevant to the subject covered in those particular sections. Each section had an appropriately phrased introduction related to the subject covered. Questions were formulated in a straightforward manner in order for respondents to easily grasp what was being asked. The questionnaire was laid out in an uncluttered manner to avoid possibly confusing respondents.

The questionnaire (attached at Annexure 6.1) was divided into five sections.
Section 1 requested biographical details, and included multiple choice and dichotomous questions.

Section 2 comprised questions related to pre-integration assessment, which required respondents to indicate the level of importance of each aspect and to indicate if the assessment should be conducted formally or informally. Explanations and examples were provided for the terms “formal” and “informal”. This section contained an open-ended question at the end.

Section 3 dealt with aspects related to organisational integration and alignment, and respondents were required to indicate how important they perceive the various aspects to be. Respondents could also provide other information that they may have deemed necessary by means of the open-ended question at the end of this section.

Section 4 covered the subject of post-integration monitoring and evaluation, and respondents were required to indicate how important they perceived the various aspects to be. This section also included an open-ended question.

Section 5 comprised questions related to the impact of the merger-related variables referred to in Figure 1.3 of the study. Respondents were required to indicate how important they perceived the impact of the various variables to be on the creation of an effectively performing merged institution. The open-ended question at the end of this section provided respondents with an opportunity to express views that may not have been catered for in the other questions of this particular section.

6.3.2.2 Reliability and validity of the measuring instrument

Welman et al (2005, pp.142-145) indicate that validity and reliability, respectively, are closely linked to the ability of the instrument to measure what it was designed to measure, on the one hand, and to achieve comparable measures for the same individuals or objects regardless of when the instrument was administered, on the other.
de Vos et al (2005, p.160) state that validity deals with two aspects, namely that the instrument actually measures the concept in question and that the concept is measured accurately.

**Reliability**

According to Welman & Kruger (2001, p.145), reliability refers to the ability of a measuring instrument to generate comparable measurements regardless of when the instrument is administered, the version that is being used or who is applying it. A measuring instrument’s reliability relates to the credibility of the findings.; The key questions that a researcher needs to pose is: “*Will the evidence and conclusions and up to the closest scrutiny?*”.

Saunders, Lewis and Thornhill., (2003, p.101), point out that reliability can be assessed by posing three questions:

- Will the measures yield the same results on other occasions?
- Will similar observations be reached by other observers?
- Is there transparency in how sense was made from the raw data?

They furthermore caution that three threats need to borne in mind in relation to reliability. The first of these is *subject or participant error*. This refers to the variability in the results obtained, depending on when the questionnaire is completed. The second threat relates to *participant bias* which occurs when respondents have provided answers that they believe their bosses would want them to provide. The third threat relates to *observer error* which occurs there are perhaps three researchers conducting interviews with the potential for at least three different approaches to eliciting responses. The fourth threat relates to *observer bias* which occurs when three interviewers have three different approaches to interpreting the replies (Saunders et al., 2003, p.101).
In relation to this study, the researcher was the only interviewer who conducted the face-to-face interviews with the senior HR practitioners, thus eliminating the threats related to observer error and observer bias. Additionally, the survey questionnaires were made available electronically which allowed respondents to complete it at any time of the day, any day of the week and at their own leisure. The threat of participant bias was further avoided on the basis that the responses to the questionnaires were completely confidential.

Validity

Validity is defined as the truth or trustworthiness of research findings (Struwig and Stead, 2001, p.18). Validity can be enhanced by means of triangulation which implies that there must be various data sources, several investigators or various research methods. Different observers or respondents could provide different perspectives on the issue being investigated. Welman et al (2005, p.142) describe validity as the extent to which the research findings accurately represent what is really happening in the situation. This particular study applies the triangulation concept in that four different functional categories of employees (executives, line managers, HR practitioners and non-HR / non-management employees), of three different merged institutions (NMMU, CPUT and DUT), were required to express their perceptions of the same issues in the questionnaire. The triangulation concept is illustrated in Figure 1.4 of this study.

The four types of validity identified by de Vos et al (2005, pp.161-162) are content validity, face validity, criterion validity and construct validity.

Content validity refers to the ability of the measuring instrument to measure the actual concepts related to the topic (de Vos et al, 2005, pp.160-161).

Face validity differs from content validity in that it measures “apparent” or superficial validity rather than the “actual” validity. Face and content validity are often used interchangeably; however, some researchers argue that they should not be considered
equivalent. The pertinent question in terms of face validity is: Does the measurement instrument “look as if” it measures that which it claims to measure? (de Vos et al, 2005, p.161).

Criterion validity refers to the variable that is to be assessed or on which success is to be predicted (Welman et al, 2005, p.144). de Vos et al (2005, p.161) argue that criterion validity provides more objective evidence of validity than face validity.

The construct validity of a measuring instrument refers to the extent to which it measures the intended construct rather than irrelevant constructs, or the extent to which measurement error occurs (Welman et al, 2005, p.143). To establish construct validity, the meaning of the construct must be understood and the suggested relationship between this and other constructs must be identified (de Vos et al, 2005, p.162).

6.3.2.3 Questionnaire covering letter

A covering letter attached to the questionnaire allows the researcher to explain the purpose of the study. The following practical guidelines are provided by Saunders, Lewis and Thornhill (2000, p.303) regarding the design of a covering letter:

- Place it on an official letterhead providing telephonic contact details and print it on quality paper,
- Utilise a 12 font size, with the entire letter printed on one page,
- Indicate the recipient’s name and title, where possible,
- Explain the purpose of the questionnaire,
- Provide the assurance of confidentiality and anonymity,
- Explain how the study results will be used,
- Express appreciation for the respondents’ participation, and
- Attach a signature, name and surname at the end of the covering letter.
The above suggestions were used as guidelines when writing the covering letter (attached at Annexure 6.2) which was attached to the e-mail sent to all potential respondents.

6.3.3 Pilot study

Brynard and Hanekom (2006, pp.50-51) suggest that a preliminary investigation or reconnaissance of the intended area of research, involving the people who will be affected, is necessary in order to determine whether or not the purpose of the research is clear. This could also assist in determining whether the topic is researchable and whether the data-collection methods are appropriate. Ethridge (2004, p.152) concurs by stating that the survey should be pre-tested to determine if it is perceived and received as anticipated. Welman et al (2005, pp.148-149) also indicate that a pilot study is necessary to detect flaws in the measurement procedures, and identify unclear and ambiguously formulated questions, and presents an opportunity for researchers and assistants to observe the non-verbal behaviour of respondents.

The following approach was adopted in conducting a pilot study of the questionnaire survey:

- Senior academics with extensive research knowledge and expertise were requested to comment on the questionnaire layout, question formulation as well as the rating scale used in the questionnaire.
- The statistician was requested to scrutinise the questionnaire to ensure that wording, content and relevance of questions were appropriate for the purpose of the study.
- Several senior HR practitioners and a few senior managers were requested to complete the questionnaire to assess the following:
  - the time taken to complete the questionnaire,
  - the clarity of the questions and the terminology,
  - the questionnaire layout, and
  - any other aspects that could have a negative influence on the respondents.
The feedback obtained from those who participated in the pilot study was used to refine the questionnaire before it was issued to respondents at the three merged institutions, the NMMU, DUT and CPUT.

6.3.4 Administering the questionnaire

The population of the study comprised the executive managers, line managers, HR practitioners and non-HR / non-management employees of the three merged higher education institutions that participated in this study, NMMU, CPUT and DUT. The total number of permanent employees of each of these institutions across the four functional categories is presented in Table 6.1 below, as indicated by Newman (2010), Kamberos (2010) and Olkers (2010).

Table 6.1: Permanent employees in the four functional categories*

<table>
<thead>
<tr>
<th></th>
<th>NMMU</th>
<th>CPUT</th>
<th>DUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive management</td>
<td>24</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>Line management</td>
<td>400</td>
<td>312</td>
<td>625</td>
</tr>
<tr>
<td>HR practitioners</td>
<td>22</td>
<td>23</td>
<td>32</td>
</tr>
<tr>
<td>Non-HR / non-management employees</td>
<td>950</td>
<td>891</td>
<td>350</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1396</strong></td>
<td><strong>1240</strong></td>
<td><strong>1026</strong></td>
</tr>
</tbody>
</table>


*excluding permanent employees who do not have access to a dedicated personal computer or who are in a job below Peromnes grade 13.

Welman et al (2005, p.55) and de Vos et al (2005, p.196) argue that a sample can only be described as representative if it has the same properties or characteristics as the population relevant to the research in question. According to Huysamen (1994, pp.45-
47), population validity refers to the degree to which findings obtained for a particular sample can be generalised to the total population to which the research hypothesis pertains. de Vos et al (2005, p.196) also point out that the representativeness of a sample is important when researchers want to generalise from the sample to the larger population. To ensure that the sample in this particular study can be used to draw conclusions about the populations indicated in Table 6.1 above, the researcher applied the stratified random sampling method.

The populations in each of the three merged institutions involved in this study can be described as homogeneous on the basis that they consist of four sub-groups consisting of executive management, line management, HR practitioners and non-HR / non-management employees. These four functional categories, which served as the four strata, are mutually exclusive by virtue of the distinctive nature of functional roles within these institutions. The members across these four functional categories are, however, heterogeneous in respect of gender, home language and age. This application of the stratified random sampling method is consistent with the assertions of de Vos et al (2005, p.200). This type of sampling is known to ensure that the different segments of a population are given sufficient representation in the sample. The sample size is selected in proportion to the number of people in the stratum; in other words, larger samples are selected from larger strata and smaller samples from smaller strata (de Vos et al, 2005, p.200).

The HR director (or a designated substitute) and the Information Technology (IT) person responsible for IT-related research support within each of the participating institutions assisted in the institution-wide dissemination of the request to participate in the survey. A general communiqué, requesting participation in the survey, was issued to all employees who have access to a dedicated personal computer, within these four categories. With the assistance of the IT person, a follow-up was done by issuing two reminders to all employees within each of the four functional categories.
6.3.5 Presentation and analysis of the various response rates

A total of 276 respondents completed the electronic questionnaire. Table 6.2 provides a breakdown of the respondents per merged institution.

<table>
<thead>
<tr>
<th>Merged Institution</th>
<th>Number of respondents</th>
<th>Percentage respondents per institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>NMMU</td>
<td>136</td>
<td>49%</td>
</tr>
<tr>
<td>CPUT</td>
<td>69</td>
<td>25%</td>
</tr>
<tr>
<td>DUT</td>
<td>71</td>
<td>26%</td>
</tr>
<tr>
<td>Total</td>
<td>276</td>
<td>100%</td>
</tr>
</tbody>
</table>

It is clear from the information contained in Table 6.2 and Chart 6.1 that the majority of the returned questionnaires were completed by NMMU employees compared to those by CPUT and DUT employees, respectively. However, as a result of the low response rates of CPUT and DUT employees, the responses from these two institutions were combined for purposes of statistical analysis.

Chart 6.1 provides a visual illustration of the response rate per merged institution as found in Table 6.2.
Table 6.3 depicts the responses received from the NMMU and the CPUT / DUT according to the pre-merged institutions associated with the NMMU and CPUT / DUT respectively.

**Table 6.3: Response rates per merged and pre-merged institution**

<table>
<thead>
<tr>
<th>Name of pre-merged institutions</th>
<th>NMMU</th>
<th>CPUT/DUT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPE</td>
<td>55</td>
<td>40%</td>
<td>55</td>
</tr>
<tr>
<td>PE Technikon</td>
<td>59</td>
<td>43%</td>
<td>59</td>
</tr>
<tr>
<td>Pen Tech</td>
<td>0</td>
<td>0%</td>
<td>20</td>
</tr>
<tr>
<td>Cape Tech</td>
<td>0</td>
<td>0%</td>
<td>38</td>
</tr>
<tr>
<td>ML Sultan Technikon</td>
<td>0</td>
<td>0%</td>
<td>23</td>
</tr>
<tr>
<td>Natal Technikon</td>
<td>0</td>
<td>0%</td>
<td>37</td>
</tr>
<tr>
<td>Other Academic</td>
<td>9</td>
<td>7%</td>
<td>10</td>
</tr>
<tr>
<td>Other Non-Acad</td>
<td>13</td>
<td>10%</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>136</td>
<td>100%</td>
<td>140</td>
</tr>
</tbody>
</table>

As represented in Table 6.3, the NMMU responses were slightly higher from ex-PE Technikon employees (43%) than ex-UPE employees (40%). The CPUT responses included more responses from ex-Cape Technikon employees (27%) than from ex-Peninsula Technikon employees (14%). At DUT, more respondents originated from Natal Technikon (26%) than from ML Sultan (16%). The questionnaire made provision for respondents who did not work for any of the listed pre-merged institutions by allowing respondents to select the “other” option. The researcher analysed and categorised the “other” options into academic (8%) and non-academic (9%) institutions as illustrated in the table above.

Table 6.4 provides the responses to Question 4 in Section 1 of the questionnaire. Respondents from the various institutions were required to indicate the functional category within which they operated at their post-merged institutions.
Table 6.4: Functional category per merged institution

<table>
<thead>
<tr>
<th>Functional category</th>
<th>NMMU</th>
<th>CPUT/DUT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive management</td>
<td>7</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Line management</td>
<td>32</td>
<td>38</td>
<td>70</td>
</tr>
<tr>
<td>HR practitioner</td>
<td>7</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>90</td>
<td>87</td>
<td>177</td>
</tr>
<tr>
<td>Total</td>
<td>136</td>
<td>140</td>
<td>276</td>
</tr>
</tbody>
</table>

Table 6.4 indicates that the four categories' responses are marginally different when a comparison is made between the NMMU and CPUT / DUT. It is clear that the majority of respondents are from the non-HR / non-management ("other") category. At the NMMU, 66 per cent of respondents were from this category and, at CPUT / DUT, 62 per cent. Five per cent and four per cent of respondents from the NMMU and CPUT / DUT respectively indicated that they fall into the executive management category. Sixty-six per cent and 62 per cent of respondents from the NMMU and CPUT / DUT respectively indicated that they fall into the line management category. The number of respondents per functional category is a representative sample of the total number of permanent employees that occupy the various categories per institution, as illustrated in Table 6.1 above.

Chart 6.2 is a graphical representation of the data provided in Table 6.4.
Chart 6.2 clearly illustrates that the majority (64%) of the respondents are from the “other” category, the category which consists of non-HR / non-management employees. The second highest level of responses was received from the line management category. These high response rates could be attributed to the fact that the “other” category represents the majority of employees in the participating institutions while the line manager category represents the second highest number of employees in the participating institutions. These figures are clearly illustrated in Table 6.1.

Table 6.5 provides information which relates to Question 5 in Section 1 of the questionnaire.
Table 6.5: Responses per staff category

<table>
<thead>
<tr>
<th>Staff category</th>
<th>Name of merged institution</th>
<th>NMMU</th>
<th>CPUT/DUT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td></td>
<td>58</td>
<td>72</td>
<td>130</td>
</tr>
<tr>
<td>Admin support</td>
<td></td>
<td>77</td>
<td>57</td>
<td>134</td>
</tr>
<tr>
<td>Technical services support</td>
<td></td>
<td>1</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>136</td>
<td>140</td>
<td>276</td>
</tr>
</tbody>
</table>

The information in Table 6.5 shows that the majority of respondents at the NMMU were from the administrative support category (56%), with 43 per cent from the academic category and one per cent from the technical services support category. At CPUT / DUT, the majority of respondents were from the academic category (51%), with 41 per cent from the administrative support category and 12 per cent from the technical services support category.

6.3.6 Presentation and analysis of the biographical information

In Section 1 of the questionnaire, the respondents were required to provide information about their gender, age and years of service. A tabulated analysis of the responses related to the years of service, gender composition and age categories of all respondents follows.

Table 6.6 depicts the responses received to Question 6 in Section 1. Respondents were required to indicate their years of service inclusive of the time spent at the pre-merged institutions.
From the information in Table 6.6, it appears that the majority of the responses at the NMMU was received from respondents who fall in the “more than 10 years” category (57%), while the minority of the respondents (2%) fall in the “0-1 year” category. It is significant that 64 per cent of the total number of respondents from CPUT / DUT also fall within the category of “more than 10 years” category, while the minority of the respondents (6%) fall in the “0-1 year” category. This could imply that the respondents in the “0-1 year” category had less interest in matters related to the merger than the “more than 10 years” category respondents.

Table 6.7 deals with the gender composition of the respondents.

Table 6.7 shows that more males (51%) responded at the NMMU than females (49%). At CPUT / DUT, the opposite occurred: 51 per cent of respondents were female and 49 per cent were male.

Table 6.8 provides information relating to Question 8 in Section 1, which dealt with the age of the respondents.
The information in Table 6.8 shows that the majority of respondents was from the “50 years and older” age category at the NMMU (40%) as well as at CPUT / DUT (44%). It is significant that the second highest number of responses at the NMMU (29%) and CPUT / DUT (30%) was from the “40-49 years” age category. The age category “30-39” received a 23 per cent response rate at both the NMMU and CPUT / DUT. This could imply that staff members in the age categories below 29 years are less interested in matters related to the merger.

6.3.7 Presentation and analysis of general merger-related experiences

This section provides a tabulated analysis of respondents’ experiences in relation to employee buy-in for the merger, the impact of the merger on employees’ job status and whether the merger was perceived as a success or not.

Table 6.9 reflects the extent of the buy-in that respondents believed was achieved at their respective institutions. This information relates to Question 9 in Section 1.
Table 6.9: Employee buy-in

<table>
<thead>
<tr>
<th>Buy-in: yes/No</th>
<th>Name of merged institution</th>
<th>NMMU</th>
<th>CPUT/DUT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
<td>57</td>
<td>46%</td>
<td>104</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>66</td>
<td>54%</td>
<td>81</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>123</td>
<td>100%</td>
<td>128</td>
</tr>
</tbody>
</table>

[\(\text{Chi}^2 (\text{d.f.} = 1, n = 251) = 2.39; p = .122\)]

From the information contained in Table 6.9, it is evident that more NMMU respondents (54%) were of the view that there was not sufficient employee buy-in for the merger than those that believed there was (46%). At CPUT / DUT, an even larger percentage of the respondents (63%) was of the view that the level of employee buy-in for the merger was not sufficient. However, in terms of the \(\text{Chi}^2\) test (as illustrated in Table 7.1 for significance, a p-value equating to 0.122 suggests a small difference in the significance between the number of respondents who answered “yes” and those who answered “no” in respect of employee buy-in for the merger. The overall total in this table excludes the 25 respondents (non-academic) who had previously worked outside of higher education institutions as illustrated in Table 6.3 earlier in the chapter.

Table 6.10 indicates the respondents’ perceptions of what had happened to their pre-merger job status as a result of the merger.

Table 6.10: Job status

<table>
<thead>
<tr>
<th>Impact on job status</th>
<th>Name of merged institution</th>
<th>NMMU</th>
<th>CPUT/DUT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>It was lowered</td>
<td></td>
<td>24</td>
<td>20%</td>
<td>44</td>
</tr>
<tr>
<td>Remained the same</td>
<td></td>
<td>75</td>
<td>60%</td>
<td>162</td>
</tr>
<tr>
<td>It was elevated</td>
<td></td>
<td>24</td>
<td>20%</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>123</td>
<td>100%</td>
<td>251</td>
</tr>
</tbody>
</table>

[\(\text{Chi}^2 (\text{d.f.} = 2, n = 251) = 1.35; p = .508\)]

In terms of the information presented in Table 6.10, 60 per cent of the NMMU respondents indicated that their job status remained unchanged while 20 per cent indicated that their jobs were elevated and the other 20 per cent indicated that their jobs had been lowered. At CPUT / DUT, 65 per cent of the respondents indicated that their
jobs remained unchanged while 18 per cent indicated that their jobs were elevated and
the other 17 per cent indicated that their jobs had been lowered. In terms of the Chi² test
(as illustrated in Table 7.1) for significance, a p-value equating to 0.508 suggests a
large difference in the practical significance between the number of respondents who
indicated that their jobs remained the same, were elevated or lowered. The overall total
in this table excludes the 25 respondents who had previously worked outside of higher
education institutions as illustrated in Table 6.3 earlier in the chapter.

Table 6.11 indicates respondents’ perceptions of whether the merger was a success at
their respective institutions or not.

Table 6.11: Merger success

<table>
<thead>
<tr>
<th>Merger success:</th>
<th>Name of merged institution</th>
<th>NMMU</th>
<th>CPUT/DUT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
<td>87</td>
<td>60</td>
<td>147</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>36</td>
<td>68</td>
<td>104</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>123</td>
<td>128</td>
<td>251</td>
</tr>
</tbody>
</table>

[Chi² (d.f. = 1, n = 251) = 14.71; p < .0005; V = 0.24]

In terms of Table 6.11, the majority of the NMMU respondents (71%) indicated that the
merger was a success. At CPUT / DUT, 53 per cent of the respondents indicated that
the merger was not a success. In terms of the Chi² test for significance, a p-value
equating to 0.005 suggests a small difference in the practical significance between the
number of respondents who answered “yes” and those who answered “no” in respect of
the success of the merger. The overall total in this table excludes the 25 respondents
who had previously worked outside of higher education institutions as illustrated in
Table 6.3 earlier in the chapter.
6.4 CONCLUSION

This chapter presented the research methodology used during the research study and focused on professional research and design, the sample, questionnaire, pilot study, survey and survey response rate, as well as the presentation and analysis of some general merger-related experiences. The biographical information extracted from the respondents during the survey was also presented and discussed.

In the following chapter, the results obtained from the remaining sections of the questionnaire are presented and discussed to determine the extent to which respondents agreed on the level of importance of the various aspects related to the integrated theoretical model contained in Figure 5.1.
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CHAPTER 7
ANALYSIS AND INTERPRETATION OF RESULTS

7.1 INTRODUCTION

In Chapter 6, the research methodology that was used in this study was presented, described and justified. The technical research aspects of this study were also discussed as a means of demonstrating that sound principles and practices were relied upon in completing the empirical study. The biographical data and the response rates of Section 1 of the questionnaire were also presented and discussed in Chapter 6. The remaining sections of the questionnaire, Section 2 to 5, are analysed and discussed in this chapter.

The aim of Chapter 7 is to resolve Sub-problem 3, 5 and 6. These sub-problems are reviewed below.

Sub-problem 3 is concerned with the extent to which the strategies revealed in the resolution of Sub-problem 2 are considered important by the selected post-merged universities. These strategies are dealt with by the questions in Section 2, 3 and 4 of the survey questionnaire. These questions were also been designed to survey the independent variables, related to Step 1 to 8 of the integrated theoretical model (refer to Figure 1.2 and 5.1), of the study.

Sub-problem 5 is concerned with merger-related variables, such as loss of status, employees’ clarity regarding their new roles, the impact of the merger on employees’ personal lives, and the loss of key staff and low morale, which could moderate the impact of a performance management-oriented culture, as well as the extent to which these variables are considered important by the selected merged institutions. The questions in Section 5 of the questionnaire were designed to survey the moderating variables (refer to Figure 1.2) as stated in Sub-problem 5.
Sub-problem 6 is concerned with how the results and insights gained from the resolution of Sub-problem 1, 2 and 5 can be integrated into a theoretical model that could be used by merged institutions to develop an organisational culture conducive to the effective management of performance. In Section 7.5 of this chapter, a discussion, review and analysis of the quantitative and qualitative results is provided with the view of refining the integrated theoretical model (refer to Figure 5.3) that was developed based on the insights gained from the literature review of the study.

The purpose of the questions in the various sections of the questionnaire was also to verify the information sourced during the literature study contained in Chapter 2, 3, 4 and 5. These sections of the questionnaire required respondents to indicate the level of importance (not important, fairly important or very important) that they attached to each of the assessment aspects listed in the questionnaire. Section 2 also required respondents to indicate whether the assessment process should be of a formal or informal nature or whether an assessment should be conducted at all.

Sections 2 to 4 in the survey questionnaire consisted of the following:

- Aspects related to conducting a pre-merged assessment (Section 2)
- Factors related to the development and initiation of an organisational culture alignment and integration process (Section 3)
- Actions related to post-integration monitoring and evaluation (Section 4)
- Merger-related variables that impact the creation of an organisational culture conducive to effective performance management (Section 5)

The research findings in Section 2 to 5 have been organised and presented in tabular form in the same sequence as the questions appear in the survey questionnaire (refer to Annexure 6.1). These tables were generated with the aid of DPSS version 11.0 by using a download of the data that was stored in a password-protected data-repository, which developed as questionnaires where completed and submitted electronically via the Internet.
7.2 QUANTITATIVE ANALYSIS OF RESULTS

Descriptive and inferential statistics were used to analyse the raw data obtained from the survey. The descriptive data included measures of central tendency and dispersion of selected variables. The scoring of Section 2 to 5 of the questionnaire made use of a Likert-type scale. In Section 2 of the questionnaire, numerical values, namely one (not important), two (fairly important) and three (very important), were used to enable the quantitative analysis of the results. In addition to using this scale to indicate importance, respondents also had to indicate whether the assessment should formal or informal or that there should not be an assessment at all. Numerical values, namely one (no assessment), two (informal assessment) and three (formal assessment) were also assigned here to enable the quantitative analysis of the results. In Section 3 to 5, respondents were requested to indicate whether an aspect was not important, slightly important or very important. The same numerical values as in Section 2 of the questionnaire were used for “not important”, “fairly important” and “very important” in order to enable the quantitative analysis of results. Inferential statistics employed in this study are illustrated in Table 7.1 below.

Table 7.1: Inferential statistical tests used in this study

<table>
<thead>
<tr>
<th>Test Type</th>
<th>Small</th>
<th>Moderate</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>t-Test</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cohen’s $d$</td>
<td>$0.2 &lt; d &lt; 0.05$</td>
<td>$0.05 &lt; d &lt; 0.8$</td>
<td>$d &gt; 0.8$</td>
</tr>
<tr>
<td>Eta $\eta^2$</td>
<td>$0 &lt; \eta^2 &lt; .09$</td>
<td>$.09 &lt; \eta^2 &lt; .25$</td>
<td>$\eta^2 &gt; .25$</td>
</tr>
<tr>
<td>Chi$^2$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cramér’s $V$</td>
<td>$d f^* = 1$</td>
<td>$.10 &lt; V &lt; .30$</td>
<td>$.30 &lt; V &lt; .50$</td>
</tr>
<tr>
<td></td>
<td>$d f^* = 2$</td>
<td>$.07 &lt; V &lt; .21$</td>
<td>$.21 &lt; V &lt; .35$</td>
</tr>
<tr>
<td></td>
<td>$d f^* \geq 3$</td>
<td>$.06 &lt; V &lt; .17$</td>
<td>$.17 &lt; V &lt; .29$</td>
</tr>
<tr>
<td>Correlation</td>
<td>$r$</td>
<td>$0 &lt; r^2 &lt; .09$</td>
<td>$.09 &lt; r^2 &lt; .25$</td>
</tr>
</tbody>
</table>

Source: Venter, 2010
Explanations related to the application and interpretation of the different values derived from each of these tests are provided, where a specific test was used, in the various tables and graphs that are presented in this chapter.

The quantitative analysis of the results of Section 2 to 5 are presented below.

7.2.1 Section 2: Conducting pre-merged assessment (Phase 1)

Table 7.2 provides information related to the first part of Section 2 of the questionnaire. Respondents were required to indicate whether they perceived certain aspects related to the three areas to be assessed, according to the integrated theoretical model (Phase 1 of Figure 5.1), as “not important”, “fairly important” or “very important”. These three areas are Step 1: Conduct a cultural assessment, Step 2: Assess the human capital capability and Step 3: Assess the level of change readiness.
<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2-13 Academic offerings: importance</td>
<td>1</td>
<td>2.88</td>
<td>0.35</td>
<td>1%</td>
<td>14%</td>
<td>89%</td>
</tr>
<tr>
<td>Q2-15 Human capital capability: importance</td>
<td>1</td>
<td>2.79</td>
<td>0.47</td>
<td>4%</td>
<td>17%</td>
<td>82%</td>
</tr>
<tr>
<td>Q2-11 Leadership orientations: importance</td>
<td>2</td>
<td>2.78</td>
<td>0.48</td>
<td>4%</td>
<td>22%</td>
<td>81%</td>
</tr>
<tr>
<td>Q2-05 Financial strength: importance</td>
<td>2</td>
<td>2.77</td>
<td>0.45</td>
<td>2%</td>
<td>27%</td>
<td>79%</td>
</tr>
<tr>
<td>Q2-01 Compatibility of institutional cultures: importance</td>
<td>2</td>
<td>2.71</td>
<td>0.05</td>
<td>3%</td>
<td>33%</td>
<td>74%</td>
</tr>
<tr>
<td>Q2-07 Compatibility of information communication technology:</td>
<td>2</td>
<td>2.71</td>
<td>0.05</td>
<td>3%</td>
<td>32%</td>
<td>74%</td>
</tr>
<tr>
<td>Q2-03 Nature of institutional cultures: importance</td>
<td>2</td>
<td>2.70</td>
<td>0.49</td>
<td>2%</td>
<td>37%</td>
<td>71%</td>
</tr>
<tr>
<td>Q2-21 Future skills and competency requirements: importance</td>
<td>3</td>
<td>2.65</td>
<td>0.05</td>
<td>6%</td>
<td>35%</td>
<td>70%</td>
</tr>
<tr>
<td>Q2-19 Reward and recognition systems: importance</td>
<td>3</td>
<td>2.65</td>
<td>0.64</td>
<td>12%</td>
<td>23%</td>
<td>74%</td>
</tr>
<tr>
<td>Q2-23 Retention mechanisms to prevent key staff from leaving its</td>
<td>3</td>
<td>2.65</td>
<td>0.64</td>
<td>12%</td>
<td>24%</td>
<td>74%</td>
</tr>
<tr>
<td>employ: importance</td>
<td>3</td>
<td>2.63</td>
<td>0.05</td>
<td>5%</td>
<td>41%</td>
<td>66%</td>
</tr>
<tr>
<td>Q2-29 Demands of a change process on employees: importance</td>
<td>3</td>
<td>2.60</td>
<td>0.05</td>
<td>7%</td>
<td>40%</td>
<td>65%</td>
</tr>
<tr>
<td>Q2-31 Nature of the resistance to change amongst its employees:</td>
<td>3</td>
<td>2.60</td>
<td>0.05</td>
<td>5%</td>
<td>44%</td>
<td>64%</td>
</tr>
</tbody>
</table>

NMMU (n = 136)
Table 7.2: Aspects related to the pre-merged assessment continued

<table>
<thead>
<tr>
<th>Item</th>
<th>NMMU (n = 136)</th>
<th>CPUT/DUT (n = 140)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rank</td>
<td>Mean</td>
</tr>
<tr>
<td>Q2-27 Reasons for resistance to change amongst employees:</td>
<td>3</td>
<td>2.60</td>
</tr>
<tr>
<td>importance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2-25 Readiness to undergo an intense change process:</td>
<td>3</td>
<td>2.54</td>
</tr>
<tr>
<td>importance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2-17 Performance management systems: importance</td>
<td>3</td>
<td>2.54</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2-09 Physical settings: importance</td>
<td>4</td>
<td>2.49</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2-13 Academic offerings: importance</td>
<td>1</td>
<td>2.79</td>
</tr>
<tr>
<td>Q2-15 Human capital capability: importance</td>
<td>1</td>
<td>2.77</td>
</tr>
<tr>
<td>Q2-07 Compatibility of information communication technology:</td>
<td>1</td>
<td>2.76</td>
</tr>
<tr>
<td>importance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2-11 Leadership orientations: importance</td>
<td>1</td>
<td>2.75</td>
</tr>
<tr>
<td>Q2-05 Financial strength: importance</td>
<td>1</td>
<td>2.75</td>
</tr>
<tr>
<td>Q2-03 Nature of institutional cultures: importance</td>
<td>1</td>
<td>2.72</td>
</tr>
<tr>
<td>Q2-01 Compatibility of institutional cultures: importance</td>
<td>1</td>
<td>2.67</td>
</tr>
<tr>
<td>Q2-27 Reasons for resistance to change amongst employees:</td>
<td>2</td>
<td>2.66</td>
</tr>
<tr>
<td>importance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 7.2: Aspects related to the pre-merged assessment continued

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>2</td>
<td>2.65</td>
<td>0.63</td>
<td>12</td>
<td>9%</td>
<td>25</td>
</tr>
<tr>
<td>Q2-23</td>
<td>2</td>
<td>2.64</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>37</td>
</tr>
<tr>
<td>Future skills and competency requirements: importance</td>
<td>2</td>
<td>2.61</td>
<td>0.63</td>
<td>11</td>
<td>8%</td>
<td>32</td>
</tr>
<tr>
<td>Q2-21</td>
<td>2</td>
<td>2.61</td>
<td>0.70</td>
<td>17</td>
<td>12%</td>
<td>20</td>
</tr>
<tr>
<td>Q2-25</td>
<td>2</td>
<td>2.61</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>45</td>
</tr>
<tr>
<td>Q2-19</td>
<td>2</td>
<td>2.56</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>49</td>
</tr>
<tr>
<td>Q2-31</td>
<td>2</td>
<td>2.51</td>
<td>0.64</td>
<td>11</td>
<td>8%</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: Survey questionnaire, Section 2

From Table 7.2, it is evident that in excess of 90 per cent of the respondents from both the NMMU and the CPUT / DUT group perceived the assessment of all aspects to be important (“fairly important” and “very important” combined and expressed as a single percentage). The majority of NMMU respondents (89%) perceived the assessment of academic offerings as very important, while 82 per cent (the second highest response rate) perceived the assessment of human capital capability to be very important. On the other hand, an equal number of respondents from the CPUT / DUT group perceived the assessment of academic offerings, Question 13 (81%), and human capital capability, Question 15 (81%), as being very important. Also significant is that both groups (NMMU and CPUT / DUT) perceived the issue addressed by
Question 11 (the assessment of leadership orientations) as the third most important aspect that needed to be assessed. The number of respondents who felt that the assessment of these aspects was not important at all ranged between one and 10 per cent at the NMMU and between two and 10 per cent at CPUT/DUT. This implies that the majority of the respondents perceived the assessment of the aspects in this section to be either fairly or very important.

This finding correlates with the views expressed by Freedman (2005), Carlton and Lineberry (2004, p.92), and Collins and Porras (1998) with regards to conducting a due diligence or pre-merged assessment on various key aspects, such as those dealt with in Section 2 of the questionnaire, related to an effective merger.

The line in Table 7.2 which separates the NMMU mean scores for Question 13 and 15 from the scores for Question 11, 5, 1, 7 and 3 denotes a significant difference between the scores of Question 13 and 11. This dividing line also suggests that there is no significant difference between mean scores that are grouped together by this line. In this case, it implies that there is no significant difference between the NMMU mean scores for Question 11, 5, 1, 7 and 3. It also implies that there is no significant difference between the NMMU mean scores for Question 13 and 15. This particular principle applies to all tables where lines separate various groups of questions and their mean scores.

The data in Table 7.3 provides information in relation to the second part of Section 2, which required respondents to indicate whether the assessment should be formal or informal, or that there should be no assessment at all.
Table 7.3: Assessment types related to each aspect to be assessed

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>None</th>
<th>Informal</th>
<th>Formal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic offerings: assessment type</td>
<td>1</td>
<td>2.80</td>
<td>0.44</td>
<td>2</td>
<td>1%</td>
<td>23</td>
</tr>
<tr>
<td>Financial strength: assessment type</td>
<td>1</td>
<td>2.76</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>19</td>
</tr>
<tr>
<td>Compatibility of information communication technology: assessment type</td>
<td>2</td>
<td>2.68</td>
<td>0.05</td>
<td>4</td>
<td>3%</td>
<td>36</td>
</tr>
<tr>
<td>Human capital capability: assessment type</td>
<td>2</td>
<td>2.59</td>
<td>0.61</td>
<td>9</td>
<td>7%</td>
<td>38</td>
</tr>
<tr>
<td>Leadership orientations: assessment type</td>
<td>2</td>
<td>2.56</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>50</td>
</tr>
<tr>
<td>Performance management systems: assessment type</td>
<td>3</td>
<td>2.52</td>
<td>0.70</td>
<td>16</td>
<td>12%</td>
<td>33</td>
</tr>
<tr>
<td>Future skills and competency requirements: assessment type</td>
<td>3</td>
<td>2.51</td>
<td>0.62</td>
<td>9</td>
<td>7%</td>
<td>48</td>
</tr>
<tr>
<td>Reward and recognition systems: assessment type</td>
<td>3</td>
<td>2.51</td>
<td>0.68</td>
<td>14</td>
<td>10%</td>
<td>39</td>
</tr>
<tr>
<td>Physical settings: assessment type</td>
<td>3</td>
<td>2.49</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>57</td>
</tr>
<tr>
<td>Nature of institutional cultures: assessment type</td>
<td>3</td>
<td>2.46</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>61</td>
</tr>
<tr>
<td>Compatibility of institutional cultures: assessment type</td>
<td>3</td>
<td>2.45</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>61</td>
</tr>
<tr>
<td>Retention mechanisms to prevent key staff from leaving its employ: assessment type</td>
<td>3</td>
<td>2.43</td>
<td>0.73</td>
<td>19</td>
<td>14%</td>
<td>40</td>
</tr>
</tbody>
</table>
Table 7.3: Assessment types related to each aspect to be assessed continued

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>None</th>
<th>Informal</th>
<th>Formal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2-30 Demands of a change process on employees: assessment type</td>
<td>4</td>
<td>2.35</td>
<td>0.61</td>
<td>10</td>
<td>7%</td>
<td>69</td>
</tr>
<tr>
<td>Q2-26 Readiness to undergo an intense change process: assessment type</td>
<td>4</td>
<td>2.35</td>
<td>0.66</td>
<td>14</td>
<td>10%</td>
<td>61</td>
</tr>
<tr>
<td>Q2-32 Nature of the resistance to change amongst its employees: assessment type</td>
<td>4</td>
<td>2.34</td>
<td>0.60</td>
<td>9</td>
<td>7%</td>
<td>72</td>
</tr>
<tr>
<td>Q2-28 Reasons for resistance to change amongst employees: assessment type</td>
<td>4</td>
<td>2.32</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>78</td>
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</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>None</th>
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<th>Formal</th>
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<tbody>
<tr>
<td>CPUT/DUT (n = 140)</td>
<td></td>
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<tr>
<td>Q2-14 Academic offerings: assessment type</td>
<td>1</td>
<td>2.78</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
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<tr>
<td>Q2-06 Financial strength: assessment type</td>
<td>1</td>
<td>2.74</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>24</td>
</tr>
<tr>
<td>Q2-08 Compatibility of information communication technology: assessment type</td>
<td>2</td>
<td>2.66</td>
<td>0.61</td>
<td>10</td>
<td>7%</td>
<td>28</td>
</tr>
<tr>
<td>Q2-16 Human capital capability: assessment type</td>
<td>2</td>
<td>2.59</td>
<td>0.61</td>
<td>9</td>
<td>6%</td>
<td>40</td>
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<td>Q2-10 Physical settings: assessment type</td>
<td>3</td>
<td>2.48</td>
<td>0.66</td>
<td>13</td>
<td>9%</td>
<td>47</td>
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<tr>
<td>Q2-02 Compatibility of institutional cultures: assessment type</td>
<td>3</td>
<td>2.43</td>
<td>0.64</td>
<td>11</td>
<td>8%</td>
<td>58</td>
</tr>
<tr>
<td>Q2-22 Future skills and competency requirements: assessment type</td>
<td>3</td>
<td>2.42</td>
<td>0.74</td>
<td>21</td>
<td>15%</td>
<td>39</td>
</tr>
<tr>
<td>Item</td>
<td>Rank</td>
<td>Mean</td>
<td>SD</td>
<td>None</td>
<td>Informal</td>
<td>Formal</td>
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<tr>
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<tr>
<td>Nature of institutional cultures: assessment type</td>
<td>3</td>
<td>2.41</td>
<td>0.66</td>
<td>13</td>
<td>9%</td>
<td>57</td>
</tr>
<tr>
<td>Performance management systems: assessment type</td>
<td>3</td>
<td>2.40</td>
<td>0.76</td>
<td>23</td>
<td>16%</td>
<td>38</td>
</tr>
<tr>
<td>Leadership orientations: assessment type</td>
<td>3</td>
<td>2.39</td>
<td>0.69</td>
<td>16</td>
<td>11%</td>
<td>53</td>
</tr>
<tr>
<td>Reward and recognition systems: assessment type</td>
<td>3</td>
<td>2.39</td>
<td>0.79</td>
<td>27</td>
<td>19%</td>
<td>32</td>
</tr>
<tr>
<td>Retention mechanisms to prevent key staff from leaving its employ: assessment type</td>
<td>3</td>
<td>2.38</td>
<td>0.80</td>
<td>28</td>
<td>20%</td>
<td>31</td>
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<tr>
<td>Readiness to undergo an intense change process: assessment type</td>
<td>4</td>
<td>2.30</td>
<td>0.73</td>
<td>22</td>
<td>16%</td>
<td>54</td>
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<tr>
<td>Demands of a change process on employees: assessment type Q2-28</td>
<td>4</td>
<td>2.26</td>
<td>0.68</td>
<td>19</td>
<td>14%</td>
<td>65</td>
</tr>
<tr>
<td>Reasons for resistance to change amongst employees: assessment type</td>
<td>4</td>
<td>2.23</td>
<td>0.66</td>
<td>18</td>
<td>13%</td>
<td>72</td>
</tr>
<tr>
<td>Nature of the resistance to change amongst its employees: assessment type</td>
<td>5</td>
<td>2.18</td>
<td>0.65</td>
<td>19</td>
<td>14%</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: Survey questionnaire, Section 2
According to the data presented in Table 7.3, the majority of respondents (in excess of 80%) from both groups (NMMU and CPUT / DUT) indicated that all aspects should be assessed by means of an informal or formal assessment process. To assist respondents in deciding what kind of assessment should be conducted, if any, some examples of formal assessments were provided in the introduction of this section. The examples included a published institutional survey, an official and published due diligence study, or an official and published audit of aspects to be assessed, as contained in this section of the questionnaire. Examples of informal assessments were also provided. These included opportunities to express opinions in various large or small group discussions regarding the aspects dealt with in this particular section. The number of respondents that opted for a formal assessment ranged between 38 per cent (reasons for resistance to change) and 82 per cent (academic offerings) at the NMMU and between 31 per cent (reasons for resistance to change) and 81 per cent (academic offerings) at the CPUT / DUT. A significantly lower number of respondents indicated that no assessment should be conducted. At the NMMU, this ranged between one per cent (academic offerings) and 14 per cent (retention mechanisms to prevent key staff from leaving) and, at CPUT / DUT, between four per cent (academic offerings) and 20 per cent (retention mechanisms to prevent key staff from leaving).

Carlton and Lineberry (2004, p.92) and Collins and Porras (1998) support the idea of a formal assessment, either by means of an off-the-shelf assessment tool or an in-house developed solution.

### 7.2.2 Section 3: Organisational culture and alignment process (Phase 2 and 3)

This section deals with the analysis of responses related to the development and initiation of an organisational culture alignment process as indicated in the integrated theoretical model in Figure 5.1.

Table 7.4 provides responses in relation to the importance of the aspects listed in Section 3 of the questionnaire.
Table 7.4: Organisational culture integration and alignment

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3-5 Executive managers should provide direction, motivation,</td>
<td>1</td>
<td>2.92</td>
<td>0.32</td>
<td>2</td>
<td>1%</td>
<td>7</td>
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<tr>
<td>guidance and clarity to employees in the merged organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-3 Executive managers should provide leadership in developing,</td>
<td>1</td>
<td>2.91</td>
<td>0.31</td>
<td>1</td>
<td>1%</td>
<td>10</td>
</tr>
<tr>
<td>communicating and implementing the mission, vision and strategy of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the merged institution</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-1 Executive managers should set an example by living the values</td>
<td>1</td>
<td>2.91</td>
<td>0.31</td>
<td>1</td>
<td>1%</td>
<td>10</td>
</tr>
<tr>
<td>of the merged organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-11 Line managers should set an example to all employees by</td>
<td>1</td>
<td>2.90</td>
<td>0.30</td>
<td>0</td>
<td>0%</td>
<td>13</td>
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<tr>
<td>living the values of the merged institution</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Q3-15 Every employee should be given an opportunity to clearly</td>
<td>1</td>
<td>2.87</td>
<td>0.36</td>
<td>1</td>
<td>1%</td>
<td>16</td>
</tr>
<tr>
<td>understand the changes that are required to create a high</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>performance post-merged institution</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Q3-14 Every employee should be given an opportunity to clearly</td>
<td>1</td>
<td>2.87</td>
<td>0.36</td>
<td>1</td>
<td>1%</td>
<td>16</td>
</tr>
<tr>
<td>understand the direction of the merged institution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-2 Executive managers should walk-the-talk through faultless</td>
<td>1</td>
<td>2.86</td>
<td>0.37</td>
<td>1</td>
<td>1%</td>
<td>17</td>
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<tr>
<td>behavioural modelling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-16 Human capital capability: assessment type</td>
<td>1</td>
<td>2.85</td>
<td>0.38</td>
<td>1</td>
<td>1%</td>
<td>19</td>
</tr>
<tr>
<td>Q3-12 Line managers should walk-the-talk through faultless</td>
<td>1</td>
<td>2.84</td>
<td>0.37</td>
<td>0</td>
<td>0%</td>
<td>22</td>
</tr>
<tr>
<td>behavioural modelling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Rank</td>
<td>Mean</td>
<td>SD</td>
<td>Not</td>
<td>Fairly</td>
<td>Very</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
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<td>-----</td>
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<td>--------</td>
<td>------</td>
</tr>
<tr>
<td>Q3-7 Executive managers need to have meaningful conversations with all staff about the roadmap to creating a high performance merged institution</td>
<td>1</td>
<td>2.84</td>
<td>0.39</td>
<td>1</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>Q3-13 Every employee in the merged institution should be given the opportunity to clearly understand the reasons for the merger</td>
<td>1</td>
<td>2.83</td>
<td>0.43</td>
<td>3</td>
<td>2%</td>
<td>17%</td>
</tr>
<tr>
<td>Q3-18 Executive and line managers should assist employees to adapt to the organisational culture of the merged institution</td>
<td>2</td>
<td>2.79</td>
<td>0.42</td>
<td>1</td>
<td>1%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3-6 The leadership orientation of respective institutions needs to be assessed</td>
<td>2</td>
<td>2.73</td>
<td>0.48</td>
<td>2</td>
<td>1%</td>
<td>24%</td>
</tr>
<tr>
<td>Q3-10 Line managers should be expected to gain employees' buy-in regarding behaviours and work practices that will strengthen the values of the merged institution</td>
<td>2</td>
<td>2.71</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>20%</td>
</tr>
<tr>
<td>Q3-9 Line managers should be expected to provide employees, through small-group sessions, with greater clarity about the direction and purpose of the merged organisation</td>
<td>2</td>
<td>2.69</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>24%</td>
</tr>
<tr>
<td>Q3-4 Executive managers need to deal with possible individual and collective issues and differences amongst themselves through a formal issues-resolution process</td>
<td>2</td>
<td>2.69</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>24%</td>
</tr>
<tr>
<td>Q3-8 Line managers should be expected to be the primary drivers of effective organisational behaviour in the merged institution</td>
<td>2</td>
<td>2.65</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>24%</td>
</tr>
</tbody>
</table>
Table 7.4: Organisational culture integration and alignment *continued*

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
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<td>NMMU (n = 136)</td>
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<td></td>
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<tr>
<td>Q3-17 Every employee should receive a personal communique, inviting</td>
<td>3</td>
<td>2.55</td>
<td>0.62</td>
<td>9</td>
<td>7%</td>
<td>84</td>
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<tr>
<td>them to be part of creating an effectively performing merged</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td>institution</td>
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<tr>
<td>CPUT/DUT (n = 140)</td>
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<td>Q3-3 Executive managers should provide leadership in developing,</td>
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<td>2.94</td>
<td>0.30</td>
<td>2</td>
<td>1%</td>
<td>133</td>
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<td></td>
<td></td>
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<tr>
<td>the merged institution</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-5 Executive managers should provide direction, motivation,</td>
<td>1</td>
<td>2.93</td>
<td>0.31</td>
<td>2</td>
<td>1%</td>
<td>132</td>
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<tr>
<td>guidance and clarity to employees in the merged organisation</td>
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<tr>
<td>Q3-7 Executive managers should set an example by living the values</td>
<td>1</td>
<td>2.88</td>
<td>0.39</td>
<td>3</td>
<td>2%</td>
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</tr>
<tr>
<td>Q3-14 Every employee should be given an opportunity to clearly</td>
<td>2</td>
<td>2.84</td>
<td>0.42</td>
<td>3</td>
<td>2%</td>
<td>121</td>
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<tr>
<td>understand the direction of the merged institution</td>
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</table>
Table 7.4: Organisational culture integration and alignment *continued*

<table>
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<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3-15 Every employee should be given an opportunity to clearly understand the changes that are required to create a high performance post-merged institution</td>
<td>2</td>
<td>2.84</td>
<td>0.39</td>
<td>1</td>
<td>1%</td>
<td>21</td>
</tr>
<tr>
<td>Q3-11 Line managers should set an example to all employees by living the values of the merged institution</td>
<td>2</td>
<td>2.84</td>
<td>0.43</td>
<td>3</td>
<td>2%</td>
<td>17</td>
</tr>
<tr>
<td>Q3-2 Executive managers should walk-the-talk through faultless behavioural modelling</td>
<td>2</td>
<td>2.83</td>
<td>0.43</td>
<td>3</td>
<td>2%</td>
<td>18</td>
</tr>
<tr>
<td>Q3-18 Executive and line managers should assist employees to adapt to the organisational culture of the merged institution</td>
<td>2</td>
<td>2.81</td>
<td>0.43</td>
<td>2</td>
<td>1%</td>
<td>22</td>
</tr>
<tr>
<td>Q3-12 Line managers should walk-the-talk through faultless behavioural modelling</td>
<td>2</td>
<td>2.81</td>
<td>0.44</td>
<td>3</td>
<td>2%</td>
<td>20</td>
</tr>
<tr>
<td>Q3-16 Every employee should be given an opportunity to clearly understand the mission, vision and values of the post-merged institution</td>
<td>2</td>
<td>2.81</td>
<td>0.43</td>
<td>2</td>
<td>1%</td>
<td>23</td>
</tr>
<tr>
<td>Q3-13 Every employee in the merged institution should be given the opportunity to clearly understand the reasons for the merger</td>
<td>2</td>
<td>2.80</td>
<td>0.48</td>
<td>5</td>
<td>4%</td>
<td>18</td>
</tr>
<tr>
<td>Q3-6 The leadership orientation of respective institutions needs to be assessed</td>
<td>2</td>
<td>2.79</td>
<td>0.41</td>
<td>0</td>
<td>0%</td>
<td>30</td>
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Table 7.4: Organisational culture integration and alignment continued

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<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3-9 Line managers should be expected to provide employees, through small-group sessions, with greater clarity about the direction and purpose of the merged organisation</td>
<td>2</td>
<td>2.78</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>14%</td>
</tr>
<tr>
<td>Q3-8 Line managers should be expected to be the primary drivers of effective organisational behaviour in the merged institution</td>
<td>2</td>
<td>2.74</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3-4 Executive managers need to deal with possible individual and collective issues and differences amongst themselves through a formal issues-resolution process</td>
<td>3</td>
<td>2.74</td>
<td>0.05</td>
<td>4</td>
<td>3%</td>
<td>20%</td>
</tr>
<tr>
<td>Q3-10 Line managers should be expected to gain employees’ buy-in regarding behaviours and work practices that will strengthen the values of the merged institution</td>
<td>3</td>
<td>2.72</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3-17 Every employee should receive a personal communique, inviting them to be part of creating an effectively performing merged institution</td>
<td>3</td>
<td>2.64</td>
<td>0.05</td>
<td>8</td>
<td>6%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Survey questionnaire, Section 3

Section 3 of the questionnaire is based on Step 4 to 7 of the integrated theoretical model illustrated in Figure 5.1. In excess of 90 per cent of respondents expressed the view that all aspects were either fairly or very important. As indicated in Table 7.4, the majority of respondents at the NMMU (93%) indicated that the aspect dealt with in Question 5 (executive
managers should provide direction, motivation, guidance and clarity to employees in the merged organisation) was the most important of all in this section of the questionnaire. Furthermore, 92 per cent of the NMMU respondents indicated that the aspects dealt with in Question 1 (executive management should set an example by living the values of the merged organisation) and Question 3 (executive managers should walk-the-talk through faultless behavioural modelling) are the second most important of all in this section of the questionnaire. The majority (95%) of the CPUT / DUT respondents indicated that the aspect dealt with in Question 3 (executive managers should provide leadership in developing, communicating and implementing the mission, vision and strategy of the merged institution) was the most important aspect in this section of the questionnaire. A total of 94 per cent of CPUT / DUT respondents indicated that the aspect dealt with in Question 5 (executive managers should provide direction, motivation, guidance and clarity to employees in the merged organisation) was the second most important in this section.

The above findings are aligned with the sentiments of Booz, Allen and Hamilton Incorporated (2001), as well as Carleton and Lineberry (2004, p.89), who contend that organisational culture integration and alignment should be planned and systematic. The findings are also supportive of their views that the entire organisation, from executives to line managers and non-management employees, should be involved in the alignment and integration process (Carleton & Lineberry, 2004, p.91). The strong emphasis on the important role of leadership in the newly merged organisation is also consistent with the view that the new culture must be imposed swiftly, explicitly and completely, and must be accompanied by the appointment of a new leadership that consistently demonstrates the new norms of behaviour (Fletcher, 2008; Habeck et al 2000, pp.89-96; Marsh et al, 2009).

7.2.3 Section 4: Post-integration monitoring and evaluation (Phase 4)

This section deals with the analysis of the findings related to the post-integration monitoring and evaluation process. This process is depicted as Phase 4 (Step 8) in the
integrated theoretical model illustrated in Figure 5.1. Respondents were requested to indicate how important they perceived the aspects listed in this section of the questionnaire to be. Table 7.5 provides responses in relation to the perceived importance of the various aspects listed in Section 4 of the questionnaire.

Table 7.5: Post-integration monitoring and evaluation

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-5 Develop and communicate measures that will confirm an increase or decrease in staff satisfaction</td>
<td>1</td>
<td>2.82</td>
<td>0.43</td>
<td>2</td>
<td>1%</td>
<td>21%</td>
</tr>
<tr>
<td>Q4-4 Develop and communicate measures that will confirm an increase or decrease in overall organisational performance</td>
<td>1</td>
<td>2.79</td>
<td>0.44</td>
<td>2</td>
<td>1%</td>
<td>24%</td>
</tr>
<tr>
<td>Q4-7 Develop and communicate measures that will confirm an increase or decrease in the retention of key staff</td>
<td>1</td>
<td>2.76</td>
<td>0.48</td>
<td>3</td>
<td>2%</td>
<td>26%</td>
</tr>
<tr>
<td>Q4-3 Develop and communicate measures that will confirm an increase or decrease in financial viability</td>
<td>1</td>
<td>2.74</td>
<td>0.05</td>
<td>4</td>
<td>3%</td>
<td>28%</td>
</tr>
<tr>
<td>Q4-6 Develop and communicate measures that will confirm an increase or decrease in employee engagement</td>
<td>2</td>
<td>2.71</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>30%</td>
</tr>
<tr>
<td>Q4-8 Conduct web-based staff opinion/attitude surveys</td>
<td>2</td>
<td>2.63</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>39%</td>
</tr>
<tr>
<td>Q4-1 Develop cultural integration success monitoring and evaluation measures</td>
<td>2</td>
<td>2.59</td>
<td>0.05</td>
<td>4</td>
<td>3%</td>
<td>48%</td>
</tr>
</tbody>
</table>
Table 7.5: Post-integration monitoring and evaluation *continued*

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-10 Establish focus groups to enable staff to express their views about the cultural integration</td>
<td>3</td>
<td>2.55</td>
<td>0.64</td>
<td>11</td>
<td>8%</td>
<td>39%</td>
</tr>
<tr>
<td>Q4-9 Conduct web-based 360-degree leadership and management surveys</td>
<td>3</td>
<td>2.53</td>
<td>0.63</td>
<td>10</td>
<td>7%</td>
<td>44%</td>
</tr>
<tr>
<td>Q4-2 Develop and communicate measures that will confirm an increase or decrease in profitability</td>
<td>3</td>
<td>2.51</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>55%</td>
</tr>
<tr>
<td>Q4-11 Develop and implement measures to track employees’ adherence to the merged institution's values and behaviours</td>
<td>3</td>
<td>2.43</td>
<td>0.71</td>
<td>17</td>
<td>13%</td>
<td>44%</td>
</tr>
<tr>
<td>Q4-4 Develop and communicate measures that will confirm an increase or decrease in overall organisational performance</td>
<td>1</td>
<td>2.82</td>
<td>0.48</td>
<td>6</td>
<td>4%</td>
<td>13%</td>
</tr>
<tr>
<td>Q4-5 Develop and communicate measures that will confirm an increase or decrease in staff satisfaction</td>
<td>1</td>
<td>2.77</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>20%</td>
</tr>
<tr>
<td>Q4-7 Develop and communicate measures that will confirm an increase or decrease in the retention of key staff</td>
<td>1</td>
<td>2.75</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>21%</td>
</tr>
<tr>
<td>Q4-3 Develop and communicate measures that will confirm an increase or decrease in financial viability</td>
<td>2</td>
<td>2.73</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>24%</td>
</tr>
<tr>
<td>Q4-6 Develop and communicate measures that will confirm an increase or decrease in employee engagement</td>
<td>2</td>
<td>2.72</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Table 7.5: Post-integration monitoring and evaluation continued

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-2 Develop and communicate measures that will confirm an increase or decrease in profitability</td>
<td>3</td>
<td>2.65</td>
<td>0.05</td>
<td>8</td>
<td>6%</td>
<td>33</td>
</tr>
<tr>
<td>Q4-1 Develop cultural integration success monitoring and evaluation measures</td>
<td>3</td>
<td>2.65</td>
<td>0.05</td>
<td>8</td>
<td>6%</td>
<td>33</td>
</tr>
<tr>
<td>Q4-10 Establish focus groups to enable staff to express their views about the cultural integration</td>
<td>3</td>
<td>2.59</td>
<td>0.62</td>
<td>10</td>
<td>7%</td>
<td>38</td>
</tr>
<tr>
<td>Q4-11 Develop and implement measures to track employees’ adherence to the merged institution’s values and behaviours</td>
<td>4</td>
<td>2.52</td>
<td>0.68</td>
<td>15</td>
<td>11%</td>
<td>37</td>
</tr>
<tr>
<td>Q4-9 Conduct web-based 360-degree leadership and management surveys</td>
<td>4</td>
<td>2.51</td>
<td>0.70</td>
<td>17</td>
<td>12%</td>
<td>34</td>
</tr>
<tr>
<td>Q4-8 Conduct web-based staff opinion/attitude surveys</td>
<td>4</td>
<td>2.50</td>
<td>0.66</td>
<td>13</td>
<td>9%</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Survey questionnaire, Section 4

It is noteworthy that a large majority (in excess of 80%) of respondents from both groups (NMMU and CPUT / DUT) perceived all aspects to be important (fairly important and very important combined). Respondents at the NMMU perceived the aspect dealt with in Question 5 (develop and communicate measures that will confirm an increase or decrease in staff satisfaction) as the most important (83%) and the aspect in Question 4 (develop and communicate measures that will confirm an increase or decrease in overall organisational performance) as the second most important (81%) in this section of the questionnaire.
Respondents from CPUT / DUT indicated that they perceived the aspect in Question 4 (develop and communicate measures that will confirm an increase or decrease in overall organisational performance) as the most important (86%) and the aspect in Question 5 (develop and communicate measures that will confirm an increase or decrease in staff satisfaction) as the second most important (81%) in this section of the questionnaire. These findings imply that respondents perceived the listed post-integration monitoring and evaluation measures as important to achieving a successful merger. As argued in Chapter 1 of this study, a failed merger cannot be considered as a favourable condition for the creation of an organisational culture conducive to the effective management of performance. It would therefore be in the best interests of a merged organisation to develop, implement and communicate a set of measures that will confirm the success of the merger.

These findings are consistent with the views of Carleton and Lineberry (2004, p.117), who recommend that various types of data be collected and routinely monitored to ensure the success of the culture integration process. The creation of an effective post-integration monitoring and evaluation system would also address the concerns raised by Freedman (2005) and Osti and Associates (2003) about avoiding misperceptions, misconceptions and dealing with stress points related to the purpose and benefits of the merger.

7.2.4 Section 5: The importance of merger-related variables (Phase 5)

The section provides the respondents’ views regarding the impact of merger-related variables illustrated in the conceptual model for this research study in Figure 1.2. Table 7.6 depicts the responses related to Section 5 of the questionnaire.
Table 7.6: Importance of merger-related variables

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low employee morale</td>
<td>1</td>
<td>2.84</td>
<td>0.44</td>
<td>4</td>
<td>3%</td>
<td>118</td>
</tr>
<tr>
<td>Employees' clarity of their new roles</td>
<td>1</td>
<td>2.83</td>
<td>0.45</td>
<td>4</td>
<td>3%</td>
<td>117</td>
</tr>
<tr>
<td>Loss of key staff</td>
<td>1</td>
<td>2.80</td>
<td>0.48</td>
<td>5</td>
<td>4%</td>
<td>114</td>
</tr>
<tr>
<td>Employees' buy-in and orientation towards the merger</td>
<td>1</td>
<td>2.78</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>111</td>
</tr>
<tr>
<td>Loss in employees' job status</td>
<td>1</td>
<td>2.78</td>
<td>0.47</td>
<td>3</td>
<td>2%</td>
<td>109</td>
</tr>
<tr>
<td>The impact of the merger on employees' personal lives</td>
<td>2</td>
<td>2.71</td>
<td>0.05</td>
<td>4</td>
<td>3%</td>
<td>101</td>
</tr>
<tr>
<td>The clarity of the merger rationale</td>
<td>2</td>
<td>2.68</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>98</td>
</tr>
<tr>
<td>The nature of stakeholders' expectations of the merger</td>
<td>2</td>
<td>2.63</td>
<td>0.05</td>
<td>4</td>
<td>3%</td>
<td>90</td>
</tr>
<tr>
<td>The nature of pre-merged institutional cultures</td>
<td>3</td>
<td>2.58</td>
<td>0.60</td>
<td>8</td>
<td>6%</td>
<td>87</td>
</tr>
<tr>
<td>Employees' emotional responses to the merger</td>
<td>3</td>
<td>2.54</td>
<td>0.05</td>
<td>5</td>
<td>4%</td>
<td>79</td>
</tr>
<tr>
<td>Increase in employees' job status</td>
<td>3</td>
<td>2.43</td>
<td>0.64</td>
<td>11</td>
<td>8%</td>
<td>60</td>
</tr>
<tr>
<td>No change in employees' job status</td>
<td>4</td>
<td>2.15</td>
<td>0.74</td>
<td>28</td>
<td>21%</td>
<td>48</td>
</tr>
<tr>
<td>Employees' age</td>
<td>4</td>
<td>2.08</td>
<td>0.70</td>
<td>28</td>
<td>21%</td>
<td>48</td>
</tr>
</tbody>
</table>
Table 7.6: Importance of merger-related variables continued

<table>
<thead>
<tr>
<th>Item</th>
<th>Rank</th>
<th>Mean</th>
<th>SD</th>
<th>Not</th>
<th>Fairly</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q5-11 Low employee morale</td>
<td>1</td>
<td>2.87</td>
<td>0.41</td>
<td>4</td>
<td>3%</td>
<td>10</td>
</tr>
<tr>
<td>Q5-8 Employees' clarity of their new roles</td>
<td>1</td>
<td>2.81</td>
<td>0.43</td>
<td>2</td>
<td>1%</td>
<td>22</td>
</tr>
<tr>
<td>Q5-10 Loss of key staff</td>
<td>2</td>
<td>2.77</td>
<td>0.45</td>
<td>2</td>
<td>1%</td>
<td>28</td>
</tr>
<tr>
<td>Q5-4 Employees' buy-in and orientation towards the merger</td>
<td>2</td>
<td>2.74</td>
<td>0.05</td>
<td>8</td>
<td>6%</td>
<td>21</td>
</tr>
<tr>
<td>Q5-7 The clarity of the merger rationale</td>
<td>2</td>
<td>2.71</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>28</td>
</tr>
<tr>
<td>Q5-1 Loss in employees' job status</td>
<td>2</td>
<td>2.71</td>
<td>0.05</td>
<td>9</td>
<td>6%</td>
<td>23</td>
</tr>
<tr>
<td>Q5-5 The impact of the merger on employees' personal lives</td>
<td>2</td>
<td>2.70</td>
<td>0.05</td>
<td>7</td>
<td>5%</td>
<td>28</td>
</tr>
<tr>
<td>Q5-6 The nature of stakeholders' expectations of the merger</td>
<td>2</td>
<td>2.67</td>
<td>0.05</td>
<td>4</td>
<td>3%</td>
<td>38</td>
</tr>
<tr>
<td>Q5-9 The nature of pre-merged institutional cultures</td>
<td>3</td>
<td>2.64</td>
<td>0.05</td>
<td>4</td>
<td>3%</td>
<td>43</td>
</tr>
<tr>
<td>Q5-13 Employees' emotional responses to the merger</td>
<td>3</td>
<td>2.54</td>
<td>0.05</td>
<td>6</td>
<td>4%</td>
<td>52</td>
</tr>
<tr>
<td>Q5-3 Increase in employees' job status</td>
<td>4</td>
<td>2.43</td>
<td>0.70</td>
<td>17</td>
<td>12%</td>
<td>46</td>
</tr>
<tr>
<td>Q5-2 No change in employees' job status</td>
<td>5</td>
<td>2.21</td>
<td>0.71</td>
<td>24</td>
<td>17%</td>
<td>63</td>
</tr>
<tr>
<td>Q5-12 Employees' age</td>
<td>6</td>
<td>2.01</td>
<td>0.73</td>
<td>37</td>
<td>26%</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: Survey questionnaire, Section 5
This section does not form part of the integrated theoretical model in Figure 5.1, but was included in the survey questionnaire as it forms part of the conceptual model of the study as depicted in Figure 1.2. In Figure 1.2, these merger-related variables are indicated as the moderating variables that could have a determining impact on the dependant variable of the study, namely the creation of an organisational culture conducive to effective performance management in a post-merged organisation.

As reflected in Table 7.6, it is significant that respondents from both groups (NMMU and CPUT / DUT) rated the aspects in Question 11 (low employee morale) and 8 (employees' clarity of their new roles) as the most important in terms of its impact on the merger. The majority of respondents at the NMMU rated Question 11 (87%) and 8 (86%) as very important. Ninety per cent and 83 per cent of CPUT / DUT respondents rated Question 11 and 8, respectively, as very important. Equally significant is the fact that for both groups (NMMU and CPUT / DUT), the lowest number of respondents rated Question 2 (no change in employees' job status) and 12 (employees' age) in the “very important” category. This low mean score could be attributed to the fact that 72 per cent of all the respondents were 40 years and older (refer to Table 6.8), possibly making these respondents negatively predisposed to the suggestion that older employees can have a negative impact on a change process such as a merger. However, taking into account the combined scores of “fairly important” and “very important” of both groups (NMMU and CPUT / DUT) for Question 12 (employees' age), it can be concluded that employees’ ages can have a determining impact on the outcome of a change process such as a merger.

These findings are congruent with the views of PeterBarronStark Companies (2009). They also confirm the view of Schraeder (2001), who suggests that organisations in the midst of a merger could enhance the efficacy of the transition by involving individuals with more job tenure in serving as change champions, promoting the merger transition amongst those with comparatively less job tenure.
A further noteworthy consideration relates to the similarity between the aspects covered in the questions of Section 5 and Ambler’s (2007) ten C’s model of employee engagement. This implies that post-merged organisations need to consider following a structured approach to employee engagement as part of the actualisation of the integration and alignment of the total organisation (refer to Step 7 of Figure 5).

7.3 DESCRIPTIVE STATISTICS – PRESENTATION AND DISCUSSION OF SUMMATED SCORES

The summated mean scores related to the various phases and process steps of the model, as well as the summated scores for the two groups of institutions (NMMU and CPUT / DUT) and their functional categories, are discussed in this section.

7.3.1 Summated mean scores: Responses related to various phases and process steps of the integrated theoretical model

The questions in the questionnaire were grouped into the various process steps relevant to a particular phase of the integrated theoretical model. This grouping, however, excluded Section 1 of the questionnaire, which primarily dealt with the biographical details of the respondents. Annexure 7.1 provides a breakdown of the various questions that fall under the various phases of the model. Phase 1 of the model in Figure 5.1 consists of three steps and these steps are referred to as Phase 1.1, 1.2 and 1.3 in Table 7.7 for ease of identification and statistical analysis. These scores have been summated into one score which is referred to as P1 in Table 7.7. Phase 3 of the model also consists of three steps (Phase 3.1, 3.2 and 3.3 in Table 7.7). The rating scale used in the questionnaire, namely “not important”, “fairly important” and “very important,” has been categorised into three score ranges in Table 7.7. The “not important” category is in the first range (1.00 to 1.67), “fairly important” in the second range (1.67 to 2.33) and “very important” in the third range (2.33 to 3.00).
All the questions that appeared under Section 5 of the questionnaire are related to the moderating variables which form part of the model in Figure 5.1.

Table 7.7: Summated mean scores related to various phases and process steps of the integrated theoretical model

<table>
<thead>
<tr>
<th></th>
<th>NMMU (n = 136)</th>
<th></th>
<th>[1.00 to 1.67]</th>
<th>[1.67 to 2.33]</th>
<th>(2.33 to 3.00)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>S.D.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1.1</td>
<td>2.72</td>
<td>0.29</td>
<td>1</td>
<td>1%</td>
<td>14</td>
</tr>
<tr>
<td>P1.2</td>
<td>2.66</td>
<td>0.47</td>
<td>9</td>
<td>7%</td>
<td>11</td>
</tr>
<tr>
<td>P1.3</td>
<td>2.61</td>
<td>0.47</td>
<td>5</td>
<td>4%</td>
<td>34</td>
</tr>
<tr>
<td>P1</td>
<td>2.66</td>
<td>0.34</td>
<td>2</td>
<td>1%</td>
<td>19</td>
</tr>
<tr>
<td>P3.1</td>
<td>2.83</td>
<td>0.24</td>
<td>1</td>
<td>1%</td>
<td>4</td>
</tr>
<tr>
<td>P3.2</td>
<td>2.76</td>
<td>0.34</td>
<td>1</td>
<td>1%</td>
<td>15</td>
</tr>
<tr>
<td>P3.3</td>
<td>2.79</td>
<td>0.33</td>
<td>3</td>
<td>2%</td>
<td>8</td>
</tr>
<tr>
<td>P3</td>
<td>2.79</td>
<td>0.23</td>
<td>0</td>
<td>0%</td>
<td>6</td>
</tr>
<tr>
<td>P4</td>
<td>2.64</td>
<td>0.36</td>
<td>3</td>
<td>2%</td>
<td>18</td>
</tr>
<tr>
<td>MV</td>
<td>2.60</td>
<td>0.30</td>
<td>1</td>
<td>1%</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CPUT / DUT (n = 140)</td>
<td></td>
<td>[1.00 to 1.67]</td>
<td>[1.67 to 2.33]</td>
<td>(2.33 to 3.00)</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>S.D.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1.1</td>
<td>2.71</td>
<td>0.37</td>
<td>5</td>
<td>4%</td>
<td>11</td>
</tr>
<tr>
<td>P1.2</td>
<td>2.63</td>
<td>0.48</td>
<td>10</td>
<td>7%</td>
<td>17</td>
</tr>
<tr>
<td>P1.3</td>
<td>2.61</td>
<td>0.44</td>
<td>5</td>
<td>4%</td>
<td>32</td>
</tr>
<tr>
<td>P1</td>
<td>2.65</td>
<td>0.37</td>
<td>3</td>
<td>2%</td>
<td>19</td>
</tr>
<tr>
<td>P3.1</td>
<td>2.85</td>
<td>0.29</td>
<td>2</td>
<td>1%</td>
<td>8</td>
</tr>
<tr>
<td>P3.2</td>
<td>2.78</td>
<td>0.40</td>
<td>4</td>
<td>3%</td>
<td>10</td>
</tr>
<tr>
<td>P3.3</td>
<td>2.79</td>
<td>0.38</td>
<td>5</td>
<td>4%</td>
<td>11</td>
</tr>
<tr>
<td>P3</td>
<td>2.80</td>
<td>0.32</td>
<td>2</td>
<td>1%</td>
<td>9</td>
</tr>
<tr>
<td>P4</td>
<td>2.66</td>
<td>0.44</td>
<td>6</td>
<td>4%</td>
<td>17</td>
</tr>
<tr>
<td>MV</td>
<td>2.60</td>
<td>0.33</td>
<td>2</td>
<td>1%</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: Table 7.2 - Table 7.6

From the summated mean scores of the various phases and process steps depicted in Table 7.7, it is evident that the majority of the respondents at both institution groups (NMMU and CPUT / DUT) perceived all the aspects related to the various phases and associated process steps of the integrated theoretical model, which were dealt with in the questionnaire, as very important (all the mean scores are above 2.33). This view is further supported by the frequency of respondents at the NMMU who selected the “very
important” option, a frequency which ranges between 97 (71%) and 131 (96%) out of a possible 136 respondents. The same conclusion can be made about the CPUT / DUT group, in which the frequency of “very important” selections ranged between 103 (74%) and 130 (93%) out of a possible 140 respondents.

The results in Table 7.8 provide information related to the significance of correlations between the various phases and associated process steps of the integrated theoretical model in Figure 5.1. The data above the diagonal line in the table relates to the responses obtained from NMMU and the data below the line to responses obtained from CPUT / DUT.

Table 7.8: Correlations of significance between summated scores for phases and process steps of integrated theoretical model

<table>
<thead>
<tr>
<th></th>
<th>P1.1</th>
<th>P1.2</th>
<th>P1.3</th>
<th>P1</th>
<th>P3.1</th>
<th>P3.2</th>
<th>P3.3</th>
<th>P3</th>
<th>P4</th>
<th>MV</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1.1</td>
<td></td>
<td>.643</td>
<td>.496</td>
<td>.809</td>
<td>.125</td>
<td>.000</td>
<td>.009</td>
<td>.048</td>
<td>.138</td>
<td>.387</td>
</tr>
<tr>
<td>P1.2</td>
<td>.706</td>
<td></td>
<td>.473</td>
<td>.861</td>
<td>.058</td>
<td>.037</td>
<td>-.040</td>
<td>.019</td>
<td>.156</td>
<td>.358</td>
</tr>
<tr>
<td>P1.3</td>
<td>.554</td>
<td>.577</td>
<td></td>
<td>.815</td>
<td>.089</td>
<td>-.018</td>
<td>.158</td>
<td>.099</td>
<td>.216</td>
<td>.407</td>
</tr>
<tr>
<td>P1</td>
<td>.858</td>
<td>.895</td>
<td>.829</td>
<td></td>
<td>.103</td>
<td>.009</td>
<td>.056</td>
<td>.068</td>
<td>.210</td>
<td>.461</td>
</tr>
<tr>
<td>P3.1</td>
<td>.254</td>
<td>.276</td>
<td>.211</td>
<td>.287</td>
<td></td>
<td>.342</td>
<td>.396</td>
<td>.708</td>
<td>.443</td>
<td>.341</td>
</tr>
<tr>
<td>P3.2</td>
<td>.163</td>
<td>.309</td>
<td>.164</td>
<td>.252</td>
<td>.758</td>
<td></td>
<td>.329</td>
<td>.766</td>
<td>.354</td>
<td>.219</td>
</tr>
<tr>
<td>P3.3</td>
<td>.186</td>
<td>.195</td>
<td>.202</td>
<td>.226</td>
<td>.768</td>
<td>.589</td>
<td></td>
<td>.783</td>
<td>.424</td>
<td>.259</td>
</tr>
<tr>
<td>P3</td>
<td>.219</td>
<td>.290</td>
<td>.213</td>
<td>.283</td>
<td>.926</td>
<td>.882</td>
<td>.879</td>
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<td>.532</td>
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<td>.392</td>
<td>.386</td>
<td>.599</td>
<td>.545</td>
<td>.611</td>
<td>.653</td>
<td>.601</td>
<td></td>
</tr>
</tbody>
</table>

Source: Table 7.7

The scores indicated in red in Table 7.8 denote a significant correlation between those particular phases’ summated scores, in terms of importance within the two groups (NMMU and CPUT / DUT). A correlation is statistically significant if |r| > .168 for NMMU and |r| > .166 for CPUT / DUT and practically significant if |r| > .30 for NMMU and CPUT / DUT. The correlations indicate congruence between the different institutions in terms of the importance of these factors, as well as the interrelatedness of these factors. These correlations also confirm the reliability of the items in the questionnaire and their relation to the specific phases. Reliability and internal consistency are discussed in greater detail in Section 7.4.3.
7.3.2 Summated mean scores by institution and functional categories

Table 7.9 shows a comparison between the summated mean scores of the institutions as well as the functional categories in this study. This comparison is based on the means and standard deviations for summated responses related to each phase and process step (for Phase 1 and 3 only) of the model in Figure 5.1. As graphically illustrated in Figure 1.3 and discussed in Section 1.7.2, the responses received from CPUT and DUT were combined into one single data set and compared to those received from the NMMU. The survey findings are therefore presented as a combination of NMMU executives, line managers and HR practitioners’ (EM / LM / HR) responses compared to those of the non-HR / non-management employees (Other) of the NMMU and CPUT / DUT respectively. The NMMU and the CPUT / DUT combination are referred to as “groups” for the purposes of providing clear explanations. The information in Table 7.9 is discussed Section 7.4.1 to 7.4.4 according to the various sections of the questionnaire as well as the various phases of the integrated theoretical model as they appear in Figure 5.1.
Table 7.9: Comparison of summated scores in terms of institutional and functional category

<table>
<thead>
<tr>
<th>Institution*Functional Category</th>
<th>Total n</th>
<th>NMMU</th>
<th>CPUT/DUT</th>
<th>EM/LM/HR</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1.1</td>
<td>276</td>
<td>136</td>
<td>140</td>
<td>99</td>
<td>177</td>
</tr>
<tr>
<td>Mean</td>
<td>2.71</td>
<td>2.72</td>
<td>2.71</td>
<td>2.74</td>
<td>2.70</td>
</tr>
<tr>
<td>S.D.</td>
<td>0.34</td>
<td>0.29</td>
<td>0.37</td>
<td>0.29</td>
<td>0.36</td>
</tr>
<tr>
<td>S.E.M.</td>
<td>0.02</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>95%CI-lo</td>
<td>2.67</td>
<td>2.67</td>
<td>2.65</td>
<td>2.69</td>
<td>2.64</td>
</tr>
<tr>
<td>95%CI-hi</td>
<td>2.75</td>
<td>2.77</td>
<td>2.77</td>
<td>2.80</td>
<td>2.75</td>
</tr>
<tr>
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<td>177</td>
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<tr>
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<td>2.66</td>
<td>2.63</td>
<td>2.69</td>
<td>2.62</td>
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<td>0.04</td>
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<td>2.54</td>
</tr>
<tr>
<td>95%CI-hi</td>
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<td>2.74</td>
<td>2.71</td>
<td>2.77</td>
<td>2.69</td>
</tr>
<tr>
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<td>2.61</td>
<td>2.61</td>
<td>2.58</td>
<td>2.63</td>
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<td>0.43</td>
<td>0.47</td>
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<td>0.04</td>
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<td>2.56</td>
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<tr>
<td>95%CI-hi</td>
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<td>2.68</td>
<td>2.66</td>
<td>2.69</td>
</tr>
<tr>
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<td>0.03</td>
<td>0.03</td>
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<td>2.59</td>
</tr>
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</tr>
<tr>
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<td>177</td>
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<td>2.85</td>
<td>2.85</td>
<td>2.83</td>
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<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
</tr>
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<td>2.81</td>
<td>2.79</td>
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<td>0.33</td>
<td>0.39</td>
</tr>
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<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
</tr>
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<td>2.72</td>
</tr>
<tr>
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<td>2.84</td>
</tr>
<tr>
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<td>136</td>
<td>140</td>
<td>99</td>
<td>177</td>
</tr>
<tr>
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<td>2.79</td>
<td>2.78</td>
<td>2.80</td>
</tr>
<tr>
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<td>0.36</td>
</tr>
<tr>
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<td>0.03</td>
<td>0.04</td>
<td>0.03</td>
</tr>
<tr>
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<tr>
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<td>2.85</td>
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<td>99</td>
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</tr>
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<td>2.80</td>
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<td>0.02</td>
<td>0.02</td>
</tr>
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<td>2.76</td>
</tr>
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<td>95%CI-hi</td>
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</tr>
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<td>99</td>
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<td>2.67</td>
</tr>
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<td>0.04</td>
<td>0.03</td>
</tr>
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<td>95%CI-lo</td>
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<td>2.58</td>
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<td>2.61</td>
</tr>
<tr>
<td>95%CI-hi</td>
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<td>2.73</td>
</tr>
<tr>
<td>MV</td>
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<td>136</td>
<td>140</td>
<td>99</td>
<td>177</td>
</tr>
<tr>
<td>Mean</td>
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<td>2.60</td>
<td>2.60</td>
<td>2.60</td>
<td>2.60</td>
</tr>
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<td>0.30</td>
<td>0.33</td>
<td>0.25</td>
<td>0.35</td>
</tr>
<tr>
<td>S.E.M.</td>
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<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>95%CI-lo</td>
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<td>2.55</td>
<td>2.55</td>
<td>2.55</td>
<td>2.55</td>
</tr>
<tr>
<td>95%CI-hi</td>
<td>2.64</td>
<td>2.65</td>
<td>2.66</td>
<td>2.65</td>
<td>2.65</td>
</tr>
</tbody>
</table>

Source: Tables 7.2 to 7.6
7.3.2.1  Conducting a cultural assessment (Phase 1.1 of the model)

Phase 1 of the integrated theoretical model in Figure 5.1 consists of three different steps (shown as P1.1, P1.2 and P1.3 in Table 7.9). The aspects covered in Phase 1 of the model were dealt with in Section 2 of the survey questionnaire. In terms of Table 7.9, P1.1 (Step 1 in the model) has an aggregate mean of 2.71 (n=276). In the institutional column, the means of the NMMU (2.72; n=136) and CPUT / DUT (2.71; n=140) are relatively close to the aggregate mean for this column, suggesting that respondents’ perceptions of the importance of the aspects dealt with in this section of the questionnaire (Step 1 of the model) can be viewed as being very similar at the two institutions.

In the combined functional category column, the mean scores equate to 2.74 (EM / LM / HR; n=99) and 2.70 (Other; n=177). These respective means are relatively close to the aggregate mean of 2.72 (n=276) for the combined functional category column which suggests that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire (Step 1 of the model) can be described as very similar, despite their different functional categories.

In the combined institution functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have mean scores of 2.76 (n=46) and 2.70 (n=90) respectively. These mean scores are relatively close to the aggregate mean of 2.73 (n=136) for this column. This suggests that the two functional categories at the NMMU expressed very similar perceptions in relation to the importance of aspects covered in this section of the questionnaire (Step 1 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have mean scores of 2.73 (n=53) and 2.70 (n=87) respectively. The mean scores for this column are relatively close to the aggregate mean of 2.71 (n=140) for this column, suggesting that the perceptions of the respondents regarding the importance of aspects covered in this section of the questionnaire (Step 1 of the model) are very similar.
7.3.2.2 Assess human capital capability (Phase 1.2 of the model)

In terms of Table 7.9, P1.2 (Step 2 in the model) has an aggregate mean of 2.64 (n=276). In the institutional column, the means of the NMMU (2.66; n=136) and CPUT / DUT (2.63; n=140) are relatively close to the aggregate mean for this column, suggesting that respondents’ perceptions at the two institutions regarding the importance of the aspects dealt with in this section of the questionnaire can be viewed as very similar.

In the combined functional category column, the mean scores are 2.69 (EM / LM / HR; n=99) and 2.62 (Other; n=177). These respective mean scores are relatively close to the aggregate mean of 2.65 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire (Step 2 of the model) are very similar, despite their different functional categories.

In the combined institution functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have scores of 2.74 (n=46) and 2.62 (n=90) respectively. These mean scores are relatively close to the aggregate mean of 2.68 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar views in this section of the questionnaire (Step 2 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have scores of 2.66 (n=53) and 2.61 (n=87) respectively. The mean scores for this column are relatively close to the aggregate mean of 2.63 (n=140) for this column, suggesting that the perceptions of the respondents are very similar in terms of the importance of the aspects dealt with in this section of the questionnaire.
7.3.2.3  **Assess change readiness (Phase 1.3 of the model)**

In terms of Table 7.9, P 1.3 (Step 3 in the model) has an aggregate mean score of 2.61 (n= 276). In the institutional column, the mean scores of the NMMU (2.61; n=136) and CPUT / DUT (2.61; n=140) are exactly the same as the aggregate mean score for this column, suggesting that respondents’ perceptions at the two institutions regarding the importance of the aspects covered in this section of the questionnaire (Step 3 of the model) are very similar.

In the combined functional category column, the mean scores are 2.58 (EM / LM / HR; n=99) and 2.63 (Other; n=177). These respective mean scores are relatively close to the aggregate mean score of 2.60 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire (Step 3 of the model) are very similar, despite their different functional categories.

In the combined institution functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have mean scores of 2.61 (n=46) and 2.60 (n=90) respectively. These mean scores are relatively close to the aggregate mean score of 2.60 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar perceptions regarding this section of the questionnaire (Step 3 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have scores equating to 2.55 (n=53) and 2.65 (n=87) respectively. These mean scores are relatively close to the aggregate mean score of 2.60 (n=140) for this column, suggesting that the perceptions of the respondents in terms of the importance of aspects dealt with in this section of the questionnaire (Step 3 of the model) are very similar.
7.3.2.4  **Conducting a pre-merged assessment (the entire Phase 1 of the model)**

In terms of Table 7.9, P1 (the entire Phase 1 of the model) has an aggregate mean score of to 2.66 (n=276). In the institutional column, the mean scores of the NMMU (2.66; n=136) and CPUT / DUT (2.65; n=140) are relatively close to the aggregate mean score for this column, suggesting that respondents’ perceptions at the two institutions in respect of the importance of all the aspects dealt with in this section of the questionnaire (the entire Phase 1) are very similar.

In the combined functional category column, the mean scores are 2.67 (EM / LM / HR; n=99) and 2.65 (Other; n=177). These respective means are relatively close to the aggregate mean score of 2.66 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire (the entire Phase 1 of the model) are very similar, despite their different functional categories.

In the combined institution functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have mean scores of 2.71 (n=46) and 2.64 (n=90) respectively. These mean scores are relatively close to the aggregate mean score of 2.67 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar perceptions regarding this section of the questionnaire (the entire Phase 1 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have mean scores of 2.64 (n=53) and 2.65 (n=87) respectively. These mean scores are relatively close to the aggregate mean score of 2.64 (n=140) for this column, suggesting that the perceptions of the respondents of the importance of aspects dealt with in this section of the questionnaire (the entire Phase 1of the model) are very similar.
7.3.2.5 *Integration and alignment of executive management (Phase 3.1 of the model)*

In terms of Table 7.9, P3.1 (Step 5 in the model) has an aggregate mean of 2.84 (n=276). It is noteworthy that this particular aggregate mean is the highest of all the aggregate mean scores for all the phases and steps that formed part of the survey questionnaire. This particular step in the model deals with the integration and alignment of executive management. In the institutional column, the means of the NMMU (2.83; n=136) and CPUT / DUT (2.85; n=140) are relatively close to the aggregate mean score for this column, suggesting that respondents’ perceptions of the importance of aspects covered in this section of the questionnaire (Step 5 of the model) are very similar at the two institutions.

In the combined functional category column, the mean scores are 2.83 (EM / LM / HR; n=99) and 2.85 (Other; n=177). These respective mean scores are relatively close to the aggregate mean of 2.84 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire are very similar, despite their different functional categories.

In the combined institution functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have mean scores of 2.85 (n=46) and 2.83 (n=90) respectively. These mean scores are relatively close to the aggregate mean score of 2.84 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar perceptions regarding the importance of aspects dealt with in this section of the questionnaire (Step 5 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have mean scores of 2.85 (n=53) and 2.84 (n=87) respectively. These mean scores are relatively close to the aggregate mean score of 2.84 (n=140) for this column, suggesting that the perceptions of the respondents of the importance of
aspects dealt with in this section of the questionnaire (Step 5 of the model) are very similar.

7.3.2.6 Integration and alignment of line management (Phase 3.2 of the model)

In terms of Table 7.9, P3.2 (Step 6 in the model) has an aggregate mean score of 2.77 (n=276). In the institutional column, the mean scores of the NMMU (2.76; n=136) and CPUT / DUT (2.78; n=140) are relatively close to the aggregate mean score for this column, suggesting that respondents’ perceptions in relation to the importance of aspects dealt with in this section of the questionnaire (Step 6 of the model) are very similar at the two institutions.

In the combined functional category column, the mean scores are 2.75 (EM / LM / HR; n=99) and 2.78 (Other; n=177). These respective mean scores are relatively close to the aggregate mean score of 2.76 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire (Step 6 of the model) are very similar despite their different functional categories.

In the combined institutional functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have mean scores of 2.75 (n=46) and 2.77 (n=90) respectively. These mean scores are relatively close to the aggregate mean score of 2.76 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar perceptions in relation to the importance of aspects dealt with in this section of the questionnaire (Step 6 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have mean scores of 2.76 (n=53) and 2.79 (n=87) respectively. These mean scores are relatively close to the aggregate mean of 2.77 (n=140) for this column, suggesting that the perceptions of the respondents in relation to the importance of aspects dealt with in this section of the questionnaire (Step 6 of the model) are very similar.
7.3.2.7 Integration and alignment of the total organisation (Phase 3.3 of the model)

In terms of Table 7.9, P3.3 (Step 7 in the model) has an aggregate mean score of 2.79 (n=276). In the institutional column, the means of the NMMU (2.79; n=136) and CPUT / DUT (2.79; n=140) are exactly the same as the aggregate mean score for this column, suggesting that respondents’ perceptions in relation to the importance of the aspects dealt with in this particular section of the questionnaire (Step 7 of the model) are very similar at the two institutions.

In the combined functional category column, the mean scores are 2.78 (EM / LM / HR; n=99) and 2.80 (Other; n=177). These respective mean scores are relatively close to the aggregate mean of 2.79 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire can be described as very similar, despite their different functional categories.

In the combined institutional functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have score scores of 2.75 (n=46) and 2.82 (n=90) respectively. These mean scores are relatively close to the aggregate mean of 2.78 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar perceptions in relation to this section of the questionnaire (Step 7 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have score scores of 2.66 (n=53) and 2.61 (n=87) respectively. These mean scores are relatively close to the aggregate mean score of 2.63 (n=140) for this column, suggesting that the perceptions of the respondents in relation to the importance of aspects dealt with in this section of the questionnaire (Step 7 of the model) are very similar.
7.3.2.8  Conducting a pre-merged assessment (the entire Phase 3 of the model)

In terms of Table 7.9, P3 (the entire Phase 3 of the model) has an aggregate mean score of 2.80 (n= 276). In the institutional column, the mean scores of the NMMU (2.79; n=136) and CPUT / DUT (2.80; n=140) are relatively close to the aggregate mean score for this column, suggesting that respondents’ perceptions in respect of the importance of all the aspects dealt with in this section of the questionnaire (the entire Phase 3) are very similar at the two institutions.

In the combined functional category column, the mean scores are 2.79 (EM / LM / HR; n=99) and 2.80 (Other; n=177). These respective mean scores are relatively close to the aggregate mean score of 2.79 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire (the entire Phase 3 of the model) are very similar despite their different functional categories.

In the combined institutional functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have mean scores equating to 2.78 (n=46) and 2.80 (n=90) respectively. These mean scores are relatively close to the aggregate mean score of 2.79 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar perceptions in relation to this section of the questionnaire (the entire Phase 3 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have mean scores of 2.81 (n=53) and 2.80 (n=87) respectively. These mean scores are relatively close to the aggregate mean of 2.80 (n=140) for this column, suggesting that the perceptions of the respondents in relation to the importance of aspects dealt with in this section of the questionnaire (the entire Phase 3 of the model) are very similar.
7.3.2.9  Design post integration monitoring and evaluation measures (Phase 4, Step 8 of the model)

In terms of Table 7.9, P4 (Step 8 in the model) has an aggregate mean score of 2.65 (n= 276). In the institutional column, the mean scores of the NMMU (2.64; n=136) and CPUT / DUT (2.66; n=140) are relatively close to the aggregate mean score for this column, suggesting that respondents’ perceptions in relation to the importance of the aspects dealt with in this particular section of the questionnaire are very similar at the two institutions.

In the combined functional category column, the mean scores are 2.60 (EM / LM / HR; n=99) and 2.67 (Other; n=177). These respective mean scores are relatively close to the aggregate mean score of 2.63 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire (Phase 4 of the model) are very similar despite their different functional categories.

In the combined institutional functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have mean scores of 2.62 (n=46) and 2.65 (n=90) respectively. These mean scores are relatively close to the aggregate mean score of 2.63 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar perceptions in relation to this section of the questionnaire (Step 8 of the model). The EM / LM / HR category and the Other category at CPUT / DUT have mean scores of 2.59 (n=53) and 2.70 (n=87) respectively. These mean scores are relatively close to the aggregate mean score of 2.64 (n=140) for this column, suggesting that the perceptions of the respondents in relation to the importance of aspects dealt with in this section of the questionnaire (Step 7 of the model) are less similar.
7.3.2.10 Merger-related variables (Moderating variables in Figure 1.3)

In terms of Table 7.9, the merger-related variables (MV) in the model have an aggregate mean score of 2.60 (n= 276). In the institutional column, the mean scores of the NMMU (2.60; n=136) and CPUT / DUT (2.60; n=140) are exactly the same as the aggregate mean score for this column, suggesting that respondents’ perceptions in relation to the importance of the aspects dealt with in this particular section of the questionnaire are very similar at the two institutions.

In the combined functional category column, the mean scores are 2.60 (EM / LM / HR; n=99) and 2.60 (Other; n=177). These respective mean scores are exactly the same as the aggregate mean score of 2.60 (n=276) for the combined functional category column, suggesting that the respondents’ views of the importance of the aspects dealt with in this section of the questionnaire are very similar despite their different functional categories.

In the combined institutional functional category, the functional categories are separated and presented by institution. The EM / LM / HR category and the Other category at the NMMU have mean scores of 2.62 (n=46) and 2.60 (n=90) respectively. These mean scores are relatively close to the aggregate mean score of 2.61 (n=136) for this column, suggesting that the two functional categories at the NMMU expressed very similar perceptions in relation to this section of the questionnaire (the merger-related variables in the model). The EM / LM / HR category and the Other category at CPUT / DUT have mean scores of 2.59 (n=53) and 2.61 (n=87) respectively. These mean scores are relatively close to the aggregate mean of 2.60 (n=140) for this column, suggesting that the perceptions of the respondents in respect of the importance of aspects dealt with in this section of the questionnaire (the merger-related variables of the model) are very similar.
7.4 INFERENTIAL STATISTICAL REPORTING AND ANALYSIS

The inferential statistics reported on and analysed in this section include the one-way MANOVA (multivariate analysis of variance), which determines whether there is a statistically significant difference between the mean scores of the institutions (NMMU and CPUT / DUT), as well as the functional categories (executive management, line management, HR practitioners and non-HR / non-management employees), that participated in this study. Also included in this section is a discussion and analysis of the Chi²-test for statistical significance, the Cramér’s V-test test for practical significance and the Cronbach alpha to test for internal consistency and reliability (refer to Table 7.1).

7.4.1 MANOVA test results by institution and functional categories

The one-way MANOVA test is used to determine if there is a statistically significant difference between the summated mean scores of two or more groups (the different institutions and functional categories, in this study) and the summated mean scores of aspects being measured. In the context of this study, the test is based on the respondents’ perception of the importance of the aspects dealt with in Sections 2, 3, 4 and 5 of the survey questionnaire conducted in the institutions (NMMU and CPUT / DUT) and across the various functional categories (executive managements, line management, HR practitioners and non-HR / non-management employees). The results are presented in Table 7.10.

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>D.F.</th>
<th>Error</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution</td>
<td>0.13</td>
<td>8; 266</td>
<td>265</td>
<td>.998</td>
</tr>
<tr>
<td>Functional Category</td>
<td>1.41</td>
<td>8; 267</td>
<td>265</td>
<td>.191</td>
</tr>
<tr>
<td>Institution*Functional Category</td>
<td>0.61</td>
<td>8; 268</td>
<td>265</td>
<td>.767</td>
</tr>
</tbody>
</table>

Source: Table 7.9
The p-values that are generated through the MANOVA test indicate whether there is a statistically significant difference, in respect of the importance of aspects being measured, between the perceptions of respondents from the different institutions and functional categories. When the p-value is below 0.05, it implies that there is a statistically significant difference. As shown in Table 7.10, all the p-values are above 0.05, suggesting that there are no statistically significant differences between the responses of the institutions (0.998), the functional categories of the institutions (NMMU and CPUT / DUT combined) (0.191) and of the institutions’ functional categories separated (0.767). It can therefore be concluded that the respondents from the different institutions and different functional categories expressed views that are not statistically significantly different regarding the importance of the aspects surveyed in Section 2, 3, 4 and 5 of the questionnaire, which relate to Step 1 to 8 and the merger-related variables, illustrated in the integrated theoretical model (refer to Figure 5.1). This conclusion coincides with the conclusion that was drawn regarding the information contained in Table 7.9.

7.4.2 The Chi²-test for statistical significance and the Cramér’s V-test for practical significance

In the Chi²-test, a difference between group means is considered as statistically significant if a p-value of less than 0.05 is obtained (Venter, 2011).

In terms of the Cramér’s V-test for practical significance, a difference can be described as small, moderate or large. It is generally accepted that a difference is small if $10 < V < .30$, moderate if $V > .30$ and large if $V > .50$. The effect size assists in establishing whether the difference observed is a difference that matters and therefore a difference of practical concern (Venter, 2011).

Table 7.11 depicts the correlations between the mean scores of the various phases and steps of the integrated theoretical model that were tested in the survey questionnaire and is a sub-set of the information contained in Table 7.8.
Table 7.11: The Chi²-test for statistical significance and the Cramér's V-test for practical significance

<table>
<thead>
<tr>
<th>Variables</th>
<th>Correlations</th>
<th>NMMU</th>
<th>CPU/DUT</th>
<th>Chi²; df=1</th>
<th>p-value</th>
<th>Cramer's V</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1.2:P3.2</td>
<td>.037</td>
<td>.309</td>
<td></td>
<td>5.36</td>
<td>.021</td>
<td>0.14 Small</td>
</tr>
<tr>
<td>P3.1:P3.2</td>
<td>.342</td>
<td>.758</td>
<td></td>
<td>27.25</td>
<td>.000</td>
<td>0.31 Moderate</td>
</tr>
<tr>
<td>P3.1:P3.3</td>
<td>.396</td>
<td>.768</td>
<td></td>
<td>24.01</td>
<td>.000</td>
<td>0.29 Small</td>
</tr>
<tr>
<td>P3.1:P3</td>
<td>.708</td>
<td>.926</td>
<td></td>
<td>37.71</td>
<td>.000</td>
<td>0.37 Moderate</td>
</tr>
<tr>
<td>P3.1: MV</td>
<td>.341</td>
<td>.599</td>
<td></td>
<td>7.66</td>
<td>.006</td>
<td>0.17 Small</td>
</tr>
<tr>
<td>P3.2:P3.3</td>
<td>.329</td>
<td>.589</td>
<td></td>
<td>7.55</td>
<td>.006</td>
<td>0.17 Small</td>
</tr>
<tr>
<td>P3.2:P3</td>
<td>.766</td>
<td>.882</td>
<td></td>
<td>9.46</td>
<td>.002</td>
<td>0.19 Small</td>
</tr>
<tr>
<td>P3.2: MV</td>
<td>.354</td>
<td>.588</td>
<td></td>
<td>6.28</td>
<td>.012</td>
<td>0.15 Small</td>
</tr>
<tr>
<td>P3.3:P3</td>
<td>.219</td>
<td>.545</td>
<td></td>
<td>10.23</td>
<td>.001</td>
<td>0.19 Small</td>
</tr>
<tr>
<td>P3.3: MV</td>
<td>.783</td>
<td>.879</td>
<td></td>
<td>6.77</td>
<td>.009</td>
<td>0.16 Small</td>
</tr>
<tr>
<td>P3: MV</td>
<td>.259</td>
<td>.611</td>
<td></td>
<td>13.32</td>
<td>.000</td>
<td>0.22 Small</td>
</tr>
</tbody>
</table>

Source: Table 7.10

All the interactions between phases, process steps and the moderating variables (MV) listed in Table 7.11 are indicative of significantly different correlations between the NMMU and CPUT / DUT. The p-values are all below 0.05, suggesting that the correlations listed in Table 7.11 are statistically significantly different between the NMMU and the CPUT / DUT in terms of the Chi²-test for statistical significance. The V-values range between 0.14 and 0.37 (refer to Table 7.1), suggesting that the difference in the correlations between the NMMU and CPUT / DUT as listed in Table 7.11 range between small and moderately significant in terms of the Cramér’s V-test for practical significance.

In terms of the above analysis, it is significant to note that respondents at the NMMU and CPUT / DUT did not necessarily express similar perceptions regarding the importance of the aspects between which the correlations in Table 7.11 were made. This difference in perceptions could possibly be attributed to the differences in the
nature of the institutions, as NMMU is a comprehensive university, and CPUT and DUT universities of technology.

### 7.4.3 The Cronbach alpha test

The Cronbach alpha is a statistical test that is utilised to establish the internal consistency and reliability of the items or statements included in the questionnaire. According to Struwig and Stead (2001, p.133), it is particularly useful in instances where a Liker-type scale has been applied. In essence, the Cronbach alpha measures how well the items or statements measure a specific concept or factor, such as executive management integration and alignment or line management integration and alignment, and whether the statements in the questionnaire or sub-scale belong together (Simon, 2008).

The results from the Cronbach alpha test are presented in Table 7.12

#### Table 7.12: The Cronbach alpha test for summated scores

<table>
<thead>
<tr>
<th>Factors</th>
<th>Phases and process steps</th>
<th>Summated scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1.1</td>
<td>Conduct Cultural Assessment</td>
<td>0.78</td>
</tr>
<tr>
<td>P1.2</td>
<td>Assess Human Capital Capability</td>
<td>0.85</td>
</tr>
<tr>
<td>P1.3</td>
<td>Assess Change Readiness</td>
<td>0.80</td>
</tr>
<tr>
<td>P1</td>
<td>Conduct Pre-merged Assessment</td>
<td>0.79</td>
</tr>
<tr>
<td>P3.1</td>
<td>Executive Management</td>
<td>0.81</td>
</tr>
<tr>
<td>P3.2</td>
<td>Senior And Line Management</td>
<td>0.82</td>
</tr>
<tr>
<td>P3.3</td>
<td>Total Organisation</td>
<td>0.84</td>
</tr>
<tr>
<td>P3</td>
<td>Initiate Integration and Alignment Implementation Process</td>
<td>0.78</td>
</tr>
<tr>
<td>P4</td>
<td>Post-integration Monitoring &amp; Evaluation Measures</td>
<td>0.90</td>
</tr>
<tr>
<td>MV</td>
<td>Moderating Variables</td>
<td>0.81</td>
</tr>
</tbody>
</table>

Table 7.12 depicts the Cronbach’s coefficient alpha summated scores obtained for the various phases, process steps and moderating variables (MV) that were used in the survey questionnaire.
All the factors obtained a Cronbach’s alpha coefficient greater than 0.70, the recommended value for reliability, with values ranging from 0.78 to 0.90. According to Simon (2008), a value of 0.06 is acceptable as sufficient evidence of adequate reliability for the purposes of an exploratory study. Therefore the observed Cronbach’s alpha coefficients confirmed the reliability of the summated scores derived from the individual measuring instruments.

7.5 REVIEW OF THE DEVELOPMENT OF THE EIGHT-STEP INTEGRATED THEORETICAL MODEL

Sub-problem 1 in this study focused on the challenges that post-merged organisations face in their efforts to effectively manage performance. In order to resolve Sub-problem 1, in addition to the literature review, the researcher conducted interviews with senior HR practitioners from the post-merged institutions participating in the study. The insights gained from these interviews were incorporated into the relevant sections of the survey questionnaire. The questions of the survey questionnaire were both closed-ended and open-ended in nature. The closed-ended questions required respondents to express their perceptions regarding the importance of the aspects addressed in the various sections of the questionnaire, while the open-ended questions afforded respondents the opportunity to express any other views regarding these aspects.

The question posed in Sub-problem 2 focused on the strategies that post-merged organisations can use to develop an organisational culture that enhances the management of performance. This sub-problem was addressed by means of a literature study to identify such strategies. Section 2, 3 and 4 of the questionnaire contained closed-ended questions which required respondents to express their views of the importance of the various strategies post-merged organisations could use to create an organisational culture conducive to effective performance management. An open-ended question was also added to the end of Section 2, 3 and 4 to solicit respondents’ views regarding other strategies that could be added to those included in the questionnaire.
The question posed in Sub-problem 5 relates to the extent and impact of certain merger-related variables referred to in various sources of literature. These variables could have a moderating effect on the creation of a post-merged organisational culture conducive to effective performance management (the dependant variable). A range of closed-ended questions were posed in Section 5 of the survey questionnaire, requiring respondents to rate the importance of the impact of the various variables on the strategies to create a post-merged organisational culture conducive to effective performance management. An open-ended question was also included to provide respondents with the opportunity to list any other merger-related variables that may not have been included in the questionnaire.

An integrated eight-step theoretical model (refer to Figure 5.1), developed by synthesising the insights gleaned from the various extensive sources of theoretical and empirical information that were studied and analysed, was presented and discussed in Chapter 5 of this study. The model addressed and resolved the question posed in Sub-problem 6 of the study, namely how the results and insights from the resolutions of Sub-problems 1, 2 and 5 could be integrated into a theoretical model that could be utilised by merged institutions to develop an organisational culture conducive to the effective management of performance.

The aim of this section is to integrate the results obtained from the empirical study with the eight-step integrated theoretical model developed from the literature review to arrive at a refined eight-step integrated model. The following approach was used to achieve this aim:

- The results of the quantitative analysis were reviewed to determine if the respondents’ perceptions as expressed in the empirical study justify any additions to or deletions from the aspects related to the integrated theoretical model included in the questionnaire.
• Respondents' proposals for possible additions to the integrated theoretical model (highlighted in the quantitative and qualitative analysis of the results) were reviewed, with the aim of integrating these with the model.

The refined integrated theoretical model resolves Sub-problem 6 as stated in Chapter 1.

7.5.1 Review of the quantitative analysis

An examination of the quantitative results reveals a pervasive agreement amongst respondents from the different institutions and functional categories about the importance of the various aspects, related to various steps of the integrated theoretical model, included in the questionnaire. This conclusion is made based on the conflated scores of "fairly important" and "very important" in Sections 2, 3, 4 and 5 of the questionnaire (refer to Table 7.3 to 7.6). All these conflated scores are in excess of 80 per cent. Based on the high frequency of respondents who perceived all the aspects in the questionnaire, related to the various phases and steps of the model, as important (fairly and very combined), it can be concluded that all of these aspect should form part of the model. This applies to both the NMMU and CPUT / DUT. The integrated model was developed from a theoretical study involving educational and non-educational institutions, which implies that the results of this study are also relevant to merged organisations in other industries.

In Section 2 of the questionnaire, respondents were required to express their views about the types of assessment (none, informal or formal) that should be conducted of the aspects associated with the various process steps in the integrated theoretical model.

In terms of Table 7.3, it appears that the majority of respondents felt that some form of assessment type is necessary. This conclusion is made on the basis of the prevalence of "informal" and "formal" responses. For the purposes of determining whether an assessment of a certain aspect should be informal or formal, it may be necessary to
differentiate on the basis of the mean scores. In accordance with this line of argument, it could be recommended that aspects with rankings below three should be assessed informally, based on their comparatively lower mean scores. Aspects in this section of the questionnaire with rankings of one, two or three achieved higher mean scores at both groups of institutions (NMMU and CPUT / DUT). At both groups of institutions, the same aspects, namely question 26 (assessing the readiness to undergo an intense change process), question 28 (assessing the reasons for resistance to change amongst employees), question 30 (assessing the demands of a change process on employees) and question 32 (assessing the nature of the resistance to change amongst its employees) received rankings below 3 based on their mean scores. These particular aspects could therefore be assessed informally.

The independent variables (the merger-related variables in Figure 1.3) were also put through a stringent process of mean and standard deviation testing (refer to Table 7.6). These variables were addressed by means of questions in Section 5 of the survey questionnaire. All of these variables were found to be important based on the conflated “fairly important” and “very important” scores. It is, however, noteworthy that the merger-related variables “employee age” and “no change in employees’ job status” received the lowest “very important” scores at both the NMMU and CPUT / DUT. However, given the significantly higher conflated (“fairly important and “very important”) scores for these two variables, it could be argued that they could be viewed as important in terms of their impact on the dependant variable in this study.

7.5.2 Review of the quantitative and qualitative analysis results with a view to altering the aspects related to each phase and process step in the model

As stated in Section 7.5.1, an examination of the quantitative results revealed that there was a pervasiveness in the agreement of the importance of the various phases, process steps and merger-related variables. In this section, the proposed additions or deletions from the phases, process steps and merger-related variables of the theoretical model are discussed.
Phase 1: Conduct a pre-merged assessment (P1)

From the summated score of 85 per cent (NMMU) and 84 per cent (CPUT / DUT) for Phase 1 (refer to Table 7.7), it is evident that the majority of the respondents at these institutions are of the view that the aspects dealt with in this phase are important and should be included in the model. No additions and deletions were proposed.

Step 1: Conduct a cultural assessment (P1.1)

No additions or deletions were proposed to this step. The vast majority of respondents indicated that all the aspects related to this step, which were included in the questionnaire, are indeed important. Responses to the open-ended question related to this step of the model did not suggest anything to the contrary.

Step 2: Assess human capital capability (P1.2)

No additions or deletions were proposed to this step. The majority of respondents agreed that all the aspects related to this step, which were included in the questionnaire, are important. Responses to the open-ended question at the end of this step of the model did not provide any contrary views.

Step 3: Assess change readiness (P1.3)

No additions or deletions were proposed to this step. The majority of respondents agreed that all the aspects related to this step, which were included in the questionnaire, are important. The open-ended question did not evoke any contrary opinions.
Phase 3: Initiate Integration and Alignment Implementation Process (P3)

In terms of the summated score of 96 per cent (NMMU) and 92 per cent (CPUT / DUT) for Phase 3 (refer to Table 7.7), it is evident that the majority of the respondents at these institutions are of the view that the aspects dealt with in this phase are important and should be included in the model. No additions and deletions were proposed.

Step 5: The integration and alignment of executive management (P3.1)

No additions or deletions were proposed to this step of the model. The vast majority of the respondents agreed to the importance of integrating and aligning executive management as part of the broader integration and alignment process. The open-ended questions evoked several responses which echoed this sentiment. Comments entered into the provided space included “executive management should drive the entire process,” and “executive managers and line managers should create transparency, democracy and sustain fairness and equality within processes”.

Step 6: The integration and alignment of line management (P3.2)

No additions or deletions were proposed to this step of the model. The greater majority of the respondents were in agreement regarding the importance of integrating line management as part of the broader integration and alignment process. Responses from the open-ended question supported the sentiments contained in the closed-ended questions in this section and included comments such as “this process cannot be done without the complete buy-in and support of line management” and “managers do not realise how important their role is regarding the integration process”.

Step 7: The integration of the total organisation (P3.3)

No additions or deletions were proposed to this step of the model. The majority of the respondents agreed that the aspects related to this step of the model are important.
Step 8: Post-Integration Monitoring and Evaluation Measures (P4)

From the summated score of 85 per cent (NMMU) and 84 per cent (CPUT / DUT) for Phase 4 (refer to Table 7.7), it is evident that the majority of the respondents at these institutions were of the view that the aspects dealt with in this phase are important and should be included in the model. The open-ended questions evoked very interesting additions, such as monitoring and evaluation should be an “ongoing process” and should be developed and implemented “once the merger has been completed and the findings should be communicated and acted upon”. Monitoring and evaluation of institutional finances and staffing-related matters received special emphasis in the open-ended questions. Based on the qualitative feedback received to this step of the model, it would be prudent to reposition Phase 4 (Step 8) at the very end of the model. In addition to this, based on the comment about the need for an “ongoing process” of monitoring and evaluation, it would also be necessary to link this step of the model bi-directionally back to Phase 3 (initiate the integration and alignment of executive management, line management and the total organisation). The reason for this critical linkage is to ensure that the findings of the monitoring and evaluation process are then included in the ongoing process of integration and alignment of Phase 3 in order to actualise a post-merged organisational culture conducive to effective performance management.

Moderating variables (MV)

From the summated score of 85 per cent (NMMU) and 81 per cent (CPUT / DUT) for the moderating variables (MV) (refer to Table 7.7), it is evident that the majority of the respondents at these institutions were of the view that the aspects dealt with in this phase are important and should be included in the model. Given the repositioning of Phase 4 (Step 8) in the model, the moderating variables should also be moved to fit in just after Phase 3 (Step 5 to 7) of the model. In so doing, the possible impact of the merger-related variables could also be monitored and evaluated on an “ongoing basis” and “acted upon” to the extent necessary through the critical bi-directional linkage
between Phase 3 and 4 of the model. Several of the aspects included in this section of the questionnaire form part of the list of suggested post-merged cultural integration success measures of Carleton and Lineberry (2004, pp.117-118).

7.6 Refined Integrated Model to Create a Post-Merged Organisational Culture Conducive to Effective Performance Management

The main objective of this study was to work towards the development of an integrated theoretical model for the creation of an organisational culture conducive to effective performance management. This objective has been achieved through the application of a three-pronged approach:

- Developing an integrated theoretical model from the literature sources used,
- Gathering responses from a sample of executive management, line and senior management, HR practitioners and non-HR / non-management employees from three merged institutions in South Africa, and
- Integrating the results from the empirical study with the integrated theoretical model to develop a refined integrated model for creating a post-merged organisational culture conducive to effective performance management.

The refined model emerges from the presentation and review of the results of the quantitative and qualitative analyses and is depicted in Figure 7.1 below. The details of each phase and its steps are provided in Figure 7.2, which follows Figure 7.1.
Step 8 - Develop organisational culture integration success monitoring measures

PHASE 4 – DESIGN POST INTEGRATION MONITORING & EVALUATION MEASURES

ORGANISATIONAL CULTURE CONducive TO EFFECTIVE PERFORMANCE MANAGEMENT

Various merger-related variables

Step 7 - Total organisation

Step 6 - Senior & Line management

Step 5 - Executive management

PHASE 3 – INITIATE INTEGRATION AND ALIGNMENT IMPLEMENTATION PROCESS

Step 4 - Develop cultural alignment and integration plan

PHASE 2 – COMMISSION INTEGRATION AND ALIGNMENT PLANNING PROCESS

Step 3 - Assess change readiness

Step 2 - Assess human capital capability

Step 1- Conduct cultural assessment

PHASE 1 – CONDUCT PRE-MERGED ASSESSMENT

Page 249
Figure 7.2: Details of the Eight-step Integrated Post-merged Organisational Culture Creation Model

Phase 1 – Conduct pre-merged assessments

Management of the organisations need to ensure that the aspects listed under the various steps are addressed (formally or informally) as part of the assessment process in phase one of the model.

Step 1 - Conduct a cultural assessment
- Compatibility of institutional cultures
- Nature of institutional cultures
- Compatibility of information communication technology
- Leadership orientations
- Academic offering

Step 2 - Assess the human capital capability
- Current and future human capital requirements
- The prevailing performance management orientations
- Nature and extent of reward and recognition systems
- Nature and extent of key staff retention mechanisms

Step 3 - Assess the level of change readiness
- Readiness to undergo intense change process
- Reasons for resistance to change amongst employees
- Demands of change process on employees
- Nature of resistance amongst employees

Phase 2 – Commission integration and alignment planning process

Management of the organisations need to embark upon a planning process to integrate and align executive, senior and line management as well as the total organisation in a time-sensitive and legally compliant manner.

Step 4 - Develop cultural alignment and integration plan

Identify all issues that are time-sensitive in nature such as legal, regulatory, competitive demand or broad system alignment.
Establish processes to support the integration and alignment of executive, senior as well as line management in the total organisation.

(Source: Researcher’s own development)
Figure 7.2: Details of the Eight-step Integrated Post-merged Organisational Culture Creation Model continued

Phase 3 – Initiate integration and alignment implementation process

The newly appointed executive management of the merged organisation needs to ensure that the listed aspects are actualised to fast-track the integration and alignment process.

**Step 5 - Align executive management**
- Executive management should take the lead in living the values of the merged organisation.
- Executive managers should provide leadership in developing, communicating and implementing the mission, vision and strategy of the merged institution.
- Executive managers should provide direction, motivation, guidance and clarity to employees in the merged organisation.
- Executive managers need to have meaningful conversations with all staff about the roadmap to creating a high performance merged institution.
- Executive and line managers should assist employees to adapt to the organisational culture of the merged institution.

**Step 6 - Align senior and line management**
- Managers should be expected to be the primary drivers of effective organisational behaviour in the merged institution.
- Managers should be expected to provide employees, through small-group sessions, with greater clarity about the direction and purpose of the merged organisation.
- Managers should be expected to gain employees’ buy-in regarding behaviours and work practices that will strengthen the values of the merged institution.
- Managers should walk-the-talk through faultless behavioural modelling.

**Step 7 - Align the total organisation**
- Every employee should be given an opportunity to clearly understand the changes that are required to create a high performance post-merged institution.
- Every employee should be given an opportunity to clearly understand the mission, vision and values of the post-merged institution.
- Every employee in the merged institution should be given the opportunity to clearly understand the reasons for the merger.
- Every employee should be given an opportunity to clearly understand the direction of the merged institution.
**Phase 4 – Design post-integration monitoring and evaluation measures**

To ensure that all stakeholders are kept abreast of the progress of the merger, executive management of the merged organisation must develop, implement and communicate key measures related to a successful merger.

**Step 8 - Develop organisational culture integration success monitoring measures**

- Develop and communicate organisational culture integration success monitoring measures
- Develop and communicate measures that will confirm an increase or decrease in profitability
- Develop and communicate measures that will confirm an increase or decrease in financial viability
- Develop and communicate measures that will confirm an increase or decrease in overall organisational performance
- Develop and communicate measures that will confirm an increase or decrease in staff satisfaction
- Develop and communicate measures that will confirm an increase or decrease in employee engagement
- Develop and communicate measures that will confirm an increase or decrease in the retention of key staff
- Establish focus groups to enable staff to express their views about the organisational culture integration
- Develop and implement measures to track employees’ adherence to the merged institution’s values and behaviours
7.7 CONCLUDING REMARKS

In Chapter 7, the results of the questionnaire, which was based on the different steps of the theoretical integrated model, were presented and discussed. The results of the questionnaire were also integrated with the insights gained from the literature study in Chapters 2 and 4. There was also an integration of the quantitative and qualitative survey results with the integrated theoretical model, which resulted in the development of a refined Eight-step Integrated Post-merged Organisational Culture Creation Model as depicted in Figure 7.1. The refined model was developed through a process of reviewing the quantitative and qualitative results to establish whether the perceptions of respondents justified any additions to or deletions from the model.

The refined and empirically tested model resolved Sub-problem 6 of the study, namely how the results and insights from Sub-problem 1, 2 and 5 could be integrated into a theoretical model that can be utilised by merged institutions to develop an organisational culture conducive to the effective management of performance. In resolving Sub-problem 6, the objective of this study was achieved.

The final chapter provides a summary of the salient findings. Conclusions and recommendations related to the study are also presented.
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CHAPTER 8
SUMMARY, RECOMMENDATIONS AND CONCLUSION

8.1 INTRODUCTION

The purpose of this chapter is to take a holistic view of the research project and to provide a succinct synopsis of what has been accomplished through it. The problems and limitations of the study are highlighted and recommendations for future research projects are presented.

8.2 SUMMARY OF THE STUDY

In this section, the main problem and the sub-problems are restated, and the actions taken to resolve each of these problems discussed.

The main problem was identified as: **What strategies can be utilised to develop a post-merged organisational culture conducive to the management of performance?**

The study was launched as a means of addressing what has been identified in the literature as the single biggest contributor to merger failures, namely poor post-merged organisational culture integration. In particular, this study concerned itself with the creation of a post-merged organisational culture conducive to effective performance management.

In order to resolve the main problem, sub-problems were formulated and addressed in various chapters of the study. The sub-problems are listed below with a concise description of each.

**Sub-problem 1:** What challenges are related to the effective management of performance in a post-merged organisation?
Firstly, a literature study, which focused on the unique challenges that post-merged universities and other organisations face in their pursuit of an organisational culture conducive to effective performance management, was conducted. Secondly, interviews were conducted with senior HR practitioners of the participating merged universities to investigate their experiences of performance management at the institutions. The insights gained from the theoretical study and the interviews were integrated into the survey questionnaire, which was issued to executive managers, line managers, HR practitioners and non-management employees from the selected post-merged universities as part of the empirical study. Chapter 2 of the study focused on a multi-faceted reflection on higher education with specific emphasis on a review of mergers within South African higher education and the challenges facing these merged institutions.

**Sub-problem 2:** According to the theory, what strategies can organisations utilise to develop an organisational culture that enhances the management of performance?

Chapter 3 provided insights on strategies that could be used to create an organisational culture conducive to effective performance management. These strategies focused on how to achieve organisational culture integration and alignment as well as creating an organisational culture of high work performance and employee engagement in a post-merged organisation.

**Sub-problem 3:** To what extent are the strategies revealed in the resolution of Sub-problem 2 considered to be important by the selected post-merged universities?

This outcome was achieved by means of an empirical study that was conducted through a survey questionnaire, which was issued to executive managers, line managers, HR practitioners and non-management employees at the selected post-merged universities.
Sub-problem 4: What moderating variables can impact on the relationship between the application of the strategies referred to in Sub-problem 3 and the dependent variable in this study?

This problem was addressed by means of a literature study of the variables that could have a moderating impact on strategies applied to achieve a post-merged organisational culture conducive to effective performance management (the dependant variable).

Sub-problem 5: To what extent are merger-related variables, such as the loss of status, employees’ clarity regarding their new roles, the impact of the merger on employees’ personal lives and the loss of key staff and low morale, which can have a moderating effect on the creation of an organisational culture conducive to effective performance management, considered as important by the selected merged institutions?

In Chapter 4, a discussion was presented on the constraining factors (merger-related variables) that could have an impact on the strategies applied to achieve an organisational culture conducive to effective performance management. In Section 5 of the questionnaire, respondents were required to rate the perceived importance of these merger-related variables (moderating variables, as depicted in Figure 1.2).

Sub-problem 6: How can the results and insights from Sub-problems 1, 2 and 5 be integrated into a theoretical model that can be utilised by merged institutions to develop an organisational culture conducive to the effective management of performance?

In Chapter 5, an eight-step integrated theoretical model, which incorporates the insights gleaned through the resolution of Sub-problem 1, 2 and 5 was presented. This theoretical model was subsequently refined to include the quantitative and qualitative results. This refinement resulted in an Eight-step Integrated Post-merged Organisational Culture Creation Model (refer to Figure 7.1).
8.3 PROBLEMS AND LIMITATIONS

No immutable difficulties were encountered during the study. The usual problems associated with conducting a survey in geographically separate areas such Kwa-Zulu Natal (DUT) and Cape Town (CPUT) did, however, require additional effort and time to overcome. Some of the challenges encountered included:

- Initial indifference from respondents regarding the request to participate in the survey. Repeated requests issued via internal communiqués at the various institutions assisted greatly in mitigating the impact of the initial indifference. The HR executives at the CPUT and DUT were especially generous in their support.
- Respondents being unable to access the live link that was included in the questionnaire cover letter. The joint efforts of IT specialists at CPUT and DUT, in conjunction with the NMMU IT specialist responsible for web-based surveys, provided a timely solution to this problem.
- The request to participate in the survey coinciding with the September university vacation. These problems required two deadline extensions, none of which had an adverse impact on the overall time parameters of the study.

A limitation of the study is that it did not draw a distinction between the responses of academics and those of professional, administrative and support staff, regarding which aspects were included in the various sections of the questionnaire. This distinction could have provided useful insights into academics’ perceptions regarding the merger, given their centrality to the core business of higher education institutions. This limitation is addressed in Section 8.4.

Based on the research findings, a set of recommendations can be made and future areas of research proposed.
8.4 RECOMMENDATIONS

As stated in Chapter 6, one of the goals of research is to seek solutions to problems, generate new knowledge, and provide an objective and sound basis for decision-making as opposed to a basis of guess-work and gut feel (Brynard & Hanekom, 2006, pp. 2-3; Myers, 2009, p.12). The purpose of this study was to identify strategies that could be used to develop an integrated post-merged organisational culture creation model. In pursuit of this goal, theoretical and empirical studies were conducted in relation to the identified strategies.

This model can serve as a guideline for merging organisations in their efforts to create an organisational culture conducive to effective performance management through a structured process of culture integration and alignment (outlined in Figure 7.1).

The following recommendations emerged from the research study:

- Post-merged organisational culture integration and alignment should be executed in a structured and integrated manner, such as the approach outlined in the model illustrated in Figure 7.2.

- Pre-merger assessments, in respect of cultural compatibility, human capital capability and change readiness, are important and should be conducted either formally or informally.

- Executive management should be visibly leading the integration and alignment process.

- A structured Employee Engagement Programme should form an integral part of the integration and alignment of the total organisation (refer to Step 7 in Figure 7.1). Figure 3.1 also confirms the strong correlation between employee engagement and an organisation's financial prosperity (Macey et al, 2009). A specific intervention that
could be considered in supporting the Employee Engagement Programme is known as Positive Organisational Scholarship (POS). POS focuses on the generative dynamics such as life-building, capability enhancing and capacity-creating in an organisation. These organisational dynamics could enhance human strengths and virtues, resilience and healing, vitality and thriving as well as the cultivation extraordinary states in individuals, groups and organisations. The University of Michigan which has implemented POS, reported a “great deal of intellectual energy” across a spectrum of disciplines such as scholars from the schools of Business, Education, Medicine, Public Health, Music, Literature, Science and Arts. Through their various associations and interactions which includes conferences, research initiatives and classroom teaching materials, these individuals have fostered collaborative research and shared ideas for application in their various disciplines (Dutton, Glynn and Spreitzer, 2005).

- A structured approach to monitoring and evaluation needs to be adopted in order to ensure merger success as well as to pro-actively manage the possible impact of the merger-related variables on the strategies contained in the model (refer to Figures 7.1 and 7.2).

- The literature study suggested that employees’ emotions are severely impacted by the uncertainty associated with a merger (refer to Figure 2.1). It is therefore recommended that merging organisations consider developing a holistic employee support programme in order to mitigate the impact of extreme emotional responses to the merger.

The following areas for future research have been identified:

- The empirical study was limited to post-merged higher education institutions in South Africa. Similar studies could be conducted in other sectors of the national and international economy.
Specific focus could be placed on the integration and alignment of the academic cohort within post-merged higher education institutions on the basis that academics are responsible for delivering on the core mandate of these institutions.

A study could be conducted on the efficacy of monitoring and evaluation systems within in post-merged higher education institutions.

A longitudinal study could be conducted to assess the organisational culture integration and alignment in post-merged higher education institutions specifically and other non-educational mergers in general and the extent to which merged organisations apply the strategies identified in this study.

8.5 CONCLUSION

Mergers have become an ever-increasing business activity in the various sectors of the national and international economic landscape over the last few years. This increase in mergers has also led to the unfortunate increase in merger-failures, leaving in its wake a trail of disgruntled stakeholders, such as employees, board members and shareholders. This begs the question whether the failed mergers were preceded by careful consideration and application of the various strategies that underpin the model developed in this study (refer to Figures 7.1 and 7.2).

Based on the findings of this study, it can be argued that it would be remiss of the executives and/or the board members of merging organisations not to consider a structured and integrated approach to creating a successful merger, one which can be described as having a post-merged organisational culture conducive to effective performance management.
REFERENCE LIST


Becker, L.R. (2004). *The impact of university incorporation on college lecturers.* Available from [http://repository.up.ac.za](http://repository.up.ac.za) (accessed on 7 April 2010).


# POST-MERGED ORGANISATIONAL CULTURE CREATION

## 1. Biographical Details

Please provide the following information.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 * What is the name of your institution?</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.2 * Which institution did you work for prior to the merger?</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.3 If OTHER in question 1.2, please specify</td>
<td></td>
</tr>
<tr>
<td>1.4 * In which functional area are you employed?</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.5 * In which staff category do you belong?</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.6 * How long have you been working at your institution (including the pre-merger period)?</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.7 * What is your gender?</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.8 * What age category do you fall under?</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.9 * Do you believe that your institution made every effort to get your buy-in and support for the merger?</td>
<td>[Yes][No]</td>
</tr>
<tr>
<td>1.10 * How was your job status impacted by the merger?</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.11 * Do you believe that the merger of your institution was a success?</td>
<td>[Yes][No]</td>
</tr>
</tbody>
</table>

## 2. CONDUCTING PRE-MERGER ASSESSMENT

Please indicate the level of importance and the type of pre-merger assessment that should be conducted with regard to the aspects listed below.

Formal assessments would include activities such as a published institutional survey, an official and published due diligence study, or an official and published audit in respect of the aspects listed in this particular section.

Informal assessments would include opportunities to express opinions in various large or small group discussions in respect of the aspects listed in this particular section.

<table>
<thead>
<tr>
<th>Question</th>
<th>Importance</th>
<th>Assessment Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 * Compatibility of institutional cultures: importance</td>
<td>Not</td>
<td>None</td>
</tr>
<tr>
<td>2.2 * Compatibility of institutional cultures: assessment type</td>
<td>Fairly</td>
<td>Informal</td>
</tr>
<tr>
<td>2.3 *</td>
<td>Nature of institutional cultures: importance</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>2.4 *</td>
<td>Nature of institutional cultures: assessment type</td>
<td></td>
</tr>
<tr>
<td>2.5 *</td>
<td>Financial strength: importance</td>
<td></td>
</tr>
<tr>
<td>2.6 *</td>
<td>Financial strength: assessment type</td>
<td></td>
</tr>
<tr>
<td>2.7 *</td>
<td>Compatibility of information communication technology: importance</td>
<td></td>
</tr>
<tr>
<td>2.8 *</td>
<td>Compatibility of information communication technology: assessment type</td>
<td></td>
</tr>
<tr>
<td>2.9 *</td>
<td>Physical settings: importance</td>
<td></td>
</tr>
<tr>
<td>2.10 *</td>
<td>Physical settings: assessment type</td>
<td></td>
</tr>
<tr>
<td>2.11 *</td>
<td>Leadership orientations: importance</td>
<td></td>
</tr>
<tr>
<td>2.12 *</td>
<td>Leadership orientations: assessment type</td>
<td></td>
</tr>
<tr>
<td>2.13 *</td>
<td>Academic offerings: importance</td>
<td></td>
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<tr>
<td>2.14 *</td>
<td>Academic offerings: assessment type</td>
<td></td>
</tr>
<tr>
<td>2.15 *</td>
<td>Human capital capability: importance</td>
<td></td>
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<tr>
<td>2.16 *</td>
<td>Human capital capability: assessment type</td>
<td></td>
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<tr>
<td>2.17 *</td>
<td>Performance management systems: importance</td>
<td></td>
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<tr>
<td>2.18 *</td>
<td>Performance management systems: assessment type</td>
<td></td>
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<tr>
<td>2.19 *</td>
<td>Reward and recognition systems: importance</td>
<td></td>
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<tr>
<td>2.20 *</td>
<td>Reward and recognition systems: assessment type</td>
<td></td>
</tr>
<tr>
<td>2.21 *</td>
<td>Future skills and competency requirements: importance</td>
<td></td>
</tr>
<tr>
<td>2.22 *</td>
<td>Future skills and competency requirements: assessment type</td>
<td></td>
</tr>
<tr>
<td>2.23 *</td>
<td>Retention mechanisms to prevent key staff from leaving its employ: importance</td>
<td></td>
</tr>
<tr>
<td>2.24 *</td>
<td>Retention mechanisms to prevent key staff from leaving its employ: assessment type</td>
<td></td>
</tr>
</tbody>
</table>

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2.25 * Readiness to undergo an intense change process: importance

2.26 * Readiness to undergo an intense change process: assessment type

2.27 * Reasons for resistance to change amongst employees: importance

2.28 * Reasons for resistance to change amongst employees: assessment type

2.29 * Demands of a change process on employees: importance

2.30 * Demands of a change process on employees: assessment type

2.31 * Nature of the resistance to change amongst its employees: importance

2.32 * Nature of the resistance to change amongst its employees: assessment type

2.33 Use the space provided below to mention anything else that you may perceive to be important to pre-merged assessment:

---

3. ORGANISATIONAL CULTURE INTEGRATION AND ALIGNMENT

Please indicate how important you perceive the following aspects to be in relation to the organisational culture integration and alignment process.

3.1 * Executive managers should set an example by living the values of the merged organisation

3.2 * Executive managers should walk-the-talk through faultless behavioural modelling

3.3 * Executive managers should provide leadership in developing, communicating and implementing the mission, vision and strategy of the merged institution

3.4 * Executive managers need to deal with possible individual and collective issues and differences amongst themselves through a formal issues-resolution process

3.5 * Executive managers should provide direction, motivation, guidance and clarity to employees in the merged organisation

3.6 * The leadership orientation of respective institutions needs to be assessed

3.7 * Executive managers need to have meaningful conversations with all staff about the roadmap to creating a high performance merged institution
3.8 * Line managers should be expected to be the primary drivers of effective organisational behaviour in the merged institution

3.9 * Line managers should be expected to provide employees, through small-group sessions, with greater clarity about the direction and purpose of the merged organisation

3.10 * Line managers should be expected to gain employees' buy-in regarding behaviours and work practices that will strengthen the values of the merged institution

3.11 * Line managers should set an example to all employees by living the values of the merged institution

3.12 * Line managers should walk-the-talk through faultless behavioural modelling

3.13 * Every employee in the merged institution should be given the opportunity to clearly understand the reasons for the merger

3.14 * Every employee should be given an opportunity to clearly understand the direction of the merged institution

3.15 * Every employee should be given an opportunity to clearly understand the changes that are required to create a high performance post-merged institution

3.16 * Every employee should be given an opportunity to clearly understand the mission, vision and values of the post-merged institution

3.17 * Every employee should receive a personal communique, inviting them to be part of creating an effectively performing merged institution

3.18 * Executive and line managers should assist employees to adapt to the organisational culture of the merged institution

3.19 Use the space provided below to mention anything else that you may perceive to be important in terms of the organisational culture integration and alignment process:

4. POST-INTEGRATION MONITORING AND EVALUATION

Please indicate how important you perceive the following aspects to be in relation to post-integration monitoring and evaluation.

4.1 * Develop cultural integration success monitoring and evaluation measures

4.2 * Develop and communicate measures that will confirm an increase or decrease in profitability

4.3 * Develop and communicate measures that will confirm an increase or decrease in financial viability
4.4 * Develop and communicate measures that will confirm an increase or decrease in overall organisational performance

4.5 * Develop and communicate measures that will confirm an increase or decrease in staff satisfaction

4.6 * Develop and communicate measures that will confirm an increase or decrease in employee engagement

4.7 * Develop and communicate measures that will confirm an increase or decrease in the retention of key staff

4.8 * Conduct web-based staff opinion/attitude surveys

4.9 * Conduct web-based 360-degree leadership and management surveys

4.10 * Establish focus groups to enable staff to express their views about the cultural integration

4.11 * Develop and implement measures to track employees' adherence to the merged institution's values and behaviours

4.12 Use the space provided below to mention anything else that you may perceive to be important in terms of post-integration monitoring and evaluation:

5. THE IMPACT OF MERGER RELATED VARIABLES

To what extent do you perceive the following variables or factors as being important in terms of its impact on a merged institution's efforts aimed at creating an effectively performing institution/organisation?

5.1 * Loss in employees' job status

5.2 * No change in employees' job status

5.3 * Increase in employees' job status

5.4 * Employees' buy-in and orientation towards the merger

5.5 * The impact of the merger on employees' personal lives

5.6 * The nature of stakeholders' expectations of the merger

5.7 * The clarity of the merger rationale

5.8 * Employees' clarity of their new roles
5.9 * The nature of pre-merged institutional cultures

5.10 * Loss of key staff

5.11 * Low employee morale

5.12 * Employees' age

5.13 * Employees' emotional responses to the merger

5.14 Use the space provided below to mention anything else that you may perceive to be important in terms of its impact on a merged institution's efforts aimed at creating an effectively performing institution/organisation:
REQUEST TO COMPLETE SURVEY QUESTIONNAIRE

Dear Sir/Madam

You are kindly requested to participate in a research study as part of the requirements towards the completion of a doctoral degree. The questionnaire will cover various aspects related to the creation of an organisational culture which is conducive to the effective management of performance in a post-merged environment. The main purpose of this study is to develop an integrated theoretical model based on the theoretical and empirical findings of the study. This model could be applied by post-merged organisations to establish an organisational culture that is conducive to the effective management of performance. The completion of the questionnaire is a once-off event and should not require more than 15 minutes of your time.

You have the right to query concerns regarding the study or to withdraw from the study at any time. Telephone numbers of the researcher are provided. Please feel free to call any of these numbers.

Furthermore, it is important that you are aware of the fact that the ethical integrity of the study has been granted ethics approval by the relevant Research Ethics Committee (REC) of your university. The REC consists of a group of independent experts who review the study to ensure that the rights and welfare of participants in the research are protected and that studies are conducted in an ethical manner. I, as the researcher, take responsibility for conducting this study in an ethical manner.

Participation in this research is completely voluntary. You are not obliged to take part in any research. If you do participate in this study, you have the right to withdraw at any given time during the study, without any penalty.

Although your identity will at all times remain confidential, the results of the research study may be presented at scientific conferences or in specialist publications, without compromising the confidentiality undertaking.

Yours sincerely

GARY PAUL
EXECUTIVE DIRECTOR: HUMAN RESOURCES
Dear Professor Swartz

Request to conduct empirical study at the NMMU

I am currently employed as the Executive Director: Human Resources at the NMMU and am in the process of finalising my proposal in pursuance of a doctoral degree in Human Resources Management at the NMMU. The research study, entitled, “strategies to develop an organisational culture conducive to the effective management of performance” will involve face-to-face interviews as well as the completion of a questionnaire.

The main purpose of my study is to develop an integrated model based on the theoretical and empirical findings of the study that could be applied by an organisation to establish an organisational culture that is conducive to the effective management of performance.

Three of the merged higher education institutions in South Africa have been identified for the purpose of this study. Apart from the NMMU, the Durban University of Technology and Cape Peninsula University of Technology will be requested to form part of the study. All three institutions have already started with the implementation of a performance management system.

I therefore wish to request your kind permission to:

- conduct face-to-face interviews with a sample from your executive managers, line managers, HR practitioners and non-managerial employees.
- to approach a sample from these four categories, requesting them to complete a survey questionnaire as part of my empirical study.

I would be more than willing to present the findings of this study to your executive management team and any other stakeholders that you may deem necessary.

Yours sincerely

Gary Paul

Prof D Berry - Promoter
Prof LV Mazwi-Tanga  
The Vice Chancellor  
Cape Peninsula University of Technology  
PO Box 1906  
BELVILLE  
7535  

Dear Professor Mazwi-Tanga

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Yours sincerely

Gary Paul

Prof D Berry - Promoter
Annexure 6.4
Written approval from Research Ethics Committees

Faculty of Business and Economic Sciences

Nelson Mandela Metropolitan University

TO WHOM IT MAY CONCERN

This serves to confirm that the Research Committee of the Faculty of Business and Economic Sciences has given Ethics Clearance to Mr Gary Paul to conduct research for his thesis titled: "Strategies to develop a post-merged organisational culture conducive to managing performance".

The research clearance number allocated to Mr Paul’s research project is H10 BUS HR 10.

I would be happy to supply further information should this be required.

PROF DM BERRY

RESEARCH PROMOTER AND DIRECTOR OF THE SCHOOL OF INDUSTRIAL PSYCHOLOGY AND HUMAN RESOURCES
Written approval from Research Ethics Committees

P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 442 6162 • Fax +27 21 447 2963
Symphony Road Bellville 7535

OFFICE OF THE CHAIRPERSON:
HEALTH AND WELLNESS SCIENCES RESEARCH ETHICS COMMITTEE
(HW-REC)
Registration Number NHREC: REC- 230408-014

The Health and Wellness Sciences-REC of the Cape Peninsula University of Technology grants ethical approval to Mr Gary Paul. This approval is for research activities related to a D Tech: Human Resources in the Faculty of Business and Economic Sciences at the Nelson Mandela Metropolitan University

TITLE:
Strategies to develop a post merged organizational culture conducive to managing performance

SUPERVISOR: Prof D M Berry

Comment:

Research activities are restricted to data collection at CPUT as per the specification of the research proposal dated February 2010.

Approval will not extend beyond 9 May 2011. An extension must be applied for should data collection for this study continue beyond this date.

Prof PC ENGEL-HILLS
CHAIR: HEALTH AND WELLNESS SCIENCES RESEARCH ETHICS COMMITTEE

e-mail: engelhillsp@cput.ac.za
27th July 2010

Mr. G. Paul  
Executive Director: Human Resources  
Nelson Mandela Metropolitan University

Dear Mr. Paul

PERMISSION TO CONDUCT RESEARCH AT THE DUT

Your email correspondence dated 12th July 2010 in respect of the above refers. I am pleased to inform you that the Institutional Research Committee (IRC) has granted permission for you to conduct your research at the Durban University of Technology.

We would be grateful if a summary of your key research findings can be submitted to the IRC on completion of your studies.

Kindest regards,
Yours sincerely

[Signature]

PROF. S. MOYO  
DIRECTOR: RESEARCH MANAGEMENT AND DEVELOPMENT (ACTING)

cc.: Prof D. M. Berry – Research Promoter and Director: School of Industrial Psychology and Human Resources
### POST-MERGED ORGANISATIONAL CULTURE CREATION

**Annexure 7.1**

Section one of survey questionnaire – biographical details

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**1. Biographical Details**

Please provide the following information.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 What is the name of your institution?</td>
<td>(select)</td>
</tr>
<tr>
<td>1.2 Which institution did you work for prior to the merger?</td>
<td>(select)</td>
</tr>
<tr>
<td>1.3 If OTHER in question 1.2, please specify</td>
<td></td>
</tr>
<tr>
<td>1.4 In which functional area are you employed?</td>
<td>(select)</td>
</tr>
<tr>
<td>1.5 In which staff category do you belong?</td>
<td>(select)</td>
</tr>
<tr>
<td>1.6 How long have you been working at your institution (including the pre-merger period)?</td>
<td>(select)</td>
</tr>
<tr>
<td>1.7 What is your gender?</td>
<td>(select)</td>
</tr>
<tr>
<td>1.8 What age category do you fall under?</td>
<td>(select)</td>
</tr>
<tr>
<td>1.9 Do you believe that your institution made every effort to get your buy-in and support for the merger?</td>
<td>Yes No</td>
</tr>
<tr>
<td>1.10 How was your job status impacted by the merger?</td>
<td>(select)</td>
</tr>
<tr>
<td>1.11 Do you believe that the merger of your institution was a success?</td>
<td>Yes No</td>
</tr>
</tbody>
</table>