Mergers and acquisitions: A roadmap for effective organizational change
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Agenda

• Trends in Library Change

• Concepts and recommendations from scholarship on change and culture

• The case of the successful integration of the UF HSC Libraries and the main campus libraries

• Pearls of wisdom
Trends in Library Change
Changing Library Environment

• Economic Factors and Accountability
• Data Curation and management
• Technology
• Expectations
• Online learning
• Staffing
Changes In ARL’s

Most-cut areas

1. Binding and shelf-prep: 88%
2. Buy more via approval plans and/or demand driven acquisitions: 88%
3. Merged service desks: 84%
4. Reduced number of support staff: 81%
5. Routine serials claiming: 79%
6. Consolidated functional units (e.g., merged special collections units): 73%
7. Serials check-in: 72%
8. Rely more on shelf ready services: 67%
9. Closed or combined unit libraries: 65%

**Staff Changes**

- Reduced number of senior administrators: 26
- Reduced number of middle managers: 32
- Reduced number of librarians: 27
- Reduced number of support staff: 46
- Reduced number of student workers: 24
- Changed the relative proportion of different staff categories: 29

What does the literature tell us about Change and Change Management?
Change

Examples:

- Work process changes
- New technology implementations
- Reorganizations
- Strategy changes
- Relocations
- Outsourcing
- Retirements
- Leadership changes
- Downsizing
Change

• Estimates are up 50% of all change efforts fail, often as a result of poor change leadership.

• Negative outcomes, include:
  sunk costs, organizational ineffectiveness, customer dissatisfaction, low morale, high turnover, and wasted resources.

(Kotter; & Quinn)
Change

• These failures are commonly related to human issues, not technical issues.

• Successful organizational adaptation is increasingly reliant on generating employee support and enthusiasm for proposed changes, rather than merely overcoming resistance.

(Kotter, et al.; & Piderit)
Change Readiness

• Reflected in organizational members' beliefs, attitudes, and intentions regarding the extent to which changes are:
  • Needed or beneficial, and
  • The organization's capacity to successfully make those changes.

• At the individual level, readiness is the cognitive precursor to the behaviors of either resistance to, or support for, a change effort.

(Armenakis, et al.)
Change Readiness

• Attitudinal reactions are driven by feelings of:
  • Uncertainty,
  • Loss of control, and
  • Fear of failure.

(Caldwell, et al.; & Fedor)
Cognitive Adaptation Theory

Individuals with certain traits handle change best:

• High levels of self-esteem (e.g., a high sense of self-worth),
• Optimism (e.g., a highly positive outlook on life), and
• Perceived control (e.g., a view of life and situations as being under personal control).

(Wanberg, et al.)
Change Readiness

• Employees may be reluctant to incorporate new procedures, technology, or other changes into their work if they are anxious about their ability.

• To lessen employee resistance, managers should ensure that adequate training is provided to employees and should take steps to bolster employees' confidence in their abilities.

(Coch, et al.; & Wanberg, et al.)
Perceived Organizational Support (POS)

- POS is defined as the employee’s perception of the organization’s attitude towards the employee.

- POS is valued as assurance that aid will be available from the organization when it is needed to carry out one’s job effectively and to deal with stressful situations.

(Self; & George, et al.)
Perceived Organizational Support

• Socio-emotional and material support to employees who are going through stressful adaptation processes during organizational change are symbols of care, respect, benevolent motives, favor, and commitment toward employees, and are positively related to fairness judgments.

• POS should produce a felt obligation to care about the organization’s welfare and to help the organization reach its objectives.

(Liu, et al.; & Rhoades, et al.)
Perceived Organizational Support

• A conscientious effort should be undertaken to build organizational support prior to implementing change.

• However, in organizations with low POS where change is needed immediately, change agents should not expect a favorable response from employees and there should be immediate efforts to simultaneously build organizational support.
Perceived Organizational Support

• Employees expect adequate support for the change from management.

• Failure to provide such support will be seen as a failure due to lack of effort and represents an integrity-based trust violation.

(Weiner; & Kim, et al.)
When change is seen as resulting from management volition and without perceived necessity, managers often bare much more responsibility for the change and face more obstacles when attempting to implement such changes.

Perceived Organizational Support

• When change is attributed to external factors that are unavoidable and uncontrollable by management, employees tend to be more lenient toward management.

• When management is not seen as responsible for initiating the change, failure to provide change support is less likely to harm the reciprocal relationship.

(Bies, et al.; Kim, et al.; & Self)
Organizational Justice and Fairness

• Perceptions of fairness increased by:
  • Providing advanced notice of changes,
  • Showing respect for individuals,
  • Being open to and considerate of participants' concerns, and
  • Providing individuals the opportunity for inputs that can affect ultimate outcomes ("voice").

(Brockner, et al.; Korsgaard, et al.; & Folger)
Organizational Justice and Fairness

• When change participants perceive that implementation was handled fairly, reactions to the change and to the organization are more favorable.

• Process fairness increases:
  • Individuals' openness to a particular change, and
  • Absolute level of commitment to the organization.

Change Management

Lewin’s Model of Individual-Level Change Process (1948):

1. Unfreeze,
2. Move or change, and
3. Refreeze.

(Lewin)
In subsequent study, the manner in which management treats and involves employees during change has received the greatest amount of attention and has been shown to be a powerful determinant of individuals' reactions to major organizational changes.

(Beer; Brockner, et al.; & Lind, et al.)
Change Management

Consistently organizational-level change process models involve:

• Motivating the change by developing commitment and readiness to it,

• Creating a vision by describing the outcomes of the change,

• Developing political support by addressing the power and influence dynamics of the proposed change, and

• Managing the transition by moving from the current to the future desired state, sustaining momentum by carrying the change effort to full completion.

(Cummings, et al.)
Kotter famously defined an eight-step process for organizational change:

1. Establish a sense of urgency,
2. Form a guiding coalition,
3. Create a vision,
4. Communicate the vision,
5. Empower others to act on the vision,
6. Plan for and create short-term wins,
7. Consolidate improvements to create more change, and
8. Institutionalize new approaches.

(Kotter)

(see Sidorko; Nussbaumer, et al.; and Farkas for applications of Kotter’s model in libraries)
Communication Is Key

• A primary mechanism for creating readiness for change is the message for change.

• The readiness message should incorporate two issues:
  1. Need for change, that is, the discrepancy between the desired end-state and the present state, and
  2. Individual and collective efficacy (i.e., the ability to change).

(Armenakis, et al.)
Communication

• Global and local change agents need to be clear, early on, about the precise ramifications the change program will have for change recipients.

• They should explain how any threat can be dealt with, and at the same time introduce and highlight the personal benefits change could have for employees, beyond its importance for the organization.

(Oreg, et al.)
While immediate supervisors can play an important role in helping employees to interpret the change message and assess its impact...

...causal explanations and justifications for a change initiative must originate with global change agents perceived as the instigators of the initiative, not the immediate supervisors.

(Larkin, et al.; & Self)
Communication

• POS goes beyond “selling” of a change:

  pronouncements, proclamations, slogans, and themes.

• Specific change support behaviors include providing necessary resources and training and helping affected employees adjust to the job situation.

(Dutton, et al.; Beer; Kotter; & Caldwell et al.)
Transformational Leadership (TL)

Leaders who exhibit ‘transformational’ behaviors:

• Appeal to followers’ sense of values and are able to get them to see a higher vision, and

• Encourage them to exert themselves in the service of achieving that vision.

(Burns)
Transformational Leadership

TL Dimensions include:

• Creating and communicating a vision,
• Creating empowering opportunities,
• Personal credibility that causes followers to trust, admire, and identify with the leader,
• The intellectual stimulation of followers, and
• Tending to followers’ needs.

(House; Yukl; Bass; & Sashkin)
Transformational Leadership

Transformational leadership, over time, gains the leader “credits” that may be drawn down by behaviors that may deviate from followers’ expectations.

(Herold, et al.)
Managers should invest special attention in creating a supportive and trusting organizational culture if they expect change recipients’ support and cooperation in times of change.

(Oreg, et al.)
Change Management (CM) Transformational Leadership (TL)

• CM focuses on the here-and-now, the specific change at hand and from a tactical point of view.

• TL refers to a longer term relationship established between the leader and followers, built up over many interactions and having a more strategic orientation.

(House, et al.; & Herold, et al.)
CM and TL

- Leader behaviors in relation to a specific change do not alone determine the extent followers will support change.

- The impact of change management behaviors is a function of the leader’s level of transformational leadership and the level of impact the change has on the individual’s own job.

(Herold, et al.)
Transformational leadership’s impact:

- Positively associated with change commitment whenever change management was low.
- Helpful when both change management and job impact were high.
- It is only when change management was high and job impact was low that transformational leadership was not related to change commitment.

(Herold, et al.)
Bottom Line:

Transformational leaders get more “buy in” to an organizational change regardless of their specific behaviors in planning or implementing that change.

(Herold, et al.)
Distribution of Change Effort

• Employees compare the turmoil created by the change for themselves and for others in their work groups. Having to shoulder a disproportionate amount of the change can result in less desirable commitment-related outcomes.

• This may represent a major problem if the change burden falls disproportionately upon those the organization considers the most talented or critical employees.

(Fedor)
Organizational Culture

“... a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”

(Schein, 2010)
Several theories of organizational culture, but the “anthropological” theory states that culture is not a “thing”, but that culture “is” the organization.

(Smircich)
Culture

Three fundamental levels at which culture manifests itself:

• observable artifacts,
• values, and
• basic underlying assumptions.

(Schein, 1990)
In libraries, culture can be exemplified by a shared understanding of:

- How the library and its activities align with the mission of the organization it serves
- The unique information needs of users and how to meet them
- The values and culture of the organization the library serves
- How the library accomplishes decision-making
- The day-to-day work of the library

(Desson)
Health Science and Medical Libraries
UF Health Science Library serves six colleges:

- Dentistry
- Medicine
- Nursing
- Pharmacy
- Public health and health professions
- Vetmed
Changing Environment in Medical and Health Science Libraries

- CTSA- (Clinical and Translational Science Awards)
  - Interdisciplinary collaboration and education
  - Community Outreach
  - Informatics
- Reporting structures
Trends In HSC Library Reporting Relationships

HSC libraries that report to HSC administration have and value a culture that provides autonomy and decision-making authority, with decreased bureaucracy and streamlined decision-making.
So what happened at UF?
Background

UF library system as of 2008 consisted of 3 systems:

1. Lawton Chiles Legal Information Center

2. Health Sciences Center Libraries (HSCL)
   - Health Science Center (Gainesville)
   - Borland branch library (Jacksonville)
   - Veterinary Medicine Reading Room (Gainesville)
Background

UF library system as of 2008 consisted of 3 systems:

3. George A. Smathers Libraries (Smathers)
   • Special and Area Studies Collections
   • Government Documents and Maps
   • Humanities and Social Sciences Library
   • Marston Science Library
   • Departmental Branches
     • Architecture and Fine Arts
     • Education
     • Journalism
     • Music
Background

Historically, there was extensive collaboration between the Smathers Libraries and HSCL, particularly in the areas of:

- The acquisition of library resources,
- Tenure & Promotion, and
- Library Management System
Integration Planning

- Fall 2008, the HSCL and Smathers Libraries were directed by the President to integrate the 2 systems as soon as feasible.

- Negotiated an implementation of July 1, 2009.
October 2008, Dean and HSCL Director agreed to work on an integration proposal to jointly submit to the Provost that would allow the HSCL retain autonomy in regard to servicing its customers’ needs.
Integration Planning

On January 21, 2009, employees of the Smathers and HSCL libraries were enlisted to Integration working groups:

- Administrative Services (Human Resources and Financial Services)
- Access Support (ILL, Circulation, Library-Wide Policies)
- Budget Preparation
- Development (Grants, PR)
- Digital Services/Institutional Repositories
- Facilities
- Public Services/Collections Management
- Systems
- Technical Services
Integration Planning

• Asked to look at common functions and services in the two library systems and identify possible efficiencies; and also identify policies to be harmonized or new procedures that will need to be developed.

• The recommendations of the Work Groups were to be used by the Dean and Director for the consolidated integration plan as a basis for implementation of the integration.
Integration Planning

• Conceptually:
  The overriding goal of the HSCL – Smathers integration was to ensure that services to our users were not compromised and it was hoped that work efficiencies and service quality would improve.

• A report from each work group was submitted by February 25th.
Integration Planning

Working Group recommendations fell into 4 general categories:

- Fully Integrate
- New support for HSCL
- More integrated decision making and communications
- No Integration
Integration Planning

Fully Integrate:

Administrative Services (Human Resources and Financial Services)
Integration Planning

New support for HSCL:

• Fundraising, Grants and Public Relations
• Digital Services/Institutional Repositories
• Facilities Management
Integration Planning

More integrated decision making and communications:

- Access Support (ILL, Circulation, Library-Wide Policies)
- Public Services/Collections Management
- Technical Services
Integration Planning

No Integration:

Systems (IT)
Integration Planning

In March 2009, Dean and Director, with input from other library staff, drafted the integration proposal to present to the Provost. The report covered:

- Integration
- Appropriate Funding for HSCL
- HSCL Renovation
Integration Planning

• The report was posted on the internet and blog established for feedback from library employees and others on campus.

• The plan was approved by the Provost, with an effective integration date of July 1, 2009.
Implementation

- On July 1, the HSCL Director became Associate Dean and Director of the HSCL, reporting directly to the Dean of University Libraries who in turn reports to the Provost.

- Director retained an non-reporting relationship with the SVPHA.
Implementation

• Beginning July 1, 2009, the Smathers Fiscal Services office produced, per HSCL specifications, and publicly posted monthly budget reports for the HSCL and maintained segregated fiscal accounts for the HSCL to ensure funds were not comingled between the HSCL and the rest of the integrated libraries.*

• Director retained authority over funds of the HSCL.*

*Communicating a sense of ownership to the HSC colleges.
Outcomes

• No layoffs

• Minimal but strategic reassignments

• No reallocations of recurring funds
Outcomes

Integration allowed us to pool resources in those areas that we serve in common, which allowed the integrated library system to devote more time and resources to the areas that we each uniquely serve.
Successes @ UF

• HSCL had never participated in the University’s dual career program, but as a part of the University Libraries, the HSCL was able to place a Basic Biomedical Sciences librarian.

• The HSC Libraries received one of the Provost’s ‘jumpstart’ positions - a Clinical Research Librarian to serve UF’s CTSI (Clinical and Translational Science Institute).
Successes @ UF

The centralization of the fiscal & human resources management functions provided a net savings of 1 HSCL FTE that was then repurposed to serve in a Access Services position, which in return, freed 1 full time librarian to serve the area of consumer health and community outreach.
The HSCL has increased the support provided to the clinical enterprise:

- Librarians participate in rounding and morning reports, and
- Consumer Health librarian assisting patients at the internal medicine clinics
Successes @ UF

• The combined system realized an increase to the campus research enterprise contribution to the Libraries.

• The increased funding was added to the base HSCL material budget.
Smathers Libraries provides funds to the HSCL for a variety of purposes, including a contract with an architect to begin planning for a phased renovation project. At the same time, the Dean has tirelessly pursued renovation funds.
Significant pay inequities existed for the HSCL employee salaries when compared to the Legal Information Center and the Smathers Libraries. This represented a major obstacle to a successful integration.

Smathers’ HR successfully completed a review for faculty and staff, and implemented market equity plans (primarily, using HSCL funds).
Successes @ UF

The HSCL gained advocacy from the library Development Office including a grants manager. The HSCL had no such resources prior to integration and effectively competed for donors versus HSC units.

Recently, the HSCL Director position was endowed!
The head of the new system, as a Dean, is positioned to serve as champion for the health libraries and integration may actually improve the standing of the libraries in the health center.
The biggest challenge was cultural.
How do we assess the UF based on the literature?
The UF Case

- External Causation
- No explanation or vision from initiating leader
- Provided deadline (urgency)
The UF Case

• Fell to implementing leadership to provide:
  • Vision
  • Process
The UF Case

• Library leadership at various levels brought:
  • Transformational Leadership
  • POS
  • Opportunities for voice
The UF Case

- The result was a general sense of fairness, efficacy and inevitableness.
The UF Case

- Change was probably easier because we were able to minimized negative consequences.

- Negatively, their was disproportionate effort required from some units and individuals.
The UF Case

- Ultimately successful, and seamless/unobvious to external stakeholders, because of:
  - Staff support and effort, and
  - Library leadership
The success has positioned the combined organization to handle, externally driven and internally imposed change.
Now for some pearls of wisdom...
 Pearls of Wisdom

• Success is possible with effective process, planning and communication.

• Integration can address historic issues, inequities, and inefficiencies, and can allow leveraging of resources.
• Get on with it and implement to the best advantage of the libraries: patrons and staff are what matters and will suffer if leaders are not devoted.

• Trust must be developed through tact, honesty and effectiveness.
Pearls of Wisdom

- Be candid about disadvantages to both units and mitigate these as best as possible.

- Be candid about advantages to both units and celebrate progress towards these.
Pearls of Wisdom

• Clarify the scope of authority.

• Consider maintaining distinguishable resources.

• Collaborate on important decisions.
• Periodically assess the integration and results.


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Thank you!