



# University Merger (Systematic Literature Review)

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**Abstract.** Merger is one of the strategic steps to gain competitive advantage in university development. Merger is a form of collaboration and synergy between one institution and another. The theme of the merger has also been discussed in articles published on Scopus or Google Scholar. This article does the mapping through the Harzing Publish or Perish and VOS Viewer applications using the keywords university merger and higher education merger. The collected data is filtered again with the specifications, namely; 1) publications in the form of scientific articles, 2) abstracts related to higher education mergers. Of the 200 articles on Scopus, 125 articles passed the screening. Of the 292 articles on Google Scholar, 131 articles passed the screening. Most mergers are associated with the impact of mergers on higher education institutions, strategic planning and decision making, government and higher education policies, as well as differences in industry characteristics and the character of universities that do not only pursue economic benefits.

**Keywords:** university · merger · higher education institution

## 1 Introduction

Merger is a form of strategic decision that aims to increase competitive advantage [1]. Competitive advantage is formed through three elements, namely: human capital, organizational capabilities, and mastery of competencies [2]. These three factors are resources to build organizational capacity while increasing competitive advantage. These three elements can be obtained through organizational collaboration and collaboration with external parties. One form of cooperation and collaboration is a merger. Merger is a form of strategy that can be done to synergize with other parties. Mergers provide benefits in increasing financial capacity, efficiency of consolidation, providing opportunities for new managerial recruitment [3]. Merger is a combination of two or more economic entities in a new organism as a consequence of an agreement between these organizations. The merger of two or more entities includes the consolidation of all resources owned by each party.

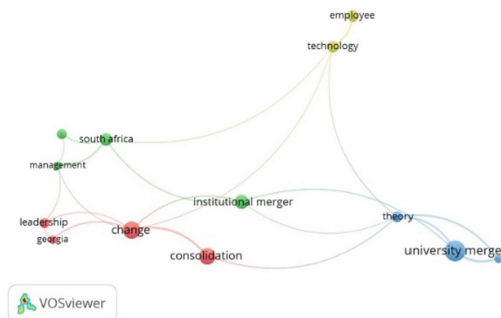
Based on the report of the Central Statistics Agency in 2022, the number of private universities in Indonesia during 2019 to 2021 showed a decreasing trend, respectively,

namely 3,129, 3,044, and 2,990 [4]. The decline in the number shows that higher education in Indonesia faces big challenges in order to survive. Increased mobility, communication, changes in information technology and the occurrence of a pandemic have encouraged private universities to increase competitiveness. The Directorate General of Higher Education, Research, and Technology responded to the phenomenon of the decline in the number of private universities by accelerating the merger or unification program for Private Universities in 2021. The merger and unification of PTS was carried out in accordance with the strategic plan of the Ministry of Education and Culture for 2020–2024 which aims to provide optimal support for the nation’s competitiveness, because this program will give birth to healthy private universities. Furthermore, improving the quality of sustainable higher education is by increasing the supporting capacity for private universities, as well as rationalizing the number of universities.

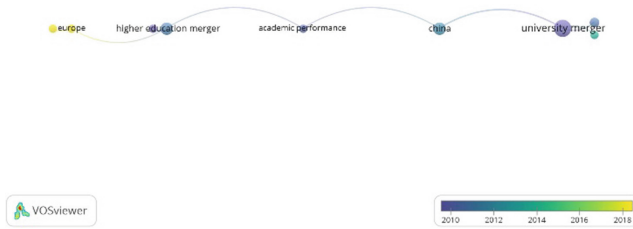
The merger process is not easy, it takes time and consolidation of two or more organizations that already have their own culture. The success of the merger is determined by strong leadership [5], Transformation of organizational and individual identity of academic employees in merger processes also the key of successful merger. Consolidations, which are changes of radical nature, lead to profound identity changes, which can take positive or negative forms from the point of view of the university’s development [6]. Mergers are also expected to encourage universities to be more innovative and competitive [7].

Mergers between universities are carried out not only in Indonesia but throughout the world. Mapping carried out with the help of the Harzing Publish or Perish application and VOS Viewer through Scopus and Google Scholar can identify a number of scientific articles written about mergers between universities and variables related to university mergers. The mapping results using the keywords university merger and higher education merger in scientific articles without restrictions on the year of publication are shown (Fig. 1).

The picture above shows previous research related to mergers between universities involving variables that are divided into four clusters, namely the Leadership process, Institutional and management challenge, Conceptual and Theory, Technology and human capital. The oldest successfully mapped article was in 1989 and the most recent article in 2022. Furthermore, a mapping of scientific articles on Scopus was carried out with



**Fig. 1.** Google Scholar mapping result



**Fig. 2.** Scopus mapping result

the same keywords and without a year limitation. The mapping results can be seen in the image:

The picture above shows previous research related to university mergers with a different scope of research from the results of mapping through Google Scholar. In the Scopus article mapping, the countries that published publications on the merger were identified, namely, Finland, China and Europe. The related variables are organization culture and academic performance. The oldest successfully mapped article was in 1991 and the most recent article in 2021.

Based on the report from the Ministry of Education and Culture, which was published through mediaonline.com, from 2021 to 2022, 692 universities merged. This amount is equivalent to 22% of the 3,129 private universities in Indonesia in 2019. Therefore, research related to mergers between universities in Indonesia is feasible so that universities that will carry out the merger know the factors that support the success of the merger. Research on mergers is also expected to contribute theoretically because based on the mapping of previous research scientific articles related to mergers between universities still need to be done with more diverse variables.

## 2 Literature Review

### 2.1 Merger

Merger is defined as a process in which two or more separate legal entities are combined into one legal entity, with some or all of the former organizations legally disappearing [8]. A merger is one company being absorbed by another company, the company taking over retains its name and identity, and takes over the assets and liabilities of the company being taken over [9]. Based on article 57 paragraph (1) of Law No. 16 of 2001 concerning Foundations, it is stated that the merger of Foundations is “The legal act of merging Foundations can be carried out by merging 1 (one) or more Foundations with other Foundations, and resulting in the merging Foundations being dissolved” [10].

### 2.2 University Merger

In universities, the form of incorporation can be categorized into three types, namely assimilation, integration, and transformation. Assimilation in an amalgamation also known as expropriation, is the amalgamation of lower ranked institutions. Integration,

which is a merger usually requires relatively similar organizations to have the same conditions. So that they are able to consolidate their practice with the general objective of the merger is to adopt the best practices from the previous organization into a new institution. Transformation is an amalgamation of completely newly formed institutions, so that the practices and culture formed from the merger do not belong to one of the merger partners but are completely new [8].

There are different types of higher education mergers involving two or more partners the merger can occur within a sector as a horizontal merger or diversification, or across sectors as a vertical merger or conglomerate. Cross-sectoral mergers can be in the form of mergers between universities and non-university institutions such as research institutes, but also mergers between universities and universities of applied sciences are considered cross-sectoral [8].

At the structural level, the state plays a key role in relation to mergers, both in encouraging the acceleration of mergers to providing supporting facilities and incentives to accelerate mergers. At certain levels, such as the lack of students and very limited infrastructure, the government took the initiative to merge to increase productivity, improve quality, and increase effectiveness and efficiency in these universities [11].

### **2.3 Higher Education Merger and Social Identity Theory**

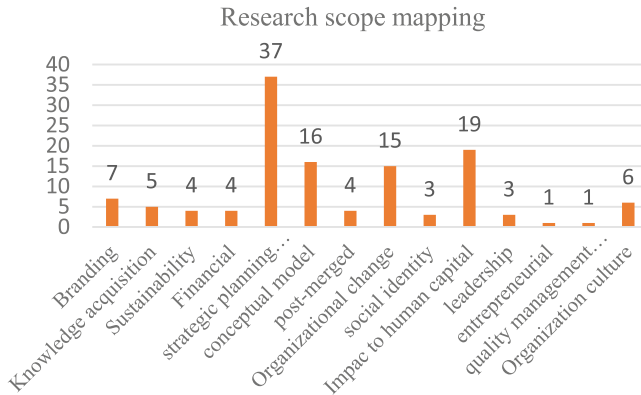
Social Identity Theory is that part of a person's self-concept that derives from their knowledge of membership in a social group along with the value and emotional significance of that membership. Social identity will bring its members to full involvement, a sense of caring and also a sense of pride as part of a particular social group. Social identity theory highlights behaviors that occur during mergers, including favoring one's own group and resistance to mergers with lower status. In higher education mergers, the status is sometimes seen from the academic performance between the parties conducting the merger [12].

## **3 Result and Discussion**

The Harzing Perish or Publish application is used to collect data on articles that have been published through Scopus and Google Scholar. The keywords used are university merger and higher education merger keywords. There is no limitation on the year of publication in order to obtain as much data as possible. The collected data is filtered again with the specifications, namely; 1) publications in the form of scientific articles, 2) abstracts related to higher education mergers.

### **3.1 Scopus Article Mapping**

Of the 200 articles on Scopus, 125 articles passed the screening. In the 125 articles, four clusters were identified. The first cluster relates to the challenges faced in the merger process. The challenges that arise in the merger process that can be identified in this cluster are the impact of the merger on staff, students and external stakeholders. The second



**Fig. 3.** Scopus article scope mapping graph

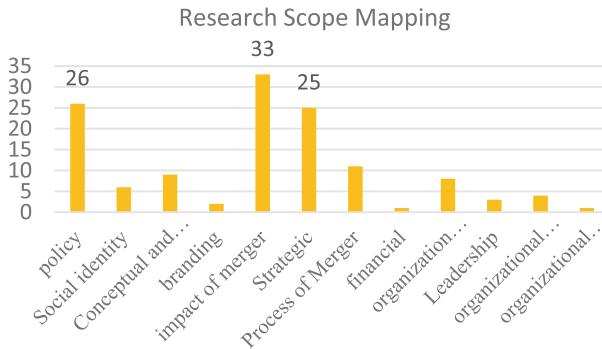
cluster is related to the objectives of the merger and mapping in identifying academic performance, financial benefits, branding performance and sustainability. The third cluster is related to changes that occur due to the merger. In this cluster can be identified organizational culture, organizational change, post-merged and knowledge acquisition. The fourth cluster is related to the merger as a strategic decision. In this cluster can be identified structural merger, social identity, leadership, entrepreneur, conceptual model of merger and quality of merger management.

The results of the identification of the various variables found in the four clusters above are depicted in the graph (Fig. 3).

The graph above shows that most mergers are associated with strategic planning and decision making. This is followed by the impact of the merger on both internal and external stakeholders, the merger in terms of conceptual models and theories as well as organizational change.

### 3.2 Google Scholar Article Mapping

Of the 292 articles on Google Scholar, 131 articles passed the screening. In the 131 articles, four clusters were identified. The first cluster related to the Leadership process. Leadership is crucial to the success of the merger process. Leadership will also bring about change and transformation towards the objectives of the merger. The second cluster relates to Institutional and management challenges. The merging of two or more organizations will present a challenge to management in consolidating and ensuring that the merger process benefits all parties. The third cluster relates to Conceptual and Theory. Mergers between universities are still widely studied using various theories and approaches. Universities as educational institutions that not only have an economic mission but also a social mission have different characteristics when they join each other. Therefore, theoretical studies are still being carried out. The fourth cluster relates to changes in technology and human capital. The merger will have an impact on the human capital of both lecturers, employees and students. Mergers are also able to encourage technological change by strengthening the resources that can be gathered from the merger process.



**Fig. 4.** Google Scholar article scopa mapping graph

Mergers are most often associated with the impact of mergers both on higher education institutions, as well as on all parties involved (students, lecturers and employees). Mergers are also associated with strategic planning and decision making, especially with regard to the demands of universities to be able to survive in the midst of competition in the education industry (Fig. 2). Furthermore, many mergers are associated with policy. This is understandable because merger policies can not only come from the bottom (bottom up) but can be forced through government policies. The results of the identification of the various variables found in the four clusters above are depicted in the graph (Fig. 4).

From the two mappings above, it can be seen that research on mergers in universities is mostly associated with strategic planning and decision making, the impact of mergers both at the organizational level and in organizational members. Research is also widely associated with how the merger process is carried out, both government policies and university policies. Research related to conceptual and theory is one of the topics that is also widely chosen. The different characteristics of the industry and the character of universities that do not only pursue economic profit but also have a social mission have different logical reasons from private companies in general.

Merger linkages with branding, entrepreneurship, leadership, organization culture, organization learning, change management, finance, knowledge of transfer and sustainability are still rarely done. The results of this mapping can be considered for future studies.

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