

Cooperation and partnerships between Finnish universities and universities of applied sciences

Opportunities and challenges

Professor, Dr. Jussi Kivistö
Tampere University, Finland

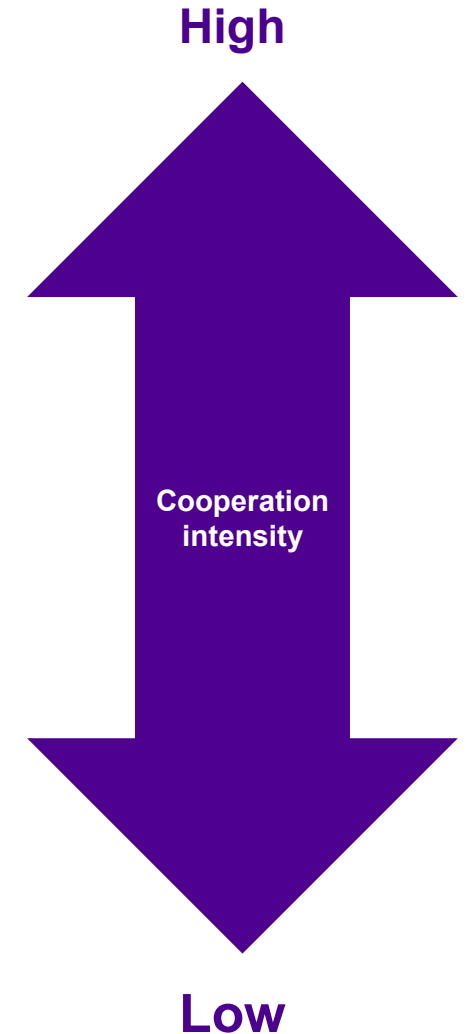
Cooperation terminology in this presentation

Mergers: One or more higher education institutions (HEI) ceases to exist as a legal entity through incorporation with another HEI.

Specific merger types: **acquisition**, **absorption** and **merger of equals** (more rare)

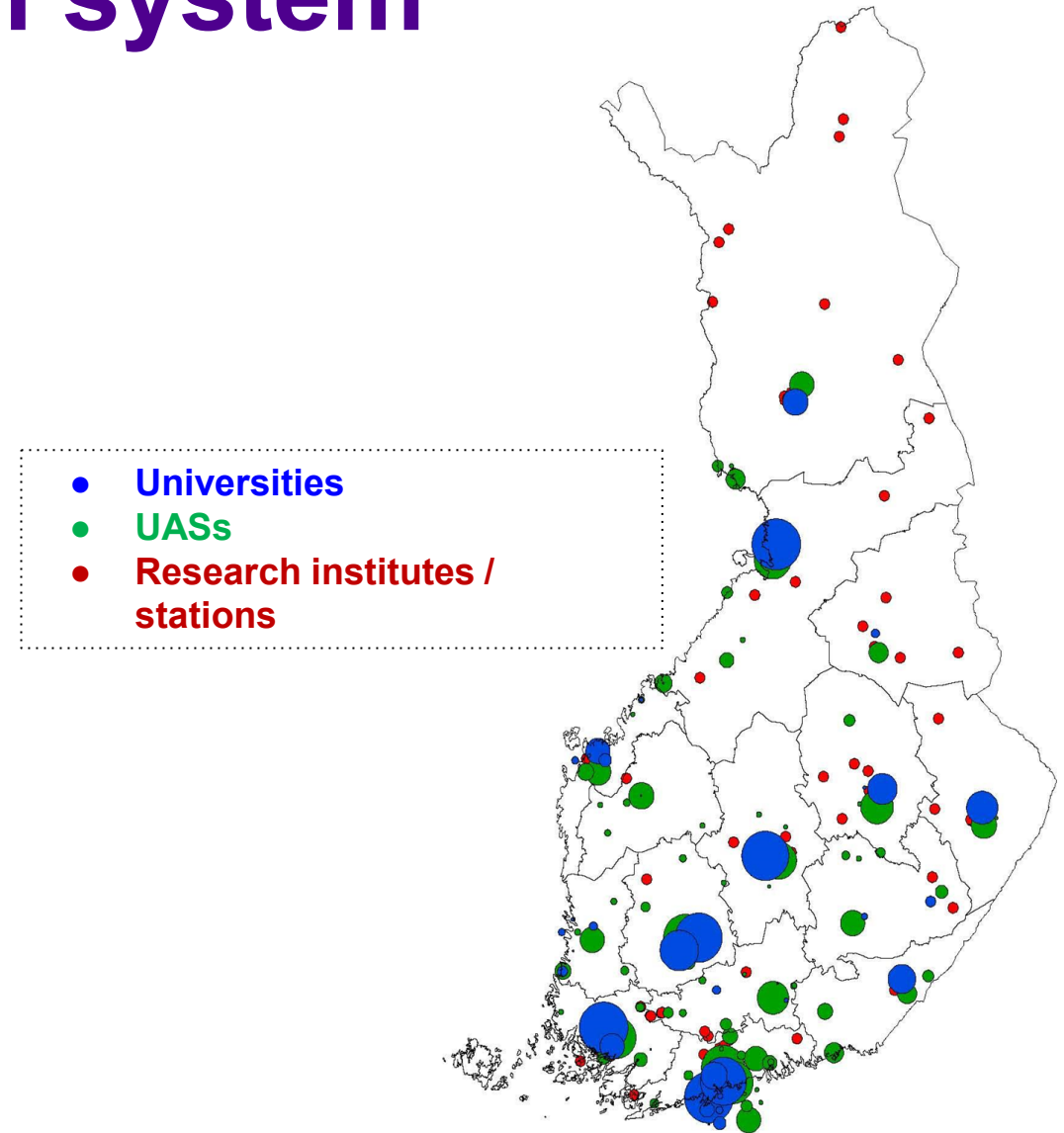
Alliances: Forms of extensive and systematic cooperation of two or more HEIs which remain independent legal entities

Networks, collaboration partnerships: All other looser forms of cooperation



Finnish higher education system

- Dual system of **13 universities** and **22 universities of applied sciences** (UAS) with separate legislation and funding models
- Comprehensive **legislative reforms** in 2010 (universities) and 2015 (universities of applied sciences)
- **Performance agreements** between MoEC and HEIs, very strong **performance-based funding** formula in state funding
- Finland scores relatively high in most areas of EUA's **Autonomy Scorecard** (2023)
 - **organisational autonomy** (3rd); **financial autonomy** (15th), **staffing autonomy** (8th), **academic autonomy** (2nd)
- Annual state funding:
 - universities **1,8 billion** eur (60% of all income)
 - UASs **950 million** eur (75% of all income)



Key drivers for mergers in Finland

- In 2006 there were 20 universities and 26 UASs (= 46 HEIs in a country of 5,5 million people)
- Government **target** set for the year **2020** was **15 universities + 18 UASs (33 HEIs)**
- **Reasons:**
 - Fragmented higher education system: **too many and too small institutions**
 - Larger and more diversified HEIs better able to **pool risks** and maximise **institutional flexibility** and yield **cost savings** through **economies of scale**
 - Support of **internationalisation**, improving **quality**, increasing institutional **competitiveness** and “critical mass” in research, clarification of **institutional profiles**, **cutting overlaps** in teaching
 - Strengthening **institutional governance**, **professionalising management**, improve **financial oversight**, **quality assurance** and **strategic planning**
- Realisation in **2020**: **13 universities** and **22 UASs (35 HEIs)**
- Initiation of mergers has been mixed approach: **bottom-up** and **top-down** pushes and pulls

University mergers in Finland

2009: 20 universities

2010: 16 universities

Aalto University (2010)

Helsinki University of Technology +
Helsinki School of Economics +
University of Art and Design Helsinki

***University of Eastern Finland
(2010)***

University of Kuopio + University of
Joensuu

University of Turku (2010)

University of Turku +
Turku Business School (absorption)

2020: 13 universities

University of Arts Helsinki (2013)

Sibelius Academy + Finnish
Academy of Fine Arts + Helsinki
Theatre Academy

Tampere University (2019)

University of Tampere + Tampere
University of Technology

Most recent trend of past 5 years: university takeovers of UASs

- Legal form of UASs are **limited liability companies** (LLC), who are owned by municipalities, foundations, associations or universities
- In 2017 legislative reform allowing HEIs to “outsource” provision of education to other HEIs
- Since 2018, shareholder majority of several UASs has been transferred from municipalities to universities
 - University of Oulu + Oulu University of Applied Sciences
 - Tampere University + Tampere University of Applied Sciences
 - University of Lapland + Lapland University of Applied Sciences
 - Lappeenranta University of Technology + LAB University of Applied Sciences
- Despite the changes in UASs ownership, universities and UASs remain **legal entities** of their own = **merger / alliance hybrids**

Why universities want to become major shareholders of UAS in Finland?

- Due to the **expected synergies** in
 - **teaching and learning**
 - **RDI** activities
 - **infrastructure and equipment**
 - **support services and administration** (e.g. shared support services, information systems, databases, libraries...)
- University **rectors are often chairpersons** of UAS executive boards
(= university rector is direct superior of UAS rector)
- Direct influence on **strategic planning** and **positioning** of UASs, all major decisions are made by UAS executive board

Mergers in Finland and beyond: what we know about their impacts?

- Mergers have been trendy for several years while the **empirical research evidence** on merger impacts remains **very limited**
- Most of the merger studies not been **methodologically rigorous** enough to provide **generalisable** information (much qualitative case studies with a narrow focus)
- **Factors** influencing on **economies or diseconomies of scale** associated to mergers have not yet been determined (e.g. range of institutional types, sizes, and national contexts vary greatly)
- Determining **total or per unit costs/savings** are often unclear (no counterfactuals, quantity/quality trade-off, relevant timeframes)

Anecdotal and research evidence on Finnish HEI merger impacts

Positives

- Bigger institutional size has brought **greater visibility** e.g. in international rankings
- Management and administration has professionalised
- Governability (system level)
- Synergies in academic and support functions have developed organically
- Educational offerings have become more wider and flexible

Negatives

- Transaction costs in time, money, people (lost identity, culture, tradition) are unknown, but substantial
- Bureaucratisation, coordination problems, micromanagerialism have increased
- Forced synergies often lack impact
- A short timeframe to see the problems long timeframe to see the merger benefits

Lastly, some things to think about



- If a merger is a solution, what is the problem?
- Why other forms of collaboration between institutions would be inferior to full merger?



- The process of implementing merger is as at least as important as the targeted (merger) outcome.



- A need for more comprehensive and methodologically sound ex-post assessments on merger impacts
- Unsuccessful merger showcases would be at least as useful as success stories

COLLABORATION, ALLIANCE, AND MERGER AMONG HIGHER EDUCATION INSTITUTIONS

OECD Education Working Paper No. 160

Jonathan Williams, Consultant to the OECD Directorate for Education and Skills, Policy Advice and Implementation Division

This Working Paper has been prepared on behalf of the Finland Ministry of Education and Culture, to support Vision for Higher Education and Research in 2030.

This Working Paper has been authorised by Andreas Schleicher, Director of the Directorate for Education and Skills, OECD.

Thomas Weko, Thomas.Weko@oecd.org



European Journal of Higher Education



ISSN: 2156-8235 (Print) 2156-8243 (Online) Journal homepage: <https://rhe.tandfonline.com/loi/rebe20>

Built to be excellent? The Aalto University merger in Finland

Janne Tienari, Hanna-Mari Aula & Timo Aarrevaara

To cite this article: Janne Tienari, Hanna-Mari Aula & Timo Aarrevaara (2016) Built to be excellent? The Aalto University merger in Finland, European Journal of Higher Education, 6:1, 25-40, DOI: 10.1080/21568235.2015.1099454

To link to this article: <https://doi.org/10.1080/21568235.2015.1099454>

Published online: 27 Oct 2015.

Submit your article to this journal

Article views: 942

View related articles

View Crossmark data

Citing articles: 11 View citing articles

Transforming Finnish Higher Education: Institutional Mergers and Conflicting Academic Identities

Cambiando la Educación Superior Finlandesa: Transformación institucional e identidades académicas en conflicto

Jani Ursin
*Finnish Institute for Educational Research
University of Jyväskylä, Finland

Abstract

As in many other European countries also Finnish higher education system has witnessed several reforms over the past decade many of which originate in efforts to make more competitive and affordable higher education system. The aim of this paper is to describe the changes and institutional mergers in particular that have taken place in Finnish higher education and explore what kind of academic identities are constructed amid changes in Finnish higher education. The paper shows that the mergers followed the objectives set by the Finnish Ministry of Education and Culture for the structural development of the higher education system and that the creation of a joint culture for merged institutions was important yet challenging. The paper also argues that due to these external changes in Finnish higher education there is a tendency to move from a traditional notion of an academic toward more hybrid and dynamic understanding of what it is being an academic in the 21st century.

Keywords: academic identity; Finland; higher education; merger.

Tertiary Education and Management
Vol. 16, No. 4, December 2010, pp. 327-340



FORUM

Is Education Getting Lost in University Mergers?

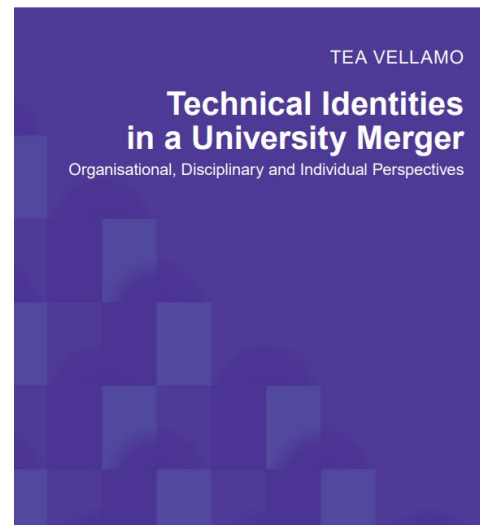
Jani Ursin^{a*}, Helena Aittola^a, Charles Henderson^b and Jussi Välimaa^a

^aFIER, University of Jyväskylä, Finland; ^bMallinson Institute for Science Education, Western Michigan University, Michigan, USA

Mergers are common phenomena in higher education institutions. Improving educational quality is typically one of the stated goals of university mergers. Yet, little information exists about how merging institutions approach this goal. This paper presents results from a study of planning documents created prior to four mergers in the Finnish higher education system. These documents show that there was little concrete attention given to the educational issues related to the mergers. Most attention was placed on administrative issues and issues related to research. When educational issues were mentioned, it was almost always in the form of vague goals with few details provided about how the goals were to be reached. We conclude that this lack of attention to the educational aspect of mergers is a significant weakness of the planning process in these mergers.

Introduction

Mergers are common phenomena in higher education institutions. Although one of the stated goals of most university mergers is to improve educational quality in the merged university, there is little information in the literature on the impact of mergers on educational quality. Most literature, instead, focuses on issues such as organisational structures and various outcome measures (often in comparison with pre-merger measures) such as numbers of students, diversity of course offerings, and level of external funding (e.g. Mao, Du, & Liu, 2009). This is very similar to the literature on mergers in industry that focus primarily on organisational structures and outcome measures such as stock prices and profitability (e.g. Andrade, Mitchell, & Stafford, 2001).



TEA VELLAMO

Technical Identities in a University Merger

Organisational, Disciplinary and Individual Perspectives



Finland – university mergers and institutional profiling

One of twelve case studies produced as part of the project on Structural Reform in Higher Education (EAC-2014-0474)

April 2016

4 University mergers have become a common strategy for increasing global competitiveness. In this chapter, the authors analyze the implementation of mergers in Finnish universities from the perspective of social justice as conceived within Finland and other Nordic countries.



Higher Education Policy, 2021, 34, (543–559)
© 2019 International Association of Universities 0952-8733/21
www.palgrave.com/journals



Original Article

'It's Not Like Everything Changes Just With a Click on New Year's Eve': Perceptions on Educational Issues of University Mergers in Finland

Jani Ursin and Helena Aittola

Finnish Institute for Educational Research, University of Jyväskylä, P.O. Box 35, 40014 Jyväskylä, Finland.
E-mail: jani.p.ursin@jyu.fi,
E-mail: helena.s.aittola@jyu.fi

The study explored educational perceptions concerning Finnish university mergers. The data were collected by interviewing academics and students (n = 30) in four merger projects. Qualitative content analysis was applied to the data. According to the findings, (i) the implications of the merger with regard to educational activities were primarily connected to the institutions' own culture and history; (ii) new openings in education, teaching, and learning were only moderate in scope at the time of the interviews; (iii) there is strong potential for the enhancement of teachers' pedagogical competence; (iv) creating a joint organisational and educational culture is a challenging and time-consuming task. The findings further suggest that it is important to pay attention to openness and transparency at all stages of a merger. The study highlights the fact that the actual changes in education, teaching, and learning are slow.

Higher Education Policy (2021) 34, 543–559. <https://doi.org/10.1057/s41307-019-00151-3>; published online 5 June 2019

Keywords: academics; education; merger; reform; university



Thank you!