

Mergers as Vehicles to Ensure the Sustainability of The Charity Sector

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Abstract

Charities are very important and have a profound impact for several stakeholders in any part of the world. The previous financial crisis of 2008-2009 created several unpredictable changes. It also pushed the charities to merge in order to reduce costs and provide economies of scale and scope. In this article, we focus on the UK to investigate the societal impact of charity mergers. The strategy and management literature consistently indicate that most mergers in the private sector fail. Our results suggest that the resistance to charity mergers is deep rooted in the sector with limited stakeholder engagement. We further argue that performance measurement of charity mergers should be based on retention of original mission through effective stakeholder engagement.

Keywords: Merger, Charity mergers, Mission creep, Stakeholder management, Strategy