

What can be learnt from mergers in Chinese higher education

27 Sep 2013 Moscow

Yuzhuo Cai
Acting Professor, PhD

Higher Education Group (HEG)
School of Management
University of Tampere
yuzhuo.cai@uta.fi

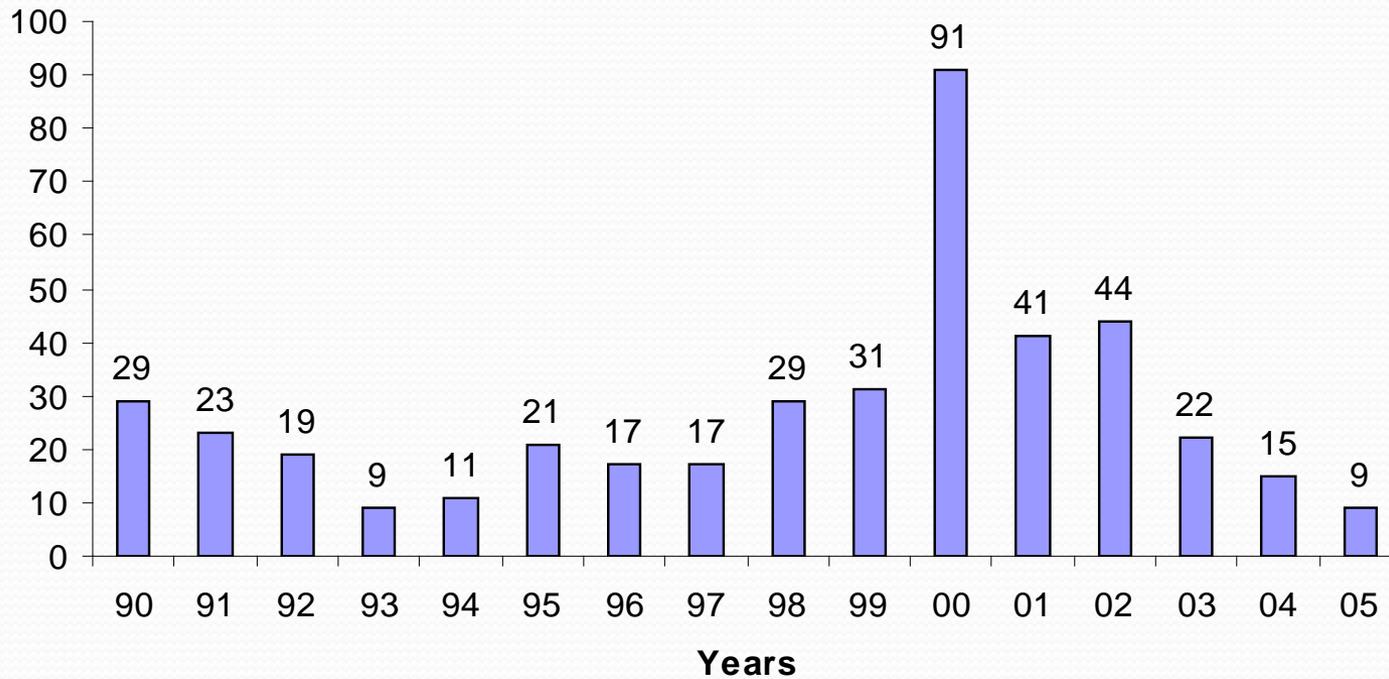
Two waves of mergers in China

- Mergers in the 1950s.
 - to regroup faculties/departments in the same fields from different institutions to one university in order to reduce needless duplication.
 - HEIs were developed mainly along specialisation lines, while only a few multi-disciplinary universities were retained.
- Mergers in the 1990s and onwards
 - 1990-1997: to achieve economies of scale and to create comprehensive universities
 - 1998-2006: to upgrade institutions' levels, to build world-class/first -class universities and to adapt to the dramatic enrolment expansion.

Characteristics of mergers since 1990

- Top-down model
- Big quantity: over 400 cases
- Large variety: different types
- Unique empirical filed for study
- Not systematically evaluated and studied yet; access to merged institutions for study is difficult

Mergers in Chinese HED



Classifications in China

- Strong + Strong, Strong + Weak, Weak + Weak
- Comprehensive/S&T + Medical Sciences,
Comprehensive/S&T + Teachers' training/Economics
and Finance/Humanity and Social Science
- New name/Old name
- Upgrading school levels (changing type of product)
Y/N

Classifications of mergers by international literature

- **Implementation models:** Top-down/Bottom-up (Skodvin,1999)
- **Organisational outcomes:** consolidation/acquisition (take over) (Harman 2003, Eastman & Lang 2001)
- **Extent of integration:** transformative/ semi-autonomous (Lang 2002)
- **Inputs to mergers:** horizontal, vertical, diversification, conglomerate (Goedegebuure, 1992)
- **Motivations:** economic efficiency, academic outcomes, world class university

Comparison between Chinese and international literature

Deficiency in Chinese literature

- Lack normative standards
- Ignore some important dimensions, such as implementation model and organisational outcomes

Deficiency in international literature

- Horizontal merger does not distinguish between mergers of research universities and mergers of application oriented colleges
- Upgrading of school levels is not considered
- Name issue has not been paid sufficient attention

By what to evaluate merger outcomes in China?

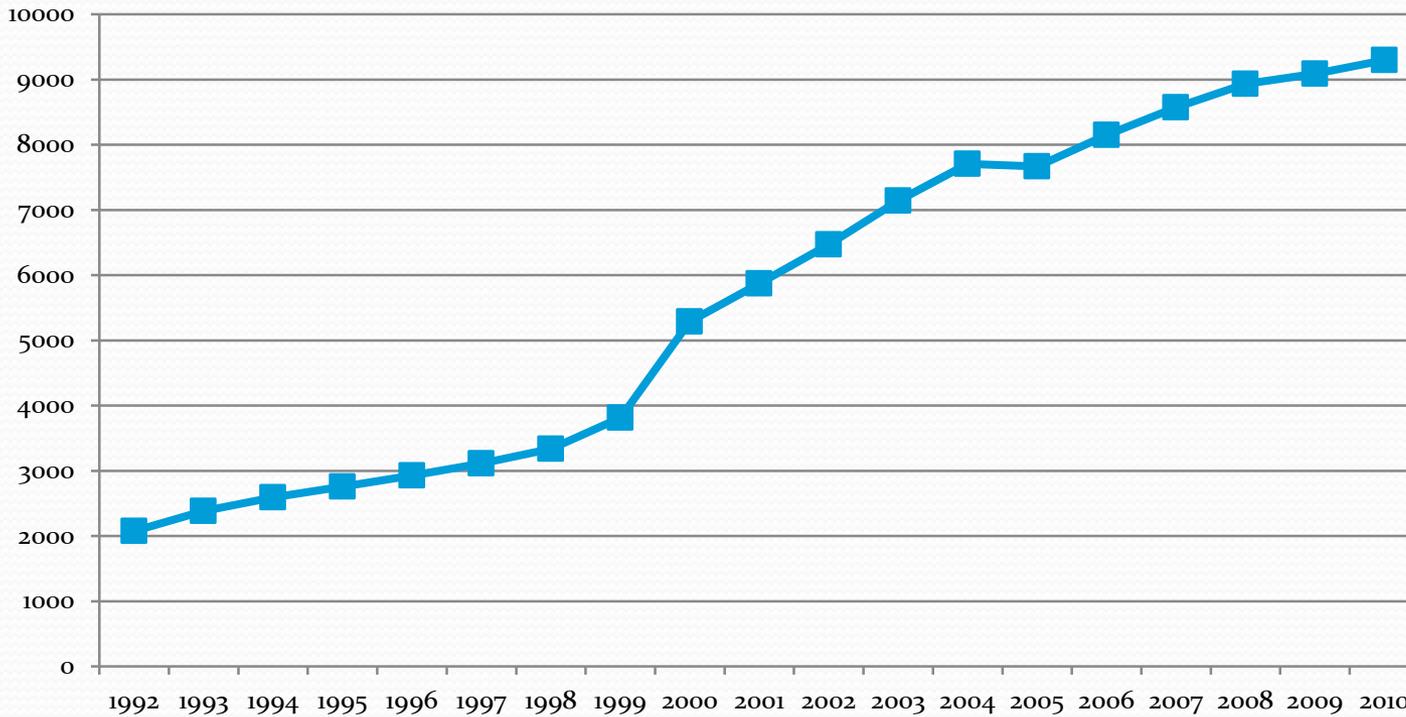
- Ranking position,
- Economic outcomes: administrative, managerial efficiency and effectiveness (cost-efficiency),
- Academic outcomes: teaching and research performance ,
- Staff integration.

Rankings and prestige levels

- Many post-merger universities enjoy the upgrading of institutional levels and the improvement of ranking positions
- $\frac{3}{4}$ top 20 institutions are post-merger ones

Economics of scale

Student number/Institution



Academic outcomes

- Mergers lead to cross-disciplinary cooperation and more diversified study programmes offered to students.
- Mergers lead to better achievement on economic indicators than academic indicators. (Wang, 2009)

Staff integration as a key to success

- A successful merger ultimately depends on the effective participation and integration of staff members
- Staff integration is a problem

(Cai, 2007)

What mergers have less problems of staff integration?

- Low integration of human resources
 - The merged institutions remain relatively independent (per-merger institutions are in different fields)
- Upgrading of institutional prestige
 - After merger the new institutions' status/reputation is upgraded

(Cai, 2007)

Links between types and outcomes?

- More governmental funding on: Strong+Strong, Strong+Weak, Comprehensive/S&T+Medical Science
- No significant increase of external funding (from society and industry) in any kinds of mergers
- Often Weak+Weak mergers result in new institution name
- Academic outcomes are better in the mergers where the level upgraded from 3 years sub-degree to bachelor degree awarding status

(Wang, 2009)

Lessons from China I

- Merger does help improve rankings or levels
- University name is an intangible asset (social recognition)
- In most cases, there is no thorough planning before the merger decision is made.
- Bottom-up mergers are rare
 - "A good amalgamation is one that most of the staff want"
(Mildred, 2002, p.50)

Lessons from China II

- The organisational reforming process lacks additional funding support
- Cultural dimension is often neglected in both planning and implementation
- Staff often get lost in identity and face cultural conflict.
- Factors affecting academic staff integration (cultural dimension)
 - cultural compatibility between the pre-merger institutions
 - transparency of management
 - school (prestige) level upgrading

Lesson from China III

- Merger is not a fashion anymore: cooled down after 2006
- Merger is a completed mission or a painful experience?
- Not mentioned in the Outline of China's National Plan for Medium and Long-term Education Reform and Development (2010-2020)
- Cooperation as a future direction. The Outline (2010-2020) encourages the cooperation between universities and the cooperation between universities and industrial/societal organisations.

Merger—Good or Bad?



Picture:

<http://www.timeshighereducation.co.uk/story.asp?storycode=417921#.TqlwY3s50ow.twitter>

Merger—Good or Bad?

- No good or bad concerning merger itself
- Good or bad planning and management
- Rationales behind mergers are often good
- What really works depends on the people involved
- Merger is not the only solution

Dissertations/books on Chinese higher education mergers

- Min, W. (1994). *A case study of an institutional merger in Hubei Province People's Republic of China*. Paris: UNESCO: International Institute for Educational Planning.
- Nyeu, F.-Y. (2006). *The implementation of higher education mergers in China*. Ed.D, Columbia University.
- Cai, Y. (2007). *Academic staff integration in post-merger Chinese higher education institutions*. Tampere: Tampere University Press.
- Wan, Y. (2008). *Managing post-merger integration: A case study of a merger in Chinese higher education*. Ph.D., University of Michigan.

- 
- Thanks!