

# THE EFFECT OF INSTITUTIONAL PREDISPOSITION ON EXPERIENCES OF A MERGER

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Change research in general and merger research in particular tends to accentuate the individual employee's context and experience of the change event. This paper explores employees' dispositions toward the institution they hail from and how this shapes their reactions to a merger between two South African higher education institutions. Findings of this study, which followed a qualitative methodology, indicate that a positive institutional predisposition contributes to job satisfaction in the historical pre-merger institution but has an inverse effect on how these employees react to the news of an impending merger.

*Key phrases: mergers, organisational culture, institutional predisposition, change readiness, job satisfaction*

## 1 INTRODUCTION

Mergers have become a common occurrence in the organisational landscape (Panchal & Cartwright, 2001; Papadakis, 2005) and now regularly feature on managerial agendas as a strategic option (Schraeder & Self, 2003). Not only are mergers considered a quick and efficient means of enhancing growth, improving synergy and economies of scale, diversifying and expanding into new markets (Schraeder & Self, 2003), but they also tend to dilute and spread risk (Papadakis, 2005). Mergers are thus considered a means of sustainability in otherwise challenging operating circumstances. It is no surprise that the scope of worldwide merger and acquisitions activity, as evidenced in the price tag, hovered around US\$1,3 trillion for 2003 (Ryan, 2004).

Despite this generally optimistic view of mergers there is evidence to suggest that mergers and merger-related activities are not as successful as intended (Eriksson & Sundgren, 2004; Fulop, Protopsaltis, King, Allen, Hutchings & Normand, 2005; Papadakis, 2005; Van Tonder, 2004a). Reported success rates for mergers are surprisingly low and incidence of failure varies between 40% and 80% (Panchal & Cartwright, 2001; Papadakis, 2005;

Schraeder & Self, 2003). The majority of mergers essentially fail to satisfy the original intention behind their initiation.

Regardless of the deemed success (or otherwise) of mergers, the consequences and implications of mergers are substantial. Mergers inevitably lead to a reassessment of merged operations and activities; often resulting in re-organisation, rationalisation and redundancies (CIPD, 2000). This, in turn, prompts a reconfiguration of functional teams that contribute to confusion around reporting lines - to the extent that people lose their mental maps of how the workplace functions (Fulop, et al., 2005; Lundback & Horte, 2005).

Any attempt at integrating corporate entities whether a merger, an acquisition or a joint venture, has very real Human Resources (HR) implications (CIPD, 2000; Papadakis, 2005). Failing to address these HR issues typically evokes a range of symptomatic responses that are commonly observed in mergers, such as stress, fear, anxiety, depleted productivity levels, increased absenteeism, declining job satisfaction, resistance to change and feelings of defeatism (Eriksson & Sundgren, 2004; Van Tonder, 2005; Wenburg, 2001).

The preceding context highlights the pivotal role of the human factor and the substantial consequences of mergers regardless of whether they are considered successful or otherwise. It provides a reasonable platform from which to anticipate the challenges and likely outcomes of mergers that broadly conform to the descriptive parameters of those on which the literature reports. Whether these parameters still hold when a merger, in character, clearly departs from these descriptive characteristics, is uncertain, as the literature does not clearly differentiate between different types of mergers, i.e. mergers that depart substantially in a number of areas from those descriptive dimensions on which the literature is based.

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## 2 THE MERGER OF THE RAND AFRIKAANS UNIVERSITY (RAU) AND THE TECHNICON WITWATERSRAND (TWR) INTO THE UNIVERSITY OF JOHANNESBURG (UJ)

A recent wave of mergers in the South African Higher Education sector is an example of mergers that deviate in character from the conventions observed in respect of business-oriented mergers (Goldman, 2005). Initiated by the South African Department of Education (DoE), these mergers follow in the wake of a major socio-political transformation of civil society and its institutions and were therefore informed by political and ideological motives and not economic growth, institutional survival or sustainability (Goldman, 2005; Goldman & Coetzee, 2004). Moreover, these mergers were imposed (enforced).

Unlike business-orientated mergers where the merging partners generally harbour at least an expectation of improved functioning and returns and hence normally enter the merger with a degree of willingness, the merging parties in most of these enforced mergers were substantially unwilling merger partners. If these mergers go awry they cannot be resolved through subsequent selling off or outsourcing of business operations, effecting leveraged buyouts, further takeovers, injection of additional capital, or simply closure of operations.

Announced on 31 May 2002, this particular merger was part of the restructuring of the higher education landscape (Goldman, 2005). The merger involved RAU, the TWR and two campuses of Vista University – namely the East Rand and Soweto campuses. Both TWR and RAU were opposed to the merger (TWR, 2002a; TWR, 2002c), but TWR changed its stance in June 2002 (TWR, 2002b). The DoE advanced that the merger would happen in two parts (TWR, 2003a): Vista would be incorporated into RAU by 1 January 2004; RAU and TWR would merge on 1 January 2005. RAU changed their position in February 2003 (TWR, 2003b) and subsequently, the stage was set for planning the proposed merger.

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2003 was spent gearing up and forming merger related structures (Goldman & Coetzee, 2004; TWR, 2003a); and RAU was also preparing for the incorporation of the Vista campuses. By 1 January 2004 the gearing up phase was completed and the consultative phase was about to commence. In this regard, a host of merger structures and forums were created in 2003 and 2004.

The Joint Merger Steering Committee (JMSC) was the highest authority for merger issues. The JMSC comprised five members from each institution's Merger Steering Committee (MSC) and jointly chaired by the Chairs of Council of RAU and TWR. The MSC of each institution developed institutional position on issues where decisions needed to be made. The JMSC then deliberated these positions and had the authority to make binding decisions. JMSC and MSC were provided of input by (Goldman & Coetzee, 2004; Goldman, 2005): Management teams of their respective institutions and Internal stakeholder forums. At RAU, this was the Institutional Forum (RAU IF); at TWR, the Merger Forum (TWR MF) (TWR, 2003c). The RAU IF and TWR MF received input from ten functional task teams, equally represented from RAU and TWR under joint chairs (Goldman & Coetzee, 2004; Goldman, 2005).

The UJ merger marked the establishment of the largest residential university in South Africa; spanning five campuses with some 40 000 students and employing close to 3 000 staff members. The DoE made it clear that this would be a merger of equals and that no party was to dictate proceedings during negotiations. They furthermore laid down a merger timeline, stating that 2005 and 2006 would be an interim period; using current capacity to fill executive positions. In 2006 a permanent executive management structure would be created, and permanency in terms of this executive management structure would be achieved by 2007.

### **3 AIM OF THIS PAPER AND METHODOLOGICAL OUTLINE**

The reasons advanced by the government for the mergers in higher education, and therefore the merger of RAU and TWR into the University of Johannesburg, suggest

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that the mergers were politically and ideologically motivated. These reasons were (Mokadi, 2002):

- To overcome the racial fragmentation of the educational system.
- To achieve economies of scale through reducing unit costs, and economies of scope through broadening the range of programmes.
- To streamline governance and management structures, and to enhance administrative and management capacity.
- To achieve more effective utilisation of existing academic staff capabilities.
- To improve administrative systems.
- To reduce duplication between institutions closely located to one another.
- To improve the quality of programmes offered.

Given this context, the following research question arose: *How do academic staff members buy into the process of transformation in higher education in South Africa?*

A university revolves around its' academic staff. Their research outputs, expertise and reputations contribute to the overall reputation of the university that employs them and to the quality of the tuition students receive. Their experience of the merger can have a profound effect on overall institutional performance and therefore its stature, reputation and marketability. The last thing institutional management would want, is to see that their top academics find employment at other institutions while the university finds itself in the midst of disruptive change – a common consequence of disruptive institutional change (Van Tonder, 2004b; Van Tonder, 2005).

This study was also born from a curiosity to investigate whether staff members' current outlook to the merger of RAU and TWR have been influenced by the way they viewed their historic institutions, and the effect this would have in buying in to the principle of the merger.

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The aim of this study was thus: ***To understand how academic staff at UJ viewed the institutions they hailed from, and if these views had any influence on their outlook toward the UJ merger.***

Although contextualised in terms of the higher education sector in South Africa, this study's utility value could extend beyond this frame and shed further light on the role of context during major corporate change. This is premised in part on growing criticism from scholarly quarters that change research lacks the contextual, procedural and theoretical perspectives that would allow an adequate investigation of its dynamics (Eriksson & Sundgren, 2001; Fulop, et al., 2005; Van Tonder, 2004a).

A qualitative, case study approach was adopted in the current study. Case studies investigate phenomena as bounded systems (Henning, Van Rensburg & Smit, 2004); that is, any social entity that can be demarcated (thus bounded) by parameters and that possesses a specific dynamic. Data is therefore solicited from within these parameters. In this study, the focus is on change in a highly contextualised setting (UJ) which can be seen as a bounded system with clear parameters and a specific and unique dynamic. The choice of an interpretive approach is consequently informed by the need to fully understand the context of the merger process and the degree to which employees of UJ are engaging with merger structures and issues.

The research population comprised all full time academic personnel in the employ of the UJ, which includes the job categories of lecturers (junior lecturers, lecturers and senior lecturers), professors (associate professors and full professors), and academic managers (Heads of Department; Heads of School and Departmental Chairs). Non-probability sampling, and in particular quota sampling, was employed in this study. It was, however, felt that some effort had to be made to ensure that the sample allow for greater diversity in perceptions and experiences related to variation associated with different campus locations, faculty and hierarchical level, to emerge. This was secured by increasing the

physical sample size and selecting research subjects from all nine faculties, across all five campuses and thus 40 research subjects were selected.

The main data collection method employed in the study was interviewing. More specifically, semi-structured interviews were used, requiring research subjects to share their experiences, feelings, perceptions and expectations of the merger. Follow-up questioning was limited to seeking clarity on vague or unclear issues that emerged from the responses of interviewees. Grounded theory coding techniques were used as method of data analysis. After transcription the data was coded to facilitate categorisation and theory building. In this regard three rounds of coding were performed, consistent with Corbin and Strauss' (1990) coding process:

- **Round One:** Open coding was applied to sentences (as unit of analysis) from which labelled categories emerged (Babbie & Mouton, 2004; Henning, et al, 2004).
- **Round Two:** Axial coding revealed relations and linkages between categories emerging from round one.
- **Round Three:** Selective coding enabled a construction of the essential narrative (and theory) pertaining to the experienced merger.

#### **4 FINDINGS FROM THE STUDY**

Two significant themes emerged from the open and axial coding processes. These afforded insights into individuals' initial reaction to the announcement of the merger. The first theme relates to the feelings people harboured toward the institutions they historically originated from – which also afforded insight into the level of job satisfaction people experienced. The second theme relates to the individuals' reaction to the announcement of the merger. The themes generally revealed mixed feelings at the announcement of the merger, but polarisation of feelings can more pertinently be ascribed to the individuals' dispositions toward the institution they hail from.

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#### 4.1 THEME 1: THE WAY IT WAS

With very few exceptions interviewed subjects tended to introduce reflective accounts of their initial experience and reaction to the announcement of the merger, thereby portraying “the way it was” at the institution they historically were affiliated to. It is important to state at this point that three different historic institutions make up UJ; each of these will be held in a certain light by those individuals that respectively hail from them.

Staff members that hailed from the ex-RAU generally expressed very positive sentiment toward this institution, revealing that RAU was typified by academic freedom; autonomy; conformity to academic tradition; high research output and highly qualified academic staff. The milieu was informal, collegial, trusting and output driven. Management supported academic staff by providing them with the infrastructure to produce required outputs. Individuals however, also expressed views that nepotism was rife and that academic staff were not paid as well as staff from other institutions. It is evident that ex-RAU staff harboured generally very positive sentiment toward this institution. The evidence indicates that levels of job satisfaction were generally quite high amongst academics at this institution.

Academics from the ex-TWR expressed almost directly opposing views toward their merging institution than ex-RAU staff did. Although perceived as possessing a good reputation amongst technikons, TWR was perceived to be autocratic, paternalistic and bureaucratic. Much criticism was directed toward the management of TWR, viewing TWR as being poorly managed by incompetent managers who generally were authoritarian, lacklustre, exhibited poor leadership and possessed no sense of the big picture. Some ex-TWR interview subjects even expressed first hand incidence of overt victimisation and racism from line managers. It was felt that the general apathy amongst staff and incidence of student unrest prevalent at TWR was – at least in part – due to the lack of vision exhibited by the TWR management. Academic staff also felt that they had no autonomy, were subject to immense workloads and that there was no strategy to build



capacity in terms of research and research supervision. It was also evident that academics from the ex-TWR felt that support services, and administration in particular, was not functional. It is evident that ex-TWR staff harboured generally negative, and at times scathing, sentiment toward the TWR, leading one to believe that levels of job satisfaction generally tended to be low at this institution.

The sentiments expressed toward Vista University revealed an interesting scenario. Vista University seemed to be a university typified by autonomy. Staff were motivated and the institution was well managed; no mean feat for a multi campus institution geographically dispersed across South Africa. Unfortunately corruption, mismanagement and misuse of funds lead to the eventual dissolution of Vista at the end of 2003. Although uncertainty and insecurity has typified Vista for the better part of the last decade, morale seems to be generally high, indicating that the factors that lead to the dissolution of the university had no effect on the prevalent ethos and operational dynamic of the institution.

**Table 1: The way it was at RAU**

<ul style="list-style-type: none"> <li>• <i>...everybody knows about this business, that there's only one guy that supplies the blinds for all the offices in the university...that you can only buy your print cartridges from that guy, I mean those things are common knowledge, and yet, it happens</i></li> <li>• <i>It's no secret, the previous Dean of our faculty told us straight-out that the old-RAU was the one [of the three merging institutions] that paid it's staff the worst</i></li> </ul> <p style="text-align: right;"><i>- Lecturer: Faculty of Humanities, former RAU</i></p>
<p><i>I started here in a...in a management system that was a bit foreign to me. It was too collegial, nothing on paper, a lot of trust</i></p> <p style="text-align: right;"><i>- Associate Professor: Faculty of Natural Sciences, former RAU</i></p>
<ul style="list-style-type: none"> <li>• <i>And you were left, circumstances were created, computers were supplied, office</i></li> </ul>

*space was supplied for you to be able to do your work*

- *As with RAU, there are currently enough incentives in place to compensate me for my research. I mean, for every article I publish I get money, I travel abroad two, three times a year, and as long as that stays there, I am happy*

*- Professor: Faculty of Education, former RAU*

*I'm thinking aloud now...the wish list could be that everything that bothers me should be rectified, so seen from that angle...I have to be honest, there aren't things that really concern me. For me to sit here and say this must be solved at once, there aren't such things*

*- "Gert": Faculty of Law, former RAU*

**Table 2: The way it was at TWR**

- *Well, my perceptions was that over ... the years that the management had become quite wishy-washy and there was a lot of inefficiency*
- *Because I just felt the place was going nowhere, fast*

*- "Angela": Faculty of Natural Sciences, former TWR*

*Because the administration at the old TWR was totally pathetic*

*- "Katya": Faculty of Law, former TWR*

- *Because the technikon was going one way, and that was downhill*
- *Because our management was hopeless, it was dreadful*

*- "Ilse": Faculty of Health Sciences, former TWR*

*There were not enough [research] supervisors, no people that could give enough guidance. There was no understanding of what was required and what research*

*encompassed*

- "Mia": Faculty of Art Design and Architecture, former TWR

**Table 3: The way it was at Vista**

- *They tested every possible management model, and the one they finally worked with for the final five years worked very, very well*

- *... Vista's strength was the fact that they could manage a multi campus institution*

- *That university [Vista] managed to steer a R245... or was it R254 million surplus into a R36 million deficit... before it was dissolved and taken up by the others*

- Lecturer: Faculty of Management, former Vista

- *Like I said, Vista worked, and we were far more geographically dispersed; across the whole country*

- *We worked because we wanted to work, you know. We were motivated*

- *You were much more autonomous*

- Senior Lecturer: Faculty of Management, former Vista

*Um... there was talk, or rather allegations of corruption made against the previous Vice-Chancellor*

- Senior Lecturer: Faculties of Humanities, former Vista

#### **4.2 THEME 2: INDIVIDUALS REACTION TO THE ANNOUNCEMENT OF THE MERGER**

It was evident that the announcement to merge was met with varied reactions from staff, ranging from extreme negativity, through indifference, to extreme optimism. Though reactions were generally positive; it was striking, however, that reactions emanating

from the different merging institutions tended to be polarised. Reactions from the ex-RAU fringed on indifference but exhibited a large amount of negative reaction. Reactions from the ex-TWR, on the other hand, tended to be largely positive. Ex-Vista staff, although eventually incorporated into RAU, tended to air negative opinions, but cited different reasons for this negativity from the ex-RAU staff.

**Table 4: Initial reactions to the merger announcement**

<p><i>Initially one was very sceptical toward this thing [the merger]</i></p> <p style="text-align: right;"><i>- Professor: Faculty of Natural Sciences, former RAU</i></p>
<p><i>You know, it was not a big issue for me...largely, in our department there was never a big problem with it [the merger]</i></p> <p style="text-align: right;"><i>- Professor: Faculty of Natural Sciences, former RAU</i></p>
<p><i>I did not think it was a good idea</i></p> <p style="text-align: right;"><i>- Lecturer: Faculty of Humanities, former RAU</i></p>
<p><i>I felt very positive about it. Um...I saw it as...um...it's a move that really had great potential</i></p> <p style="text-align: right;"><i>- Senior Lecturer: Faculty of Art, Design and Architecture, former TWR</i></p>
<p><i>Like I said, from where I sit, I look at it as something very positive</i></p> <p style="text-align: right;"><i>- Lecturer: Faculty of Health Sciences, former TWR</i></p>
<p><i>I think the merger, in general, is a very good idea</i></p> <p style="text-align: right;"><i>- Lecturer: Faculty of Economic and Financial Sciences, former TWR</i></p>
<p><i>The merger was good, really, in my overall view"</i></p>

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- Lecturer: Faculty of Law, former Vista

It was noticeable that the initial reactions that tended to convey a more negative experience towards the merger, emanated more from the former RAU than the former TWR employees. One of the reasons for this could be found in the reflections of “how it was” by subjects, which clearly indicates that levels of job satisfaction at the former RAU were higher than at the former TWR.

The findings of the study underscore the generally accepted principle that people view change events as personal, thus giving rise to their own expectations and interpretations of change events (Van Tonder, 2004a; Wenburg, 2001). Findings also reveal that respondents hold pertinent views toward their historic institutions and that these influenced their expectations, perceptions and reactions to the merger (e.g. supportive or resistant). At a general level, the findings draw attention the long-held but understated view that context-sensitive approaches are needed to successfully implement change (Eriksson & Sundgren, 2001; Van Tonder, 2004a).

## 5 DISCUSSION OF FINDINGS

One of the most pertinent variables to shape an individual’s reaction to a merger seems to be forthcoming from the individual’s predisposition to the institution he/she hails from. Some authors tend to view this institutional predisposition as part of merging the cultures of merging institutions (Fulop, *et al*, 2005, Robbins, 2001), however the institutional predisposition transcends culture. It refers to how individuals feel about the institutions they hail from, and what affect this is going to have on their eventual buy-in to the proposed merger.

\There is also evidence to suggest that the organisation forms an integral part of people’s social identity, and thus identification with a specific grouping (such as an organisation) becomes more salient in a merger situation (Allred, Boal & Holstein, 2005; Anstey, 2006; Hogg & Terry, 2000; Shin, 2003). The concept of organisational predisposition, however,

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links this salient social identity to actual attitude toward the pending merger. This concept appears in the works of Haunschild, Moreland and Murrell (1994) and Shin (2003), but no distinguishable terminology was employed.

As is evident from the findings, the way individuals perceived the institution they hailed from had a definite impact on their level of job satisfaction. Generally, those that were negatively predisposed toward their historic institution were less satisfied with their jobs than those with positive predispositions. Thus, the more positive this predisposition, the less favourable individuals tended to be to the announcement of the merger, as a merger represented a change from an environment they were familiar and satisfied with, to an unknown entity.

Although it can be argued that a person with a very positive predisposition will be less change-ready, be more fearful of a merger, and will be at loggerheads with the reasons provided for merger, this correlation was not forthcoming from the interviews and can thus not be argued with any substance in this case. What was evident from the findings is that a negative predisposition overrode disagreement with reasons to merge, fears associated with the merger and, to a lesser extent, personal outlook to change. The mere prospect of working for a new employer, or a shake-up (and possible rectification of the inefficiencies) of the current status quo was reason enough for people to be supportive of the merger.

The anticipated future prospects presented by the merger are thus compared with status quo within the merging institution a person is affiliated to and how the individual perceives this status quo. This reminds strongly of the primary framework notion proposed by Goffman (1974), which is a basic background conception people employ in an effort to make sense of what is going on (Jonsson, Rovio-Johansson & Kokk, 2004). In the case of the London Metropolitan University merger, the variable of institutional predisposition was also described (although, once more, not ascribed any term) and seen to have much the same impact as in this study (NATFHE, 2005).

## 6 RECOMMENDATIONS AND MANAGERIAL IMPLICATIONS

The study has shown that the University of Johannesburg merger (and all other mergers in South African higher education) does not represent a conventional merger; as these mergers are not commercial in nature. This is an under-documented niche of merger research and one that necessitates further investigation. Existing Higher Education Institution (HEI) merger literature tends to be philosophical, reflective and speculative; with precious little empirical knowledge. Although this study has shed some light on the merger experiences of academic staff at the University of Johannesburg, the knowledge base needs to be widened and deepened as these merged institutions evaluate their current positions, some five years after effective merger date.

The findings and conclusions forthcoming from this study are very clear in terms of the perceptions, attitudes, opinions and emotions of academic staff toward the merger and the roll-out thereof. Assessing the attitudes of staff affords one the opportunity of highlighting key areas where management could focus attention to effect a change in these attitudes, these include:

- **Institutional predisposition:** A negative predisposition, for example, overrode disagreement with reasons to merge. As organisational predisposition is a product of entrenched attitudes, it is not something that disappears when a new institution is born out of a merger. Those individuals that were negatively predisposed toward their historic institution were less satisfied with their jobs than those with positive predispositions. Thus, the more favourable this predisposition, the less favourable individuals tended to be to the announcement of the merger. What is interesting to note from the findings is that a negative predisposition overrode disagreement with reasons to merge and fears associated with the merger. The mere prospect of a shake-up of the current status quo was reason enough for some people to be supportive of the merger. The challenge that the management of the university is faced with is to harness this organisational predisposition as point of departure to

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inculcate a positive attitude toward the University of Johannesburg. This could be achieved by showing these staff members how the merged institution will improve on the weaknesses of the precursor institutions.

It would stand to reason that managerial effort should initially be directed toward those who exhibited a negative organisational predisposition; as these individuals potentially exhibit a degree of change readiness and are susceptible toward change initiatives. With the necessary input, these individuals can over time be utilized as change agents themselves. On the other hand, those staff members that exhibit positive institutional predisposition would need to be made change ready first. To equate this to classic change theory, one would first have to unfreeze this current equilibrium, or positive predisposition. Only once this has taken place – which a complex and time consuming effort in itself – can staff be moved to a new mental model which would be more susceptible of the change initiative at hand. This is not to say that the message should be one of replacing the positive view of the precursor institution with a negative one. The aim is to underscore the positive view and reiterate that the precursor institution indeed had many merits, but that that the institution that it has merged into can continue, and ultimately expand, the proud tradition of what came before it.

- **Merger motives:** Although there is acceptance of the merger, it is more giving in to the idea rather than firm belief in the idea. This is an area that necessitates the intervention of strong strategic leadership to build and communicate a picture of the future institution that staff can proudly associate with.
- **Consultation:** As full integration has not yet been achieved, the challenge laid down to the management of the University is to create the correct mechanisms and forums for transparent, all inclusive and genuine process of consulting with all stakeholders; internal and external. This process of consultation can be harnessed



not only as a means to expedite the integration process, but also as a vehicle to foster commitment toward the merged institution amongst academics.

- **The emotional state of academic staff:** This is an aspect that needs to be carefully monitored and managed by the management of the university. The more psychologically burdened academic staff become (albeit because of a phase of protracted uncertainty, or otherwise) the greater the potential of academic staff becoming genuinely dissatisfied in their working environments.
- **Fears and concerns:** There are still many fears and concerns that exist amongst academic staff members at the University of Johannesburg, including feelings of uncertainty, abandonment, frustration, sacrifice and being short-changed. Also, the fundamental shake-up of peoples' once familiar environments has led to psychological stress amongst staff members. Although many of these have already been addressed by management, they still have an active part to play in addressing operational fears and concerns academic staff are currently experiencing. Here the representative trade unions have an active role to play to bring these fears and concerns to the attention of management.

## 7 CONCLUDING REMARKS

This paper has attempted to shed light on individual experiences of a merger, more specifically the effect affiliation toward the historic institution has on the individual's reaction to the announcement of a merger was delved into. This study indicates that institutional predisposition was a major contributing factor to how individuals reacted to the merger of RAU and TWR into the University of Johannesburg. The evidence suggests that a very positive institutional predisposition is inversely proportional to a positive reaction to the announcement of the merger (and vice-versa).

To date the extant literature appears to have directed scant attention to this aspect, which is normally dealt with as part of cultural integration during a merger. This in itself underscores the importance of investigating the impact of large scale change, such as a

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merger, on the individual employee and how he/she experiences these change events. Knowledge of institutional predisposition, prior to a merger with a known entity, will enable business leaders to tailor change management interventions to negate the effect of these often overlooked human aspects of large scale change and facilitate more effective execution of the merger.

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