The Effect of Market-Oriented Subcultures on Post-Merger Higher Education Institutions

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Over the last decade, HEIs (higher education institutions) around the world have undergone transformation for a number of reasons, including mergers and acquisitions. The reasons for this vary from remaining competitive in an ever-increasingly competitive academic environment to being forced to do so. With deeply engrained traditions, long tenures and substantial professional autonomy on the one hand and fragmentation, subcultures and a sense of territory and boundary on the other, the consequences of merging such cultures are significant. The BBS (Budapest Business School) has had to deal with this merging of cultures and subcultures whilst at the same time deal with a greater market-orientation as it strives to move further away from the budget-commanded regime towards a market-oriented operation. To investigate the make-up of the organisational culture of the BBS and consider its orientation, a multi-method approach was considered using the Competing Values Framework for quantitative analysis and cognitive mapping with focus groups and one-to-one interviews for a qualitative analysis. Potential difficulties are considered within this context.

Keywords: acculturation, merger, organisational culture, subculture

Introduction

Whether in the private or the public sector, mergers occur for a varying number of reasons with different degrees of impact, both positive and negative upon the newly merged organization. Charan and Colvin (1999) found that CEOs (chief executive officers) failed when they failed to execute their strategies. This shifts the focus from formulation of strategy and strategic decision-making to strategy execution and as culture is all about execution, the focus also shifts towards culture. This is especially true in the case of mergers and acquisitions where two or more cultures are combined and issues, such as cultural audits, cultural fit and cultural distance come into play.

Many universities and colleges have voluntarily formed alliances that have continued for many years and decided that a merger is a logical and natural development of the already existing alliance, which will lead to increased cooperation and greater benefits through a larger university environment (such as economies of scale, increased market share, access to new markets and becoming a research institution). The benefits of a merger between a university and a college may be much greater on the side of a smaller college as it joins the larger university environment.

When considering why institutions merge, the issue of what to merge with is very different compared to

the private sector. Options are limited. Vertical, concentric and conglomerate mergers are pretty much unheard of and would be impossible to justify. In most cases, a related merger takes place. This provides the benefit that leaders already have a fair amount of knowledge of the industry and can probably predict areas requiring attention in terms of benefits and costs even before the merger takes place, such as access to additional technology and less bargaining power for suppliers.

Mergers and Acquisitions: Acculturation

The dynamics of mergers and acquisitions have reached its peak in the 1990s. No matter what research or study one considers, it is becoming clear that more than half of the M & A (Mergers & Acquisitions) processes end with failure (Cartwright & Schoenberg, 2006). While failure has always been measured in financial terms, one of the most cited reasons of failure is always cultural differences. Cultural differences experience on the organizational and very often on the social level. Despite this conclusion, culture not too often plays a crucial role in planning the merger or acquisition process.

Even in the cruel world of business, such soft, intangible element as culture plays an important role. Like it or not, all business organizations have their distinctive ways of solving problems, treating employees, passing the traditions, etc.. This is called organizational culture by organizational and management sciences.

Moreover, corporations of any kind cannot escape the social environment, what surrounds all their activities. With the ever increasing internationalization of companies, the role of national culture on business is argued. Multinationals are experiencing serious cultural shocks because of their cultural blindness. However, the most efficient ones are all well prepared to take good use of the cultural differences within the organization. Cultural clashes can occur, when two (or more) organizations are merging or one is acquiring the other. The process of acculturation requires very fine tuning of management methods from both parties.

The Notion of Acculturation and Its Environmental Factors

The notion of acculturation has been long used by anthropology, psychology and cross-cultural management. The social psychological perspective defines two approaches: Acculturation can either be viewed as a state or a process (Liebkind, 2001, p. 387). As the latter, acculturation is the change which happens over time in beliefs, attitudes, values and behaviours of persons in direct contact with persons representing the other culture (Ward, 1996; Berry, 1997). In contrast, acculturation might also be defined as a state and focuses on the measurement of the amount or extent of acculturation at a given moment, namely the behavioural, affective and attitudinal characteristics of the acculturated individual (Ward, 1996). Management theories use the process approach by which two or more cultures come in contact and resolve the conflict that arises as a result of this contact (Nahavandi & Malekzadeh, 1993).

The Stages of Acculturation

According to Nahavandi and Malekzadeh (1993), three stages of acculturation are distinguished (see Figure 1).

Contact. The two organizations can come in contact in various ways. Legal and strategic aspects are crucial for the later relationship. The less intense the contact is between the two parties the less possibility of conflict occurs. However, it is not typical that the two companies only become a part of a common corporate umbrella, but no operational relations exist. No matter what kind of the merger is, the initial contact is likely to engender some levels of conflicts.
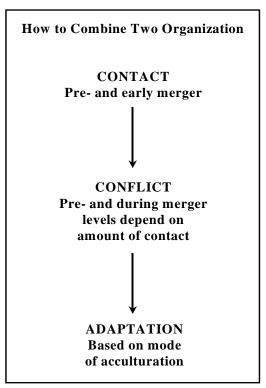
> **How to Combine Two Organization**
>
> **CONTACT**
> **Pre- and early merger**
>
> ↓
>
> **CONFLICT**
> **Pre- and during merger**
> **levels depend on**
> **amount of contact**
>
> ↓
>
> **ADAPTATION**
> **Based on mode**
> **of acculturation**

Figure 1. Stages of acculturation.

Conflict. As mentioned above, the intensity of the relation is a determinant factor in the level of conflict. The possibility of high level conflict occurs when the relation of the two companies is on a daily basis and both cultures are strong. This can get even worse, when both parties happen to be from the same branch of industry and market (i.e., former competitors). In cases like this, companies try to defend their turf and way of life. The strength of the marrying cultures is significant. The more successful the merging organizations were before, the more possibility is for high level conflicts. In these cases, people do not feel the necessity of changing the culture of the corporation they are involved with. In most cases, when it is about acquisition, the acquirer firm imposes operational and financial control over the acquired firm.

Adaptation. This stage demonstrates the final condition. Positive adaptation is achieved, when there is an agreement on cultural synergy as an objective. The stable and changing operational and cultural elements are defined and agreed. Both parties are satisfied; cultures were not harmed, which is promising basis for the future. Negative adaptation is achieved, when one of the parties feels cheated and mistreated and continues internal resistance. This phenomenon is more typical in cases of long lasting and financially unsuccessful mergers and acquisitions.

Modes of Acculturation

As mentioned above, many acquiring firms tend to impose their cultures on the others. Their cultures are seen more valid to the business environment, since they are approved by success. The acquirered firm seems to be doing something better if it can afford the acquisition. However, acquisitions are far less rational business wise as one might think. This cultural superiority feeling naturally leads to more conflicts. Many successful and unsuccessful acquisitions prove that not assimilation is the only acculturation mode. Modes of acculturation can be summarized as follows:

Assimilation. This is one of the most common ways of solving the cultural conflicts. One of the parties (mostly the acquired firm) gives up its practices, procedures and business philosophies and becomes totally assimilated into the acquiring firm. The flow of cultural change is one way in this case. The willingness for assimilation is rooted in the inevitability of the acquired culture. Therefore, as a result of assimilation, the acquired firm is not only disappearing legally but culturally as well.

Integration. As opposed to assimilation, in integration both parties keep their cultural identities. The flow of cultural change is not one way. The reason for this is the success (and therefore, strength) of one of the cultures. The mother company structurally assimilates the acquired firm, but provides cultural freedom and only exerts legal and financial control. In case of integration, a mutual learning process occurs regarding cultures. The level of conflict is low, because the change of cultural elements is an opened, transparent process.

Separation. Separation is the process, when the acquired firm wants to keep its independence and any attempt of intervention to operational or cultural issues is rejected. There is no willingness for any level of assimilation, which generates high level of conflict. In case of separation, there is no contact, thus, no change of cultural element is traced. Separation can be the effective way of acculturation, when a small, successful organization is bought, and only the financial umbrella is needed. Very often, when such firms are assimilated, the core of their cultures and business success are gone.

Deculturation. The least wanted way of acculturation both cultural and business wise. Culture and management of the acquired company diminishes. The management and culture of the acquired firm are weak, but no intention of adaptation is shown. Very often this is due to the mismanagement of the acculturation process. Conflict and stress are all over the organization. In this case, the acquiring firm manages the complete change of the management of the acquired firm, thus, bringing new blood to the organization. Modes of acculturation and levels of conflict are shown on Figure 2.
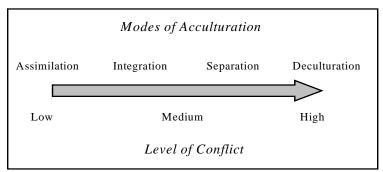

Figure 2. Modes of acculturation and levels of conflict.

Morosini (1998) widened the framework of the acculturation process and its operational conditions. It is not only a management task, but the roots of national culture play an equally important role in the M & A process. The social environment in which the organization operates has a determinative influence on the methods-in-use. Therefore, beside the obvious internal and external factors, social embeddedness of the organization must be considered to thoroughly understand its market behaviours and the role of cultural values in the process. The organization's social components include such aspects as:

(1) How company executes complex co-ordination functions involving both internal and external resources;

(2) How it develops critical networks and learns within its community;

(3) How its people communicate and collectively foster a social sense of identity.

The importance of these skills increases, when resources must be coordinated in M & A within diverse national cultural framework. This knowledge is almost impossible to copy by competitors; it can only be gained through experience. Its uniqueness is derived from the co-ordination mechanisms, which operate in diverse cultural barriers, and are only valid within a holistic perspective. This includes the knowledge itself and is surrounded by cultural symbols, metaphors and norms. All this is captured by the notion of the Greek expression called gnosis. In case of companies, this gnosis provides the pragmatic skills and knowledge, which every firm has to possess to stand the fierce competition and the cultural environment, in which the firm experience and under which conditions the knowledge works. This gnosis cannot be benchmarked; it must be learned the hard way. The internal and external condition of acculturation is summarized in Figure 3.
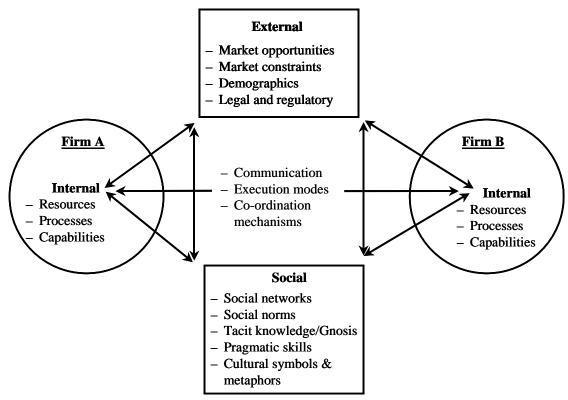
Figure 3. Conditioning factors in an M & A (Morosini, 1998, p. 27).

Questions Regarding Cultural Aspects of M & A

After establishing the framework for both sides of the acculturation process (i.e., the organizational and the societal), let us turn the attention to contradictory issues of M & A.

Mergers and/or Acquisitions

Though mergers and acquisitions are dealt simultaneously by scholars, no one argues that it is indifferent from a cultural perspective that a firm is acquired from a power position or firms of relatively equal market share or capital background are merging. Vaara (2001), for example, excluded acquisitions from the scope of the research. He defined merger as a combination of organizations of fairly similar size, which creates and organization where neither party can clearly be seen as the acquirer. However, business practice very often

provides examples where a formerly announced merger turns out to be an acquisition.

The clear distinction of mergers and acquisitions is required by legal aspects as well. They are not quite identical phenomena, since they result from two legally different transactions. A merger is a statutory combination of two (or more) companies, either by the transfer of all assets to one surviving company or by joining together of the two firms into a single new enterprise. Therefore, mergers are (at least in principle) cooperative agreements between equal partners, especially, of course, if an entirely new organization is formed.

In contrast, acquisition takes place when one company buys enough shares to gain control of another. It may be defined as friendly, hostile, according to the way, it is perceived by the shareholders and the management of the company being acquired. The formal distribution of power is clearer than in the merger case (Gertsen, Soderberg, & Torp, 1998).

In spite of all the financial, strategic, legal and cultural differences between mergers and acquisitions, literature on the topic most of the time uses the term M & A without making a clear distinction.

A Possible Solution: Cultural Synergy

Vaara (2000) recognized the problem and perceptional differences in the management literature. Much of the literature in this field has endorsed the argument that cultural differences create problems in M & A processes. This view he labeled as the "cultural distance" ideology. In international dimensions, this meant that the already mentioned phenomenon, which was demonstrated in research design as well that mergers among culturally closer national cultures indeed lead to better outcomes than those among more distant cultures. Few attentions have been paid to the contrary argument that cultural differences can be the source of value. A few studies (Morosini, 1998; Krishnan, Miller, & Judge, 1997) illustrated that cultural diversity can benefit top management decision-making and M & A among culturally distant countries may outperform M & A of culturally closer countries. This requires a strategic approach to the cultural side of mergers. The traditional cultural awareness approach can only lead to the recognition of differences. In spite of this, cultural synergy can be achieved when in M & A, a third, new culture is emphasized by the managers, not the differences of the existing two. The creation of a new culture can lead to few conflicts than the melting of two. However, this requires very sensitive fine tuning from the managerial side.

Merging Cultures in Higher Education

When considering the merging of cultures in HEIs (Higher Education Institutions), the first step is to consider the peculiarities of culture in higher education.

Organisational Culture in HEIs

In higher education, there are three connotations of culture. The first is that universities are cultural institutions in the same way that museums and libraries are, transmitting traditions and cultural and social values to younger generations. In this way, universities and colleges are seen as the carriers of intellectual, academic and national traditions. In other words, as educational establishments that carries with them the idea that such institutions are ruled and managed by academics with some help from administrative staff. The second is the connotation of culture regarding disciplines, institutions and national traditions. The third is in relation to the methodological, epistemological and philosophical discussion on the nature of knowledge (Valimaa, 2008, p. 9). This paper is concerned with the first connotation of culture, which presents a rather traditional image.

In recent years, the image of HEIs has been changing. With the emergence of mass higher education and the greater need for self-sufficiency, many universities have come under criticism for being out of touch with market needs or lacking adequate skills and knowledge in top management with primarily academic backgrounds. Some universities have adapted and changed, and bring upon themselves the description of "academic capitalism" (Slaughter & Rhoades, 2004). Some research indicated that how universities should adapt to entrepreneurial activities; strengthen their institutional management and their interaction with industry and rest of the society (Clark, 1998; Etzkowitz, 2003).

Based upon the work of Elliott, Swartz and Herbane (2009, p. 126), it is possible to draft out a paradigm of a university as an example of the cultural web in HEIs:
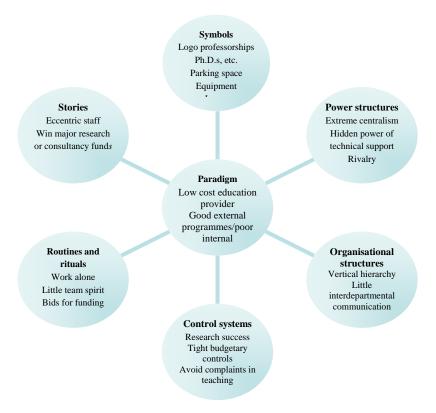

Figure 4. The cultural web of a university based on Elliott, Swartz, and Herbane (2009, p. 126).

Figure 4 is a broad generalization that highlights the key factors that distinguish the culture of universities, such as the lack of interdepartmental communication, the routine of bidding or placing tenders in an attempt to gain additional funding and the use and importance of symbols.

According to Becher (1987, p. 298), it is only by understanding the parts and their particularity, one can better understand the whole. This was further emphasised by Kashner (1990, p. 20) that readying an institution to reply to the conditions that call for change or innovate on the institution's own initiative requires a clear understanding of its corporate culture and how to modify that culture in a desired direction. According to Farmer (1990, p. 8), failure to understand the way in which an organization's culture will interact with various contemplated change strategies, thus, may mean the failure of the strategies themselves. Kabanoff, Waldersee and Cohen (1995) found that the type of institutional culture, such as elite, meritocratic, leadership or collegial

help to predict perceptions of change in the organization and through perceptions of change, employees' attitudes (and therefore, levels of resistance) to change could be weighed up.

According to Clark (1987), HEI cultures are extremely fragmented into what Clark refers to as small worlds. There are many ways that such subcultures can develop, such as according to department, faculty, location, disciplines and profession, shared sense of tradition or values or perhaps through interaction.

Many HEIs are steeped in history, with unchanging traditions and members with long tenures; a strong culture is likely to prevail. According to Nahavandi and Malekzadeh (1993, p. 19), there are three elements to a strong/weak culture: the thickness of the culture which refers to the number of shared beliefs, values and assumptions; the proportion of organizational members who share in the basic assumptions, which means the more shared assumptions, the stronger the culture; and finally the clarity of the order of values and assumptions in terms of which are major and which are minor. A larger number of clear shared assumptions are more likely in organizations where members have been there for a considerable period of time, such as long-standing university professors.

Handy (1993) popularized the work of Roger Harrison (1972) concerning the typology of organisational cultures in terms of influence and power and categorises the types as follows: power culture, role culture, task culture and person culture. Mullins (1999, p. 804) argued that the person culture is prevalent among doctors, consultants and university professors. In this case, individuals have almost complete autonomy and influence is usually on the basis of personal power. As such, individual traditions, along with identities are a real social force in higher education and often cited as a reason that HEIs have inertia to change (Valimaa, 2008, p. 18).

The borders between the disciplines and specializations in HEIs are vehemently upheld to such an extent that in many cases only the administrative staff and librarians are allowed to be interdisciplinary (Bergquist, 1992). These borders also create feeling of ownership concerning symbolic territories (spheres of ownership) and there present a significant potential for resistance to change, especially when a proposed change may threaten these perceived territories (Kashner, 1990).

Acculturation in Merging HEIs

As mentioned earlier, Nahavandi and Malekzadeh (1993) highlighted the three stages of acculturation that take place during the merger process. The contact stage occurs during the pre-merger stage dealing with various aspects, such as legal and strategic issues. Some conflicts are likely. The conflict stage occurs during the pre-merger stage. There is more potential for conflict and a closer relationship between the organisations. In fact, many mergers of HEIs have collapsed at this stage due to conflict, especially in the UK, e.g., UWIC (University of Wales Institute, Cardiff) and Glamorgan University, University College London and Imperial College, Bradford University and Bradford College, to name but a few. This may be due to the strong cultures and the fact that although many have previously collaborated, increased daily interaction has increased the potential for conflict.

The strength of the culture and the attraction of the acquirer (dominant) organisation to the acquired firm can dictate the mode of acculturation for the acquired firm as can be seen in Table 1.

Many mergers in HE (higher education) are experiencing culture clashes and great conflicts among not only the institutions but among departments as well. The cultures of HEIs are deeply fragmented and the issue of whether an organisation is multicultural or unicultural and the degree of relatedness of the two organisations affect the mode of acculturation. Table 2 demonstrates this from the viewpoint of the acquirer (or more dominant) organisation:

Table1

Acculturation Modes for the Acquired Firm

	Strength of culture	
	Weak	Strong
High attraction	Assimilation	Integration
To acquirer low	Deculturation	Separation

Note. Resource: Nahavandi and Malekzadeh, 1993, p. 66.

Table 2

Acculturation Modes for the Acquirer

	Culture	
	Unicultural	Multicultural
Related strategy	Assimilation	Integration
Unrelated	Deculturation	Separation

Note. Resource: Nahavandi and Malekzadeh, 1993, p. 67.

This presents an unusual situation. If a HEI is almost always a related merger then only two modes of acculturation are available to the organisations. An organisation which has many different cultural groups, as seen in the case of HEIs where the culture is deeply fragmented, can be referred to as a plural organisation. If these many different cultures are valued, then the organisation is considered multicultural (Nahavandi & Malekzadeh, 1993, p. 68). Likewise a unicultural organisation values conformity to one set of goals, strategies and other organisational procedures and practices.

From this, it seems that a lot depends on whether the fragmentary nature of HEIs is valued or not. If Nahavandi and Malekzadeh's model is valid for HEIs then the only two possible acculturation modes are integration and assimilation and from these, the former is the most likely. Acculturation modes can also be affected by the strength of the culture and the attractiveness of the organisation to the acquirer company.

Case Study: The BBS (Budapest Business School)

Although the BBS was formed as a part of a merger among three colleges, each of these colleges has its own history:

(1) The College of Commerce, Catering and Tourism was a part of the Pest Commercial Academy, the first Hungarian commercial academic institution founded in 1857. In 1992, the college introduced courses in the field of tourism, and so changed its name to the College of Commerce, Catering and Tourism;

(2) The College of International Management and Business Studies began in 1957, when a school to train correspondent clerks for foreign trade companies was established. The school offered new courses in 1962 to train sales and forwarding clerks. It was much later in 1994 that the college was renamed the College of International Management and Business Studies to emphasize its international focus;

(3) The College of Finance and Accountancy also has its origins in the Pest Commercial Academy. In 1971, the College established additional campuses in Zalaegerszeg, 240 km South-West of Budapest, and Salgótarján, 100 km North-East of Budapest.

The merger itself took place in 2000 and was forced upon the three HEIs. The BBS has recently celebrated its tenth anniversary. As a result of the merger, the BBS became the largest Business School and College in Hungary with approximately 22,000 students and became the fifth largest Hungarian HEI. From an

organisational culture point of view, the fact that the colleges remained on their own campuses rather than on one shared location seems a significant barrier to integration. Each college is referred to as a faculty, although this was only brought to light in recent years with changes in name on websites and within the colleges. Within each new faculty, each department is accountable to both the faculty's Dean as well as the head of institutes set up to encourage and maintain integration and homogeneity between faculties. The head of institutes are thus responsible for departments within all three of the faculties.

The merger process appears as a slow one, with still some colleagues having conflicts concerning harmonisation of courses and course materials. In fact, many staff has experienced minor changes in the way they work to date and have relatively few contacts or interactions with staff from other faculties.

Market-Orientation of the BBS

The change drivers in both public and private organisations are often cited as: globalization, economic rationalism and information technology (Burke & MacKenzie, 2002; P. S. Weber & J. E. Weber, 2001).

With the growth of the global communications revolution, fierce competition is taking place in the world of intellectual capital. The brain drain, resulting in the loss of many intellectually-driven jobs from certain countries, is often seen as a direct by-product of the Internet era. Another impact of globalization has been the introduction of pan-European or global standards and systems in higher education, such as the Bologna system, which has an especially large impact on countries using a different system as in the case of the Germanic system employed in Hungarian HEIs.

Underlying the trends of technological advancement and an acceleration of globalization is competition. The idea of increased competition is something the higher education systems of many countries have almost never had to contend with before. In a global marketplace, education itself appears to be developing into a commodity and in a rapidly-changing world; the agility to define and redefine program offerings to match current market needs is an important success factor. These two issues involve novel concepts for HEIs and require substantial change in the ways they operate.

Competition in higher education comes from local and foreign universities/colleges, private institutions and the relatively new "virtual universities", with a seemingly endless range of courses and curricula in many cases set to suit the student. All these factors combined with the greater dependence on private sources of funds (rather than governments) lead to an increasing urgency to keep abreast of competition locally and, if possible, globally. HEIs, such as smaller colleges may look to merge with larger universities or colleges as a means of growth and/or may develop as a research institution. In many countries, mergers of HEIs were enforced by law (South Africa, New Zealand, Hungary, etc.).

With the emergence of mass higher education and the greater need for self-sufficiency, many universities have come under criticism for being out of touch with market needs or lacking adequate skills and knowledge in top management with primarily academic backgrounds. Some universities have brought upon themselves the description of "academic capitalism" (Slaughter & Rhoades, 2004). Some researches indicated that how universities should adapt to entrepreneurial activities; strengthen their institutional managements and their interactions with industry and rest of the society (Clark, 1998; Etzkowitz, 2003).

In the case of the BBS, it is clear that the three colleges have kept a certain degree of independence, although it is asserted that the BBS has become more efficient to meet students' needs than the three formerly

autonomous institutions and that by pooling their resources, the school has become more than a simple change in names[1].

As can be seen from the history of these colleges, there are long-established traditions at play and each of these colleges has a good reputation. Each faculty has a healthy number of applications and enrolments each year and the BBS experiences a leading position in the education market. Many companies, such as the Big Four, financial consulting companies and multi-nationals demand BBS graduates. In fact, a recent study into whether the Faculty of Finance and Accountancy met the needs of employers found that despite a lack of formal contact between employers and staff, the overall view was positive in terms of the faculty provided suitably skilled and able graduates for their key employers in the labour market (Chandler, 2007).

The BBS is becoming increasingly international with an ever-increasing number of courses held in English to attract foreign students, Erasmus schemes for their own students and increasing collaborations and contacts with universities, colleges and companies abroad. Although overall student enrolment has dropped from 19,941 in 2003 to 17,796 in 2007, the BBS explains this with the demographic fall in the population of the age group concerned, perhaps indicating a need for greater reliance on international sources of students. The latest survey by "Heti Válasz"[2] indicates that the BBS is the first among the list of colleges in Hungary and the fourth among all the institutions of higher education in Hungary in the standard of excellence. The ranking was similar to the ones made by other magazines, such as the US News and World Report, Financial Times and Newsweek, as it took into consideration key areas like the number of applicants, the feedback of the labour market and the opinion of the largest employers.

Assessing Market-Oriented Subcultures

There seems to be little doubt that the cultures of HEIs are significantly fragmented into subcultures and that merging HEIs increases the likelihood of greater division. There also seems to be little doubt of the need and effort by many HEIs to transform into more market-oriented institutions. Therefore, combining these key issues, the question arises as to the factors affecting the market-orientation of these subcultures and its net result upon the effectiveness of the organisation.

When considering research into cultures and subcultures, there are a number of instruments available. A positivist approach to organizational culture may utilize the instruments that produce a numerical summary of the dimensions of culture of an organization (Davies, Philp, & Warr, 1993). A more constructivist approach may use a typological tool, such as the CVF (competing values framework) or Harrison's Organization Ideology Questionnaire. An alternative may be qualitative approaches such as observation, interviewing or projective metaphors (Schein, 1985; Nossiter & Biberman, 1990; Lisney & Allen, 1993; Schein, 1999).

For this research, a combination of quantitative and qualitative has been considered as the best option. The CVF will be used as a means of giving a global view of organizational culture but more than that it will also typify staff values and perceptions of the BBS. The CVF was developed by Quinn and Rohrbaugh (1983) as a means of describing the effectiveness of organisations along two dimensions and makes use of two bipolar axes as a means of indicating four orientations of culture. With this model, it is not the case that the culture can only be one of the four, but rather a question of which orientation is more dominant. The model can be seen in

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[1] From http//:www.bgf.hu (accessed 5 June 2010).
[2] A Hungarian political and economic magazine (Lit. "Weekly Response").

Figure 5.

Flexibility and description

Clan   Adhocracy

Internal   External
focus   focus
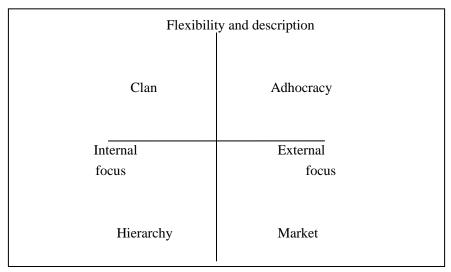
Hierarchy   Market

Figure 5. The competing values framework (Cameron & Quinn, 1999).

As seen in Figure 5, the two axes create four quadrants for each of the four culture types:

(1) The "Clan" culture is characterized by internal cohesiveness with shared vales, participation and collectivism. It focuses on internal problems and concerns of individuals and perpetual employment with an informal approach to work;

(2) The "Adhocracy" culture uses ad hoc approaches to solve problems incurred from the surrounding environment and indicates a willingness to take risks, creativity and innovation. Independence and freedom are highly respected;

(3) The "Hierarchy" culture has centralized decision-making, much formalized structures and rigidity with policies, instructions and procedures aiming at reducing uncertainty and enforcing stability. Changes are impossible without it being official. Conformity is encouraged;

(4) The "Market" culture (a key focus of this study) is based on orientation to the market and maintaining or expanding current market share. There is a focus on profit and ambitious, quantifiable goals. Competition is emphasised both inside and outside.

From the description of HEI cultures earlier in this paper, it is difficult to discern one particular culture applying as there of certain aspects of each one that could be relevant. The clan culture has an internal cohesiveness, shared values and perpetual employment which are all associated with higher education. However, the independence and freedom of the adhocracy culture seems to fit the role of university professors as mentioned earlier with their high autonomy. Universities certainly have centralized decision-making and formalized structures, procedures and policies. If any of the cultures seem the least likely for HEIs, it may well be the market culture and yet, as shown in this paper, with "academic capitalism" and the push to become more market-focussed, perhaps unexpected results may be produced concerning the orientation of HEI cultures at the BBS.

The CVF has been shown empirically to reflect the current thinking of organisational theorists on organisational values and resulting organisational effectiveness (Cooper & Quinn, 1993, p. 178). Not only have there been relatively few investigations into organisational culture in European educational contexts, but also very few of those have used the CVF, such as Cameron, Freeman, and Mishra (1991) and Ferreira and Hill (2008). Even the ones that have used the CVF have not used it for analysis of the orientation and formation of

subcultures, but rather as a comparison between, for example, public and private universities.

Method

Questionnaire Measures

The instrument for the CVF is referred to as the OCAI (Organizational Culture Assessment Instrument) developed by Cameron and Quinn (1999). The questionnaire is split into six sections, each with four statements for each of the four scales designed to measure the four culture types. For the four alternatives in each section the respondent is required to divide 100 points among these four alternatives, depending on the extent to which each alternative is similar to their own organizations. The respondents are advised to give a higher number of points to the alternative that is most similar to their organizations. The respondents are required to fill in two columns: one indicating the current organization and the other the preferred or desired state.

Each questionnaire will also require information about the staff, such as age, occupation (management, teaching staff, administration or other) length of tenure, full time or part-time, level of interaction with other faculties, gender, faculty, discipline and department. Using these details a cluster analysis will be undertaken using the CVF, and thus, it can be detected where shared values, perceptions and perhaps subcultures exist as well as the degree of market-orientation among sub groupings and within the organisation as a whole.

A multimethod approach has been selected, as it can help to overcome the inherent limitations of closed statement questionnaires, especially as we are concerned with an investigation into the highly complex phenomenon of organisational culture. As found by Ott (1989), it seems that qualitative research findings can be used to inform hypotheses testable by quantitative methods, or qualitative research can be used to explore the meaning of quantitative findings.

The qualitative part of the research will use a combination of interviews on a one-to-one basis with various members of the three faculties and cognitive mapping using focus-groups. The cognitive mapping will serve as a means of validating research data as well as probing deeper into perception of the BBS and values held.

Participants

The participants of the research would include staff from all three faculties and the main headquarters of the BBS, which constitute management, teaching staff, administration and others, such as cleaning, security as well as all staff are deemed to have their own perceptions and values within the organisation. We will administer surveys among these groups and the estimated sample size would be about 500. In our survey, we are going to ask them how they currently view the organisation and what would be the desired view of the organisation. We are also going to interview some of the key actors in the merging process and use some archives and documents as well.

The focus group for cognitive mapping is planned to consist of upper management of the BBS who are likely to have higher levels of interaction with other faculties than teaching and administrative staff. In this way, they may have a clearer picture of the organisation as a whole, the division of subcultures and an overall picture of the market-orientation.

Anticipated Problems

The biggest hurdle may well be the unwillingness of staff to complete the questionnaire through fear of being reprimanded. The cluster analysis depends on full results of personal data, which staff may fear will enable researchers to pinpoint who filled out which questionnaire. Complete anonymity will have to be assured

before compliance can be expected.

The questionnaire is originally in English, but in order to avoid misunderstandings and thereby negate validity, it will need to be in Hungarian, with the interviews being held in Hungarian as well. Fortunately, a Hungarian version has been developed and used by Ph.D. students at Pannon University (Gaál, Szabó, Obermayer-Kovács, Kovács, & Csepregi, 2010). A validity check has already taken place with the surveys being translated into Hungarian and then retranslated back into English.

A big advantage of this questionnaire is that it is easy to administer and requires a relatively short time for completion. However, access to certain staff members will be difficult due to part-time teachers rarely coming in to the BBS and other staff rarely having the tie among lessons to sit down and complete a questionnaire. The best option appears to be undertaking the survey at the end of the semester and all staff is required to attend their departmental meetings, although it may have to take place at the start rather than the end so that data will not be corrupted by the content of the meeting.

Conclusions

Due to the fragmentary nature of HEIs, the potential impact of the market-orientation of subcultures in a post-merger case is a very important research topic. Some scholars study post-merger culture fit or clash or employee responses but few researchers stress the peculiar make-up of HEIs in relation to post-merger cultures or consider the effect of the sub cultural context on organizational orientation and effectiveness. Given the fact that so many mergers have and appear about to happen (Richardson, 2010), it is crucial to build up a model of understanding the interaction of these variables and factors affecting sub cultural make-up and orientation.

The case study of the post-merger status of the three colleges constituting the BBS is not intended as a retrospective analysis of a merger but rather the long-term impact of a merger upon the culture of the single post-merger organisation. The use of both quantitative and qualitative research methods in our case study would allow us to better capture the rich contextual data. One major practical contribution of our paper would be to provide insight for management of the BBS and other institutions of issues that require attention if such organisations are to continue towards their key goals of market-orientation as well as provide a certain degree of guidance and direction for future HEI mergers.

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