

ABSTRACT

THE VALUE OF MERGERS AND STRATEGIC ALLIANCES AS PERCEIVED BY COMMUNITY STAKEHOLDERS AND CHIEF EXECUTIVE OFFICERS OF HOSPITALS IN CENTRAL CALIFORNIA

Hospitals are providers (sellers) of healthcare; communities are the consumers (buyers). The providers, represented by hospital chief executive officers (CEOs), are motivated by fiscal stability, which allows them to stay in business. Communities, represented by hospital board chairpersons, are motivated by service. Institutions and consumers agree that a merger or a strategic alliance would give the institutions what they need to survive and continue to provide healthcare for their communities. They also agree that a strategic alliance would be a better choice than a merger. The communities and the institutions both reported that business and financial factors have an influence upon the success of mergers and strategic alliances, but they did not agree on which factors have the greatest influence. They also agreed there must be a culture fit and the resulting entity successfully integrating the culture of both organizations and that leadership factors must be in place.

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