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### *Introduction*

This paper focuses on decision-logics in the pre-merger phase of an attempted merger between three Norwegian higher education institutions. Using neo-institutional decision theory, two very different perceptions of the pre-merger phase, is described and explained. The first was the view that the pre-merger phase was about finding the *best way of organizing* a merged university college, the other was to see it as a way of clarifying *whether to merge or not*. The aim is to show how decisions are made, what kind of logics can explain decision-making, and why the attempted merger finally was terminated.

The quality reform in the Norwegian higher education sector was implemented in the autumn of 2003 (Moren, 2011). Since then there has been an increase in the number of mergers and merger initiatives in the higher education sector (Kyvik & Stensaker, 2013; Skodvin, 2014). Focus has often been on the effects of a merger rather than why higher education institutions decide to merge or not (Kyvik & Stensaker, 2013). Although external stakeholders may influence the outcome of a merger process (Stensaker, Persson, & Pinheiro, 2016), this paper focuses on processes between the merger partners in the pre-merger phase (Eastman & Lang, 2001), a phase frequently characterised by uncertainty (Seo & Hill, 2005, p. 435).

The main analytical typologies used in this study are action rationality and decision rationality (Brunsson, 2002). Action rationality underlines the importance of agreement, strong organizational ideology, hierarchy, specialization, solutions and the consistency between talk and action. Decision rationality on the other hand focuses on the importance of conflict, multiple organizational ideologies and problems, and that decisions should reflect different and inconsistent norms and values in the environment (Brunsson, 2002, pp. 14-26). These typologies encapsulate theories that are well suited to analyze a key finding in our data: how decisions are rooted in different conceptions and interpretations of what the merger process was and ought to be. A central argument in the paper is that different people in different positions had different perceptions of what the merger was about, and that this determined the outcome.

### *Methods*

A total of 29 interviews were undertaken in the spring of 2012. The interviews were open-ended with an intention to “explore people’s views of reality and allow the researcher to generate theory” (Hesse-Biber & Leavy, 2011, p. 103). Purposeful sampling (Patton, 2002) was used to recruit informants. Interviewing people who were central in the merger process allowed us to produce “thick descriptions” (Geertz, 1973) of the informants’ narratives.

Based on the interviews the history of the pre-merger process was reconstructed. Patterns of perceptions of the pre-merger process were identified using the theoretical concepts of decision rationality and action rationality (Brunsson, 2002).

### *Description of the merger process*

Buskerud, Vestfold and Østfold are three counties surrounding the Oslofjord in the south-east part of Norway. Each county had its own university college, named after the county. University colleges constitute the non-university part of the binary system of the Norwegian higher education sector.

In December 2010 the three university colleges made a request to the Ministry of Education to investigate the possibility of a merger. This was the starting point for a more formal and thorough investigation. The pre-merger phase was initiated in December 2010 and came to an end in March 2012, when a press release was published announcing that the process had formally been terminated.

### *Perceptions of the merger process*

When the three university colleges decided to continue the process in December 2010, there were two very different perceptions of the pre-merger phase. The first was the view that the pre-merger phase was about finding the *best way of organizing* a merged university college. A manager at Buskerud University College explained:

We, or at least I, entered the merger process with the words of our chair of the board in mind: the arguments for not merging have been discussed and are done with; now we look for implementation and the resources will be used on how we can do it in the best possible way.

(Manager, Buskerud University College)

This understanding of the merger process was linked to the idea of merger in order to become a university (Persson, 2015). The decision-logic used in this case was based on action rationality (Brunsson, 2002).

The other perception of the pre-merger phase was to see it as a way of clarifying *whether to merge or not*. From this perspective a decision to merge would come at the end of the pre-merger phase. The disparity between the two perceptions of the process became apparent when a member of the board at Østfold University College talked about the rationale behind the pre-merger phase:

What we unanimously said yes to was the clarification of the conditions and consequences of the merger. To me it was always clear that I said yes to clarification, not to the merger.

(Member of the board, Østfold University College)

If the process did not lead to a desired result it was perceived as legitimate to turn down the merger. The decision-logic used in this case was based on decision rationality (Brunsson, 2002).

### *Results and discussion*

We found that the decision-logic used by those perceiving the pre-merger phase as a process of finding the best way to organize a merged university college was based on action rationality. These

were the same who supported the idea of merger in order to become a university. The decision-logic used by those perceiving the pre-merger phase as a way of finding out whether to merge or not was based on decision rationality. These informants also opposed the idea of merger in order to become a university.

By using the concepts of action rationality and decision rationality we can explain different approaches to understanding a pre-merger phase. This also allows us to understand how support and opposition in a merger process conditions different forms of decision-logics.

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