Consolidation of Tertiary Institutions Across the Globe: Implications for Human Resource Management Education

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ABSTRACT

Several students are conducting on the consolidation of Higher Education Institutions. Some of these studies focused on a particular consolidation case, or geographical region, focused on only an aspect of consolidation, rationale, process, challenges, benefits, or attendant implications. This study, however, seeks to pursue the consolidation of Higher Education Institutions from a comprehensive and global perspective, including rationale, processes, challenges, outcomes, and attendant implications. Case studies were undertaken across all the habited continents of the globe, Europe, Asia, Africa, Australia/Ocean, South America, and North America. The results are far-reaching. For nations that pursued the policy of consolidation, there was a "skills gap" at the middle-level manpower requirements. Nations that maintained the status quo, gave prominence to technological know-how in the understanding that technological as well as intellectual manpower are of equal relevance for development. However, for human resource management, there is an acute shortage of middle-level graduates with technical skills, while having too many thinkers and intellectual graduates. The recommendations include the need to consider consolidation policy with due caution and not adopt the policy across institutions. It should be looked at from cost-effectiveness and revenue indicators, based on national development aspirations. But overall, the polytechnics and universities should be allowed to co-exist. It was also recommended that polytechnics with requisite human and material resources be upgraded to a degree-awarding status as autonomous institutions, not by merger. The article concludes that the consolidation of tertiary institutions as a solution to the "Binary Divide" is unfounded in light of its backlashing effect on nations that adopted the consolidation policy.

Keywords: Consolidation, merger, amalgamated, Binary Divide, Exponential Expansion, Abridged version.

INTRODUCTION

The terms 'Institute of Technology', and 'College of Technology'. and 'Polytechnic', are designations employed in a wide range of learning institutions across the globe. The first institutes of technology and Polytechnics have existed at least since the 18th century but became increasingly popular post-World War I, with the expansion of technical education, associated with the new needs created by generalized industrialization.

All over the world, after many legal and curricular reforms, some polytechnics are often seen today as being quite similar to universities in terms of standards and quality. However, in some places, several polytechnics providing higher education are simply a result of a formal upgrading from their original and historical role as intermediate technical education schools These changes have caused concern in many countries where

the lack of specialized intermediate technical professionals, led to industrial skill shortages, in some fields. These changes are also associated with an increase in the graduate unemployment rate.

The main objective of this study therefore is to establish the rationale for the consolidation of Higher Education Institutions across the globe.

METHODOLOGY

To achieve the main objective of the study, the Researcher considered a descriptive research design, with case studies on nations with and population of the study is the entire 204 nations across the 6 continents of the globe: Europe (51); Asia (50); Africa (54); North America (23); South America (12); Australia/oceanic (14) ; Antarctica (0).

The sample size is judgmentally selected as 16 nations spread across the 6 continents of the globe: Europe (6), 3 nations with consolidation programmes, and 3 nations without consolidation programmes. However, the other continents have 1 nation each with consolidation programmes and 1 nation each without consolidation programmes.

MERGERS IN HIGHER EDUCATION INSTITUTION

Mergers are popular with private sector organizations. It is now popular with public sector organizations, especially with Higher Education Institutions.

The researcher has conducted empirical studies conducted on mergers in higher education institutions by several Authorities.

These empirical studies point to several issues including, the rationale for mergers, the merger process, challenges associated with the merger process, and the outcomes or effects consequent upon the merger.

The following scholarly contributions from previous studies (Empirical Review):

RATIONALES FOR MERGERS:

There are a variety of reasons or rationales for mergers among higher education institutions. At the level of the *superstructure* (Clark 1983) and as a policy instrument (Olsen and Maassen 2007), mergers are thought to enhance system integration (rationalization), improve the quality of teaching and research, and address issues about equity (e.g. enrollment contraction) and the (cost-) efficiency of the domestic higher education system as a whole (Harman 1986; Kyvik 2002). A recent review of the literature, covering the period 1970s-1990s, identified the most important reasons for merging as being related to the need to: boost efficiency and effectiveness; deal with organizational fragmentation; broaden student access and implement equity strategies; increase government control over higher education systems; greater decentralization; and, establish larger organizations (Ahmadvand et al. 2012). All in all, mergers are thought to have the potential to produce substantial long-term benefits for individual providers and the system as a whole. These include, but are not limited to (a) the establishment of larger and more comprehensive institutions; (b) stronger academic programs; (c) improved student services; (d) enhanced student choice; (e) greater institutional flexibility; and, (f) under certain conditions, increased efficiencies and cost-savings (Harman and Harman 2003; Harman and Meek 2002). A common rationale for resorting to mergers amongst academic institutions lies in the establishment of larger units, thus resulting in academic and administrative *economies of scale* (Norgard and Skodvin 2002; Pinheiro 2012).1

At the level of the individual higher education institution, the rationale and motivation for embracing

mergers as a strategic management/planning mechanism (Toma 2010; Zechlin 2010) pertains to the urge to address financial problems and emerging external threats such as falling student demand and fiercer competition (Goedegebuure and Meek 1994; Harman and Harman 2003; Pinheiro and Stensaker 2013), in addition to the changing needs and demands of key, external stakeholder groups (Pinheiro 2012; Pinheiro et al. 2012b). Studies from the private higher education sector (period 1960-1994 and resorting to statistical regression analysis) reveal that mergers are more likely to occur amidst rises in faculty salaries and the decline in tuition rates (Bates and Santerre 2000).

MERGER PROCESSES

Merger processes can be broadly categorized as either *voluntary* or *forced* (mandated) by government (Harman and Harman 2003). Qualitative studies from Australia (1980s mergers) suggest that voluntary amalgamations tend to take place when tertiary institutions fear governments will mandate restructuring (Curri 2002). More recently and in some countries, there has been a shift from mergers initiated from the 'top-down', by governments, as a means of dealing with so-called 'problem' cases, towards institutional-initiated amalgamation processes involving strong institutions and with clear strategic objectives (Harman and Harman 2008).

MERGER CHALLENGES

Some key *challenges* come to the fore as far as merger processes are concerned. It is generally recognized in the literature that mergers are a complex and painstaking activity for institutions and staff alike (Bresler 2007; Cartwright et al. 2007; Wan 2008). Not only do mergers bring profound leadership/managerial-related challenges (Goedegebuure 2011b), but coherent, cohesive, and sustainable integration efforts tend to take a long time to materialize, usually about a decade (Mao et al. 2009). Studies, from South Africa, on staff perceptions towards mergers indicate that the former are not necessarily opposed to the process, but that careful consideration needs to be given to certain personal factors (e.g. staff fears and anxieties), to ensure an effective merger (Hay and Fourie 2002). More recent studies from South Africa and the UK highlight the stressful potential of the pre-merger period on the staff involved on the one hand, and the positive role of consultation and involvement during the merger process, from design to implementation to evaluation, on the other (Becker et al. 2004; Cartwright et al. 2007).

A review of the literature by Harman and Harman (2003) revealed the following aspects:

1. Voluntary mergers are easier to organize and tend to be more successful than forced ones, "largely because it is possible to achieve a substantial degree of staff involvement in negotiations and implementation, leading usually to a strong sense of ownership." (31-2);
2. Consolidations (i.e. mergers involving similar institutions) are, generally speaking, more demanding and involve difficult tradeoffs such as choice of the new academic structure, the portfolio of courses to be offered, etc.;
3. Cross-sectoral mergers pose special dilemmas since institutions from different sectors often have distinct missions, roles, and cultures, in addition to distinct funding bases;
4. Finally, mergers of institutions possessing the same or a similar range of disciplinary fields often mean greater commonality in academic cultures, thus easing cultural integration, yet they also tend to require considerable rationalization of course offerings to realize cost savings. In short, there is some evidence pointing to the complexity of the process surrounding mergers, either voluntarily or forced, and to the criticality of key variables in predicting successful outcomes. Nonetheless, scholars are careful in drawing bold conclusions from specific case situations by drawing attention to the criticality of the contextual circumstances surrounding mergers; ranging from changes in national regulations, demographic trends and migration patterns, regional and national competition, institutional histories, resource dependencies, leadership structures, academic aspirations, etc. (Cai

2007; Goedegebuure 2011a; Goedegebuure and Meek 1994; Kyvik 2002; Locke 2007; Pinheiro and Stensaker 2013).

OUTCOMES OF MERGERS

What do we know when it comes to the mid and long-term effects or *outcomes* of mergers involving higher education institutions?

Whilst investigating the effects (after 3 years) of the merger between two Australian institutions in the mid-80s, Gamage (1992: 88) found both realizable synergies as well as shortcomings. On the positive front, significant progress has been made concerning the upgrading of existing and the development of new, academic programs, as well as an enhanced institutional profile and market recognition (e.g. by becoming the 6th largest national university); reflected in increased student demand and membership in the prestigious domestic 'League of Big Universities'. Yet, despite this, academic integration (staff synergies) in the realm of teaching was found to be far from optimal, and, more importantly, economies of scale (financial efficacy) failed to be realized.

In South Africa, de Beer et al. (2009) found the academic performance of students based at different campuses resulting from the incorporation of a historically black university (HBU) into a historically white university (HWU) to be rather significant, despite remarkable similarities when it comes to academic programs, local support structures, and student profiles (prior educational achievement, socio-economic and cultural background, language proficiency, etc.). The data show that student achievement at the HBU campus was poor in comparison with that of HWU. The authors report that students (within the vicinity of the township) who felt that they were separated from the "main campus" were also "situated" in a perceived learning space ("second-rate campus") that was not conducive to their academic development, largely due to an environment characterized by negative thoughts (perceived inferior status) and continuous protests by students.

In their review of the existing international literature, Harman and Harman (2003: 42) state the following concerning the outcomes generated by merger processes:

"Overall, well-planned and sensible merger efforts appear to have been largely successful, even if the merger proposals were strongly contested at the time. In many cases, mergers have resulted in larger and more comprehensive institutions, with stronger academic programmes and support services, more choices for students, and increased capacity for organizational flexibility. While mergers generally involve additional expenditure rather than cost savings in the short term, often there have been substantial longer-term gains, although care needs to be taken with many of the claims made about potential economies of scale2…"

In his study of merger processes (period 1987-1994) involving UK-based higher education institutions (30 cases), Rowley (1997b: 12) concludes that 90% of mergers can be considered as rather successful.

NATIONS WITHOUT CONSOLIDATION PROGRAMMES ACROSS 6 CONTINENTS

Europe:

Turkey

Turkey: In Turkey, there is no consolidation of tertiary institutions. Polytechnics exist side-by-side with universities. At the moment, there are about 207 universities across the country. Notably, we have Istanbul University, Canada University, Hacettepa University, etc. The number of universities is attributable to

Erasmus + Scheme and International Partnerships with universities.

Spain

Spain: In Spin, we do not have consolidation programmes in place. We have both Polytechnics and universities serving different education needs. There are 76 universities in Spain. 45 are government-run and funded while 31 are privately run and funded by the Catholic. The universities include the University of Barcelona, the University of Valencia, etc.

Netherlands

Netherlands: In the Netherlands, the status quo is maintained. That is, no consolidation programme in Ace. Polytechnics and universities co-exist. The polytechnics are distinguished based on shorter study programmes. We have Erasmus University, Rotherham, University of Amsterdam, etc.

Asia:

India

In India, a polytechnic is a technical institute, which imparts technical education. Polytechnics are not affiliated with any university. They offer 3-year duration Diplomas in Engineering courses. The courses offered in Polytechnics in India can be said to be abridged versions of degree courses offered in Engineering Colleges. The All-India Council of Technical Education is the regulating authority for Polytechnics in India.

Africa:

Nigeria

Nigeria: In Nigeria, there is no consolidation programme in place. Polytechnics and universities co-exist, fulfilling their statutory mandate. There was an attempt at consolidation but did not see the light of day. In Nigeria, higher education institutions are run and funded by Federal, State, and Private individuals or organizations. We have the University of Lagos, Lagos State University, Benson Idahosa University, etc.

North America

Bahamas

Bahamas: In The Bahamas, we do not have consolidation programmes in place. There is a high literacy rate in The Bahamas (95.5% as of 2003). The universities include The University of the Bahamas,

South America

Venezuela

In Venezuela, Institutes of Technology were developed in the 1950s as an option for post-secondary education in technical and scientific courses. Diplomas are awarded after 3 to 3 years of education. The country also runs a university system of education. However, education at institutes of Technology is widely regarded as inferior to university education.

Australia

Solomon Ireland

Solomon Islands: In the Solomon Islands, the Asia- South Pacific nation, the education sector has been ailing due to neglect, under-investment, and inefficiency by successive governments. Major reforms are being undertaken to put the – education sector in shape. There are limited options for higher education. We do not have consolidation programmes in the Solomon Islands. We have both universities and polytechnics in the country. We have the University of the South Pacific, Solomon College of Higher Education, etc.

NATIONS WITH CONSOLIDATION PROGRAMMES ACROSS 6 CONTINENTS

Europe:

United Kingdom

In the United Kingdom (UK), Polytechnics were tertiary education teaching Institutions, However, under the Further and Higher Education Act, of 1992, they became fully-fledged Universities. This action was consequent upon the United Kingdom's government's recognition that the difference between Polytechnics and Universities had become irrelevant and confusing. The division between Universities and Polytechnics was known as the binary divide'. Academic degrees in Polytechnics, between1965 – 1992, were validated by CNAA (Council for National Academic Awards). After 1992, the Polytechnics (New Universities) awarded their degrees. The Polytechnics changed their name when they gained University Status. In the United Kingdom (UK), London Polytechnic became the University of Westminster, while Anglia Polytechnic University became Anglia Ruskin University. The University of Bedford Shire was created from the merger of De Mont Fort University and the University of Lutan, However, London Metropolitan University was the amalgamation of two polytechnics, London Guildhall University and the University of North London.

Portugal

In Portugal, there are 15 state-run Polytechnics and also several other private Polytechnics. It is to be noted that the designation "Institute of Technology" is not applied at all, being meaningless in Portugal. Since the mid- 2000s after many reforms, upgrades, and changes, including the Bologna process, the Portuguese Polytechnics have become de facto technical Universities. In Portugal, some Polytechnics offer Master's Degrees, while others do not, due to budget constraints, lack of proper research activities, or doctorate teaching staff. However, the Universities are the only institutions awarding doctoral degrees in Portugal, even with the Bologna process Implementation.

Finland

In Finland, there are two sectors in the tertiary education Universities and Polytechnic. There are 20 Universities and 30 Polytechnics in Finland. All Finnish Universities are owned by the state while Polytechnics are governed by municipalities or, in special cases, by private entities. A degree from a Polytechnic is not, however, considered legally equivalent to a Lower University degree in the Finnish system. After January 1, 2006, some Finnish institutes of technology switched the term "Polytechnic" to the term "University of Applied Sciences", in their official names. Since the year 2006, however, all institutions of higher education have been sharpening their institutional profiles and developing new methods of cooperation in this regard, several polytechnics have announced mergers: Haaga and Helia, merged into Haaga – Helia, in 2007. In tertiary education, the World Economic Forum ranks Finland No. 1, in the world in enrollment and quality, and No. 2, in mathematics and science education.

Asia:

China

China: In China, we have about 3, 012 colleges and universities. This was as at September 2021. China is the world's largest provider of higher education. The consolidation programme is robust—more than 400 cases of mergers involving over 1, 000 higher education institutions. In China, we have about 764 private universities. The Education structure begins with non-degree, undergraduate, to postgraduate programmes..A notable University in China is Zhengzhou University with over 73,000 students.

Africa:

South Africa

South Africa: Consolidation programmes exist in South Africa. We have three types of public universities in South Africa. Universities, Universities of Technology, and Comprehensive Universities. Notable Universities include the University of Cape Town, Stellenbosch University, University of Johannesburg, etc. In South Africa, New Universities are being planned, including the University of Science and Innovation, and Crime Detection University.

North America

USA

United States of America: In the USA, a lot of consolidation programmes are taking place The Commonwealth University of Pennsylvania, came out of three State Schools: Bloomsbury, Mansfield, and Lock Haven Universities.

South America

Argentina

Argentina: In Argentina, we have 40 government-funded National Universities and 45 private universities In Argentina, undergraduate education is free. The University of Buenos Aires was founded in 1821 and is a public research University.

Australia

Australia

In Australia, during the 1970's to 1990 the term Polytechnic was used to describe state-owned and funded technical schools that offer both vocational and higher education. In the 1990's, most of the polytechnics in Australia merged with existing Universities or formed new ones of their own. These new Universities often took the title 'University of Technology.

IMPLICATIONS OF CONSOLIDATION:

The consolidation of tertiary institutions was embraced by many nations. The implications of these exercises are overwhelming. Firstly, it blurred the boundaries between vocational and academic programmes. It became a solution to the "Binary Divide". Secondly, there was a backlash effect, as it resulted in skill gaps. The United Kingdom attempted a remedy this through the intensification of National Vocational Qualifications and Apprenticeship training. However, some nations are expressing regret for their

consolidation efforts. An example of such a country is South Africa. Thirdly, it undermined the Accreditation and quality control that are different between Universities and Polytechnic. Firstly, there was no regard for universities and polytechnics. The sixth implication is that blamed or disruptors to revenues and costs.

IMPLICATIONS OF CONSOLIDATION FOR HUMAN RESOURCE MANAGEMENT

Skills gap identified: several skills gaps have been identified as a consequence of consolidation

Technical skills: electricians, plumbers, welders, electronics technicians, mechanics, bookkeepers, clerks/clerical staff, administrative assistants, sales clerks/sales representatives, storekeepers, logistics officers, caterers, sanitation officers, safety officers, quantity surveyors, accountants, marketers, ICT/computer officers, etc.

How HRM can fill the skills gap: notwithstanding the implications associated with consolidation in higher Education Institutions, human resource management Education can fill the skills gap identified in A above through special in-house training programmes or external training programmes offered by training organizations in various specialized areas. Also, human resource management Education can sponsor staff or trainees for short courses offered by relevant professional bodies or institutions of higher learning. Human resource management can also offer under-study opportunities or staff secondment to other branches or subsidiaries.

DISCUSSIONS

It is to be noted that polytechnics have a bias for professional and work-related study, while universities produce thinkers and policy formulators. None is less important to any country that wishes to develop intellectually and technologically.

In some nations, it was a solution to the popular "Binary Divide", where polytechnic graduates are discriminated against in both the public and private sectors of the economy. But the back-lashing effect of the skills gap, Unemployment, reduction in production capacity, and, consequently, a fall in the nation's Gross Domestic Product (GDP).

The purposes of polytechnics and universities should be allowed to co-exist in any economy. The issues of funding inadequacies, enrollment declines and alternatives to traditional education systems, and even resistance to tuition fee hikes, should not be the basis or reasons for consolidation.

RECOMMENDATIONS ON THE CONSOLIDATION OF TERTIARY INSTITUTIONS:

While it must be acknowledged that Polytechnics are to prepare students for industry, business and the professions, the universities are primarily to produce thinkers and policy formulators to solve societal problems.

The recommendations, against empirical evidence, include:

- The "Binary Divide" is unnecessary, as polytechnics and universities have different purposes, even by the laws that created them. They should be allowed to co-exist and prevent "skill gaps" created by the consolidations.
- Consolidations or mergers should be a selective and not a blanket policy. Overwhelming costs of operation and dwindling revenues as a consequence of the decline in births, enrollment challenges,

and significant competition from online and global providers, should dictate the basis or otherwise of policy implementation as it relates to "identified polytechnics and universities"

- Polytechnics with requisite human and material resources can be allowed to run and award their degrees as autonomous institutions. After all, some polytechnics are more equipped than some universities

CONCLUSION

The consolidation of tertiary education has been embraced by some nations, (United Kingdom, Portugal, Japan, New Zealand, Australia, Belgium, Finland, Ire-land, Hong Kong, and Thailand) while other nations not (Venezuela, Malaysia, Pakistan, Singapore, India), need to consolidate their tertiary institutions (Venezuela, Malaysia Singapore. It is worthy of note that consolidation moves by relevant nations are purely strategic and those nations adopting the consolidation of tertiary institutions, have their unique reasons, ranging from the need to follow the global trend to having a consolidated education scheme. Others are yet to appreciate the merits embodied. do not consider the need to consolidate their tertiary institutions.

The implications of consolidating tertiary institutions' human resource management education are that it resulted in a shortage of technical graduates while having too many university graduates from the consolidation exercises in nations that adopted the consolidation policy

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