

UNIVERSITY GOVERNANCE MODELS: THE CASE OF LAPLAND UNIVERSITY

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Introduction

The research on governance has become very popular throughout Europe in the last decade. The term governance is complex and miscellaneous. Today it is being extended by integrating different meanings of the governance process, leadership and management. Governance involves many actors and covers state institutions as well as private and voluntary sectors; it becomes a more vague and changeable process.

One of the core questions of university governance research is: How are governance decisions made in order to improve scientific and study results? Thus university governance analysis is related to the financial support, regulation and even estate management issues of the university. It is essential to analyze the principles of effective, equitable, democratic or, so called, good governance. So, comparative research on university governance was made by analysing the historical and practical development of higher education and the university governance system in the United Kingdom, the Finland and the Netherlands. The case of a new higher education reform in Finland and some aspects of Lapland University governance are introduced in this article.

Firstly, a variety of governance definitions and an equalizer model suggested by Fried (2009) are analysed. The second part of the paper is devoted to the new reform of higher education in Finland, which is presented through the analysis of the values and principles of universities, transformation of state and university relations and changes in university governance. A deeper analysis of Lapland university governance is presented by studying the composition of the main governance bodies, the role of external stakeholders and by introducing the community's academic assessment of the EU higher education policy tendencies toward entrepreneurship culture as well as their opinion of good principles of governance.

The aim of the article is to present the concept of university and higher education governance, its main dimensions and to set forth the practices of governance in the case of Lapland University.

The methods used in the research are analysis of scientific literature, legal acts and documents, interview, qualitative and quantitative content analysis.

The Concept of Governance: Higher Education and University Governance

The term "governance" is quite an old phenomenon, but in different countries or even within the same country it may be treated differently. Generally, all scientists agree that the English term "governance" can be related to the Latin and ancient Greek language terms meaning "controlling the boat" / "turn the boat" (Jessop, 1998, p. 30). Scientific literature often provides connections between governance and management, leadership, mediation, property and others, sometimes even identifying these concepts. However, the emergence of the governance discourse generally indicates search of a new balance between social forces, actors and structures which exclude directed rules and models. Thus, governance must be seen as a dynamic concept, which includes a number of areas and is used in a wider context such as corporate governance, new public governance, good governance, global governance, economic governance, participatory governance, governance as institutional administration, etc. Despite the variety of terms, it is possible to distinguish three main features that are highlighted in each context of governance use:

1. Governance refers to the regulation and control according to the existing (social, political, economic, institutional) order;
2. It can be defined and analyzed as "a whole of practice when independent political and/or economic actors coordinate and/or hierarchically control their actions and interactions... Thus, the governance structures are the formal and informal institutional tools through which political and economic actors organize and implement their mutual commitments".
3. These structures will ultimately serve for the social system legitimacy and efficiency, through the negotiation processes, setting of the standards, presenting the distribution of function, monitoring, reducing conflict and resolving conflicts (Hirst, Tompson, 1997, p. 362).

Scientific literature emphasizes that the analysis of governance is an integral part of the historical, social and cultural context. Therefore while studying theoretical models of governance, analyzing governance processes and their change in foreign higher education institutions, it is necessary to go deeper and take both the national and the international

higher education development trends into account, to evaluate historically formed traditions of governance of higher education institutions and academic culture. Although in practice the theoretical models of university governance do not exist in their pure form, the theoretical overview of governance models enables to structure the existing knowledge about the characteristics of university governance, relations between the university and the state and have a major explanatory value.

Often recent reforms of higher education and university governance are defined as a transition from the traditional academic self-government to a new managerial model. The purpose is to set the

internal organization of the university towards the modern service enterprise. But the emphasis is put on greater accountability to stakeholders, flexibility and sensitivity to market needs and the ability to develop strategic objectives adapted to people who serve the university. The scientific literature identifies five key mechanisms of coordination or collective control suitable for the university sector leadership:

- *External regulation (SR – state regulation)*
- *External guidance (SG – stakeholder guidance)*
- *Academic self-governance (AS)*
- *Managerial self-governance (MS)*
- *Competition (C)*

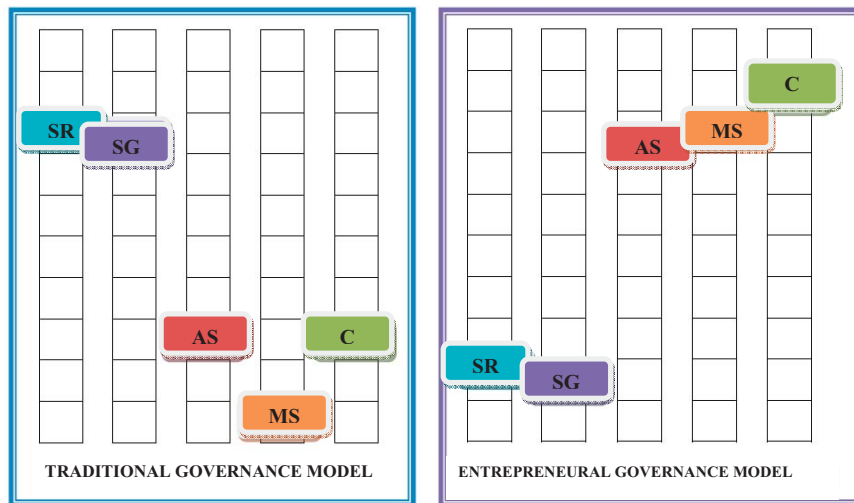


Figure 1. Governance equalizer. SR – state regulation; SG – stakeholder guidance; AS – academic self-governance; MS – managerial self-governance; C – competition.
 (Source: Fried J., Higher education governance in Europe: autonomy, ownership and accountability – A review of the literature, 2009.)

It is clear that these dimensions are only abstractions, analytical categories, defining the key governance dimensions having formed in specific local and historical conditions. However, these analytical categories may be useful to reveal the evolution of directions and development of the governance concept. Scientists such as Boer, Enders and Schimank based on the above named dimensions developed the so-called “governance equalizer” as a heuristic tool for the international comparisons of polysemous concepts (scientists also attribute the concept of governance, new public administration to such concepts).

It should be noted that each of the governance model includes the appropriate combinations of all five dimensions. All these dimensions co-exist but during the corresponding period only few dominate. The main advantage of this “equalizer model” is that it allows to reveal the complexity and multidimensional configurations of the university governance concept.

Today, the search for balance between the

models of the classical (traditional) university and business (entrepreneurial) university sets modern universities in the state between the prospects of getting real new revenue and the risk of losing certain academic values. The practice shows that in the countries where higher education reforms are imposed “from above” they are never effective and are realized much more slowly than in the countries where the conversion trends and directions are discussed with higher education institutions in advance. As observed by researchers (Felt, 2003; Boer, Enders & Schimank), in the first case, the autonomy of universities becomes very relative, and the line between political intervention, strategic governance and efficient administration is of the chart.

Research methodology

The analysis and evaluation of university governance models, creation of research instruments was based on the existing theoretical models and concepts. In broad terms the governance of the University in developing the

research instruments was seen as a set of laws, rules, structures, norms and practices which form the basis for the university to achieve its goals, objectives and policies in a coherent and coordinated manner.

Qualitative as the main and quantitative as the second research approach was chosen to implement the research of university governance models. These research approaches helped to develop continuous knowledge about the situation. One of the qualitative research methods, i.e. an open-ended interview was chosen as the major method in this study. In order to fully understand the phenomenon the research focus has been moved to a small number of cases of deep exploration and generalizations have been applied not to the reference population, but to the phenomenon under investigation. Although, according to the pre-formulated questions, the path of quantitative research would be suitable, but this study appeared not viable. It was not important to show numerical results of the greatest possible number of survey respondents, but to explore how this specific group of subjects values the effectiveness of the governance model.

The survey was carried out using open-ended semi-structured research interviews. Discussions were recorded by a voice-recorder. The data collected during the interviews were analyzed using the method of the qualitative content analysis, which provides a number of steps: multiple text reading, isolation of representative categories, separation of the category content to subcategories, reasoning of the categories according to respondents' statements.

The researchers also analyzed state and institutional strategic documents, activity plans, financial and quality monitoring reports. Both external ("historical context" of the document) and inner (content analysis, accuracy of information, reliability testing) analysis was performed.

The method of quantitative content analysis was implemented while seeking to identify the ideological - cultural - the United Kingdom, Finland and the Netherlands - university values. Content analysis was implemented by specifying the maximum number of words (maximum 250 words). Common words such as the mission, university and the capital city were eliminated from the study analysis. Quantitative content analysis was performed using the software *TagCrowd*, which presents repeating words in the content and their frequencies. According to the frequency of repetition, it generates a graphic view.

Although this paper presents a more detailed ideological orientation of Finnish universities, it should be noted that many universities in different countries emphasize similar values and priorities in most of the cases.

Results of the Research

Values of the Finnish University Orientation

Higher education governance must reflect the entire set of values, which depend on different country con-

texts, different higher education actors and stakeholders who are interested in higher education quality and results. It can be argued that there is no single ideal model of governance that would be appropriate for different contexts, different institutions.

The results of content analysis showed that the core values of Finnish universities are associated with the main functions of higher education, i.e., organization of research and education. It is obvious that **research** is a strategic key value in the missions of the Finnish university. It can be assumed that the value of research recently has increased dramatically for several reasons:

1. Research has always been one of the major priorities for higher education, but the era has dictated a need to strengthen research development, as universities become more linked to the needs of society, market values, are more responsible for their own fiscal policy. Obviously, the research results and their usefulness for the university are constantly growing. The universities of the analyzed countries have strong education centers, which conduct international research, the universities pay much attention to the development of consortia, inviting representatives from outside to participate in projects, and so on.
2. Research is an integral part of *study quality*. The greater emphasis is put on university research, the more innovative and modern become university activities and more effective results.

The intercultural dimension takes quite a significant role in the university missions and visions of the country (Fig. 1). Most Finnish universities recognize the need and elevate the objectives to develop research internationally, not only to promote international co-operation of researchers and students or to provide internationalized education. It is understood that in order to be open, dynamic and constantly changing, universities recognize the development of interculturalism and integration into the European Higher Education Area. Universities strive to ensure competitiveness of the trained specialists in the European labor market, and the standards of science and study quality.

Comparing these results with the values and ideological orientation of universities in the Netherlands and the UK, it should be noted that Finnish universities pay much less attention to the word "student" than in the mentioned countries. Hypothetically it can be said that in Finnish universities students' representation in institutional governing bodies is less numerous in contrast to the Netherlands or the United Kingdom, where students usually account for about half of the council, or the composition of the Senate.



Figure 2. Graphical structure of the declared values in the missions of Finnish universities

New public management and implementation of the principles of entrepreneurship in the Finnish higher education system has begun only in recent years and yet it is little reflected in university policy documents. This is confirmed by the content analysis results of university missions which revealed a relatively rare use of such words as “business”, “economy”.

Finally, it can be stated that the higher education values that are reflected in the missions of the universities in Finland, only partially respond to a higher education reform, which, in addition to traditional values - science and studies, puts more emphasis on “new” universities - the mission of a service provider.

Governance of Higher Education and Universities in Finland

Due to sustained and successive reforms of higher education, where universities took an active part, at the end of the XX century the higher education of Finland was orientated to decentralization of institutional governance and personal policies (universities got the right to establish new departments, develop new study programmes, elect and appoint academic and administrative staff on university’s own), performance-oriented budgeting, performance contracts with the Ministry of Education, managerial development of decision making in the universities, performance related pay systems, quality assurance systems, and performance accounting. As Temmes and Virtanen (2008, p. 21) notice: “The increasing decentralization of university governance has created more opportunities for regional operations and interaction with local stakeholders”.

Since 2004 universities in Finland have faced new trends of the higher education reform: strengthening of university transparency and openness to the society, involvement of social stakeholders into the main university governance bodies, increase of financial autonomy. The main task of this reform is to increase the role of the university Board, to develop social relations and finance management skills of university leaders, to empower universities to be-

come more flexible and independently react to the challenges of a new financial status.

In 2005 universities were given the right to establish corporations in order to encourage universities to utilize their research discoveries for commercial purposes. Since 2007 universities have been able to receive donations for foundations separate from regular university budgets. At the same time universities were given a legal right to enter into contracts under private law to use these additional and separate assets. This reform can be seen as a first step in the process of changing the legal status of universities (Temmes and Virtanen, 2008, p. 29).

The increased economic autonomy and responsibilities of universities required more emphasis on managerial competencies and real accountability for decisions and their consequences. Thus a reform of the management system of universities became necessary. The present authority structure with a plentitude of internal boards to which strategic authority is decentralized has not sufficient capacities to run a university effectively under the circumstances of the global knowledge economy (Temmes and Virtanen, 2008, p. 34). Thus at the national level a decision to change the legal status of universities was made. In 2009 the Parliament adopted a new University Act (558/2009), which came in force from the start of 2010 and made changes in universities’ legal capacity, governance bodies as well as in relationship with the government. Before the Act was adapted, the universities, which had been only state since the 1960s, had an option of becoming either *institutions subject to public law* or *foundations subject to private law*. Only two of 16 universities¹ in Finland decided to become a foundation university (Aalto University and Tampere University of Technology). This new

¹ Before the reform there were 20 universities in Finland. However, in order to build up a better and more effectively performing higher education system as part of national innovation and competitiveness system under the national decision the number of universities was decreased up to 16. According to plans of Ministry of Education in 2020 only 11 universities will operate.

status distinguishes universities from public sector institutions, but not from state budgeting.

Thus, since 2010 the universities have an independent legal status, separate from the State, and take the place of the State as employers. With the separation of the universities from the State body corporate, the posts and tenures in the universities come under legislation of labor contracts instead of civil service regulations. According to the new Act the universities became able to pursue independent human resources policies, improve their attractiveness as an employer and in this way strengthen their competitive advantage in order to recruit the best personnel (Niemi, 2010).

The new Act reinforced the financial autonomy of the universities by legitimating the right to independently redistribute the income, to receive donated capital and use it or income from it to finance their operations, to use business revenue for their operations (extension education, contracted research, other commercial activities). Such broader financial autonomy encourages universities to efficiently operate in the international environment and emphasise their strong aspects.

However, the government continues to be responsible for funding the public duties of the universities even though the universities are no longer within the State budget economy. The Ministry of Education grant formula-based core funding to the universities for the execution of their statutory public duties according to the extent, quality and impact of the activities and education and science policy objectives (Vuorinen, 2009, p. 10). According to 2007 data, 64.5% of total university funding was in the form of direct grants, the so-called "budget funding". Some universities earn substantial sums for research from Finnish government research organisations (about 11% of the total in 2007), and although income from such sources is described locally as "external funding" it still ultimately comes from the Finnish government. Funding from domestic corporations, the European Union and other foreign sources amounted to only 10.4%. The remaining 14.2% of funding in 2007 came from "other domestic sources", but much of this also came from government departments (Aarevaara, Dobson, Elander, 2009, p. 14).

It is interesting that although the universities can become foundations subject to private law, national regulations guarantee free of charge degree education for students from Finland, EU/EEA. The only new trend is addressed with the right of the university to charge fees to a student admitted to a degree programme taught in a foreign language. However, such provisions concerning fee-charging degree programmes will be enacted by the Ministry of Education Decree. The universities can also ar-

range made-to-order degree education for citizens of non-EU/EEA countries (Universities Act 558/2009, Section 9-10).

One of the main documents, which regulates the relationship between the Ministry and the university, remains a "fixed term agreement on the quantitative and qualitative targets of central relevance to education and science policy and on the monitoring and evaluation of their implementation" (Universities Act 558/2009, Section 48.1.).

While the increased financial responsibility determines the importance of strategic management in university governance, the new Act obligates universities to ensure an undisturbed operation in exceptional circumstances and abnormal and special situations as possible by the means of *contingency plans*, advance preparation of operations and by other means. The role of the Ministry of Education is very important: it supervises the advance preparation and where the preparation is found to be deficient, the Ministry may order the shortcomings to be put right (Universities Act 558/2009, Section 90).

New trends in the reform of higher education in Finland are orientated towards the development of entrepreneurial culture: the involvement of external stakeholders into governance bodies of an university, the Rector's election and subordination to the Board, etc. (the details of the university governance bodies – see Table 1) The Ministry of Education maintains that new regulations ensure the flexibility of the university sector, create conditions for better operation of the universities with the surrounding society and better reaction to social and economical changes. On the other hand, the changed composition and responsibilities of the university Board, increased financial autonomy require more frequent evaluation of the activities and results from all the university staff. As Aarevaara, Dobson, Elander (2009, p. 15) point, "although the keys to a reformed sector are a diversified funding base and an entrepreneurial culture, it is not self-evident that new entrepreneurial modes of operation will be widely accepted in Finnish universities at first." Scholars emphasise, that integration of an entrepreneurial culture might be challenged by bureaucratic attitudes, which during long period of universities being the subjects of tight controlling legislation, were deeply rooted in the academic society, namely, as a set of "traditional structures" in higher education institutions. Despite many advocates of the entrepreneurial governance model among the members of the academic society, "the ability of universities to implement change will be put to the test when these different administrative [bureaucratic *versus* entrepreneurial] cultures are brought face to face in coming years" (Aarevaara, Dobson, Elander, 2009, p. 15).

Table 1. *Organisation of Universities in Finland* (based on Universities Act 558/2009)

Public university		Foundation university			
BOARD					
The highest executive body of the public university:					
<ol style="list-style-type: none"> 1. determines the foremost objectives of the university operations and economy, the strategy and management principles; 2. decides on the action and economic plan and the budget of the university and prepares the financial statement; 3. adopts the agreement with the Ministry of Education on behalf of the university; 4. elects the Rector or Rectors and decides on the division of work between them and removes the Rector from office if there is a legitimate and well-founded reason for it in consideration of the nature of the office; 5. adopts the university regulations and other corresponding rules pertaining to general organisation and decides on the operational structure of the university; 6. submits a proposal to the Ministry of Education concerning a change in the educational responsibilities of the university; 7. decides on the number of students to be admitted to the university 8. etc.. 	<ol style="list-style-type: none"> 1. decides on the strategy of the university; 2. decides on the matters concerning the university operations and finances and other far-reaching plans; 3. elects the Rector to direct university operations 				
Composition and term of office					
7 or 9-14 members, representing:					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">professors of the university other teaching and research staff and other personnel students</td> <td style="width: 70%;">The university collegiate body decides on the number of members representing the different groupings; they are elected by the university community grouping</td> </tr> <tr> <td>external stakeholders (at a minimum 40%)</td> <td>They must represent a wide range of expertise in sciences or arts in the field of operation of the university and are elected by the university collegiate body</td> </tr> </table>	professors of the university other teaching and research staff and other personnel students	The university collegiate body decides on the number of members representing the different groupings; they are elected by the university community grouping	external stakeholders (at a minimum 40%)	They must represent a wide range of expertise in sciences or arts in the field of operation of the university and are elected by the university collegiate body	7 members
professors of the university other teaching and research staff and other personnel students	The university collegiate body decides on the number of members representing the different groupings; they are elected by the university community grouping				
external stakeholders (at a minimum 40%)	They must represent a wide range of expertise in sciences or arts in the field of operation of the university and are elected by the university collegiate body				
<p>The Rector, Vice-rector, a director of a faculty or a unit directly subordinate to the Board A member or a deputy member of the university collegiate body/ member of the multi-member administrative body</p>		The board will comprehensively represent the highest national and international expertise in sciences and arts in the field of operation of the university and in societal and business life.			
<p>The university collegiate body will decide on the term of office of the board and of its individual members. However, the term of office may not exceed 5 years.</p>		The members of the Board are appointed by the overall multi-member administrative body after consulting the founding partners of the university. The term of office is not under this law regulation.			

Continued Table 1

RECTOR	
<p>The Rector leads the operations of the university and resolves matters concerning the university which have not been assigned to some other body by the statute or regulation. The Rector is responsible:</p> <ol style="list-style-type: none"> 1. for the economical, efficient and effective discharge of the university mission; 2. for assuring that accounting is in compliance with the laws and that financial management is arranged in a reliable manner; 3 for the preparation and presentation of the matters which come before the Board; 4. for the implementation of the Board decisions unless otherwise decreed in the university regulations; 5. to decide on hiring and dismissal of the staff. 	
<i>Requirements for the candidates and term of office</i>	
<p>The Rector is elected by the Board of the university for a maximum term of 5 years. The requirement for the Rector elect is that he or she:</p> <ul style="list-style-type: none"> • has a doctorate degree and • the competence required for discharging duties • as well as proven good leadership skills. 	<p><i>Not under the law</i></p>
COLLEGIATE BODY	
<ol style="list-style-type: none"> 1. decides on the number of members on the Board and the duration of the term in office of the Board and its members; 2. elects the external members to the Board; 3. confirms the election of the Board members by the university community groupings; 4. dismisses a Board member on the proposal of the Board; 5. elects the chartered accountants of the university; 6. confirms the financial statement and the annual report of the university and discharges the Board members and the Rector from liability; 7. decides on taking action for damages against a Board member, the Rector and a chartered accountant; 8. decides on the dismissal of a board member under Section 	<p style="text-align: center;">MULTI-MEMBER ADMINISTRATIVE BODY</p> <ol style="list-style-type: none"> 1. decides on the curricula and degree requirements; 2. decides on the admission criteria; 3. decides on general rules relating teaching and research; 4. appoints the necessary boards or other bodies to deal with matters relating to degrees, assessment and rectification and appoints chairpersons, members and deputy members to them; 5. decides on the duration of term in office of the university Board and its members.
<i>Composition</i>	
<p>Maximum of 50 members. The body will include representation of (a) the professors of the university, (b) other teaching and research staff and other personnel, (c) the students</p>	

The case of Lapland University

The decision to make a deeper analysis of Lapland University was influenced by some similarities with Siauliai University: both universities are regional, young and small state higher education institutions. According to 2010 data, Lapland university consists of four faculties: Faculties of Art and Design, Education, Law, Social Sciences; it provides studies for more than 5000 students and has more than 600 staff members.

The Values and Strategic Goals of the University

In response to new trends and challenges of higher education reform, Lapland University developed Strategy 2020 which sets that the University of Lapland is committed to promoting sustainable development, well-being and equality at the local, regional and international levels through research, artistic activity and teaching. The core values of the university are:

- learning that draws on both the individual and the community
- research that is critical and emancipatory
- scholarship that is marked by creativity and impact

As in many universities of Finland, the vision of Lapland University is based on strengthening the international dimension in researches and studies. According to the Strategy, in 2020 the University will be an international institution with a distinctive academic and artistic profile (Strategy 2020, http://www.ulapland.fi/InEnglish/About_us/Strategy_2020.iw3).

Another important aspect is the strengthening of the university cooperation with society and business community. It is stated that strong social cooperation empowers to develop closer relations between research, arts and studies. The participants of the research also emphasised, that during the last decade the strategic orientation of the university changed towards developing university openness and entrepreneurship, which are determined by changes in state financial support system.

“It has been changed more money-orientated, but the heart of Academy (scientific research and education based on that) is still alive,” - said one of the University deans.

“I think we need cooperation with business community and much more than we used need, because all money we have usually came from the Ministry. But at this moment we see the decrease of such money thus we need to look for new financial resources, projects. And the university has to be much more open to the society”, - mentioned the representative of administrative staff.

Thus Strategy 2020, which sets the university profile, provided study programmes and researches as well as quality management goals, is a guideline of university governance. The implementation of goals, set in the Strategy, is ensured due to periodically created implementation plans, which terms are coincident with the fixed term (3 years) agreement between university and Ministry of Education. This agreement is the main document, where all main quantitative and qualitative targets or indicators, used for external institutional evolution, are set. As the person, responsible for quality management system in Lapland University mentioned: *“We have very strict indicators (...) we have national, the basic, indicators which are set down from Ministry. But of course we have our own internal indicators (...) and we are very carefully following how we are in one year (...).”*

While almost all participants of the research agreed that the development of the university strategic goals, mission and vision are a more internal task of the university community and the main governance bodies, the universities necessarily should organise and plan their work according to the national strategic documents: “Education and Research 2007–2012. Development Plan”, “Internationalisation of Finnish Education, Research and Innovation”, etc.

The Role of the State in University Governance

Although the reform of higher education in Finland is orientated towards the increase of the university autonomy and responsibility, especially in the financial management field, the Ministry of Education remains an important institution in the issues of the university operational review and financial support.

As it was already mentioned, the relationship between the university and the Ministry is regulated by a three year agreement, where the main indicators of university activities (such as the number of graduates, the number of PhD students, etc.) are set. If the university supposes to get extra finance, it should organise its activities in the fields of national priorities of higher education. The participants of the research were asked to evaluate the role of the State in university governance. All of them agreed that the university would not be able to be run as an independent corporation or a private enterprise, thus a partial control of the university estate and financial issues under the competence of the Ministry of Education is seen as necessary.

“We got more autonomy to make financial decisions. But we are still under the control of the Min-

istry, which makes financial decisions every three years. Thus they set goals we have to achieve. And those goals are quite hard to achieve. Even if we can make a discussion on the goals, After all, we have to fill those goals or requirements of the Ministry of Education in any case. So I think the independence is not a real independence”, - the representative of the administrative staff critically evaluated the situation.

It is important to notice, that the Ministry does not participate in the election of member for internal university governance bodies. The external members of the university Board are appointed by the university collegiate body. As one of the interviewees said: “That is our university autonomy.(..) I work at the university for many years and I can say that politics does not correlate to the quality of the university”

The other form of State control of the university activities can be addressed with the Finnish Higher Evaluation Council/ FINHEEC, which is responsible for periodical evaluation of higher education institutions. It is pointed that FINHEEC acts as an independent expert body assisting universities, polytechnics, and the Ministry of Education in matters relating to evaluation; it is also set that the Evaluation Council operates under the auspices of the Ministry of Education. FINHEEC conducts three principal types of evaluations (<http://www.finheec.fi/index.phtml?l=en&s=30>):

- **Audits of quality assurance systems of higher education institutions** (universities and polytechnics): evaluations of the methods, processes and mechanisms that the institution uses to maintain and develop the quality of its education and other activities (the University of Lapland successfully passed this evaluation in 2009, further evaluation is planned in 2015)
- **Evaluations of educational centres of excellence:** FINHEEC submits a proposal to the Ministry of Education on the centres to be selected during each performance agreement period. The selected centres of excellence are awarded a performance-based appropriation from the Ministry. (During the period of 2010-2012 the Department of Social Work at the Faculty of Social Sciences of Lapland University was included in the list of centres of excellence).
- **Thematic evaluations and evaluations of educational fields:** applies the following criteria in choosing the targets of the evaluation: the field or theme must be significant with regard to education and society, it must be rapidly growing, developing or problematic

The goal of evaluation is firstly to assist the university in quality, study and research management.

As the interviewer responsible for quality management at Lapland University stated: “The main goal of evaluation is to gather and present good practices in the field of studies and research. All processes are open, we should teach the staff to evaluate themselves (...) It is important that the same processes are in all Finland’s universities (...)”.

If the evaluation of quality assurance system is neither related with accreditation nor with financial support, the evaluations of educational centres of excellence is directly addressed with financing the departments of the university. This type of evaluation ensures efficient use of state financial support for studies and research.

So, the members of the academic society of Lapland University evaluated the reforms of higher education very positively initiated by the Ministry, emphasising the advantages of increased university autonomy, but they also expressed regrets for decreasing financial support for the universities from the state budget.

Governance Bodies of Lapland University and the Role of Social Stakeholders

The **Board** of Lapland university consists of 11 members, 5 of them are external stakeholders, appointed by Collegiate Body of the University. The groups of the academic community (students, professors, other staff) are represented equally – 2 members from each group. The term of the Board is 2 years. It was noticed, that the interviewees very positively evaluated such composition of the Board and especially participation of external stakeholders.

“Our chairman is coming from other town and other university and he is the same at our university for some years, so he knows all university and scientific issues quite a lot. And we have four members on the Board who are not from the university and it has been very good. So, we have a scientific chairman and a vice chair is a businessman. I have followed about their work and they are fulfilling each other very well (...) We are lucky, the external members are active; they are participating in meeting very well,” said the person responsible for quality management.

“The Board consisting of persons from the university and outsiders is functioning quite well. When this university reform was prepared we were afraid that those outsiders will come and change the whole university, but it was not proved out”, “It is a positive chance for the university (if they are interested really, and active in real, and ready to think not about themselves but about the university as a whole),” – mentioned the deans.

The representatives of Lapland University emphasized that in order to ensure efficient and active participation of external members in governing university it is important to look for persons, interested in university activities or those, who have had close relations with *alma mater*. However, the financial support for these external stakeholders is not seen as a relevant motivation. As some interviewees noticed:

“Finnish people are motivated. They feel responsible when they are elected to some organs. They can get some money for those meetings, but it is not an explanation to attend the Board meetings. They just have to be interested in the university welfare”.

“Our external members of the Board are not only from the business sector but also from research institutions. (...) I think they just have an interest in the university life. Most of those people had something to do with the university before they came to work here. Their main task is to make the university more open to the society”.

All the participants of the research agreed, that a more active participation of social stakeholders in the university governance bodies improves the university openness to the society. However, some interviewees identified a risk of such strong role of external members, concerning with the decrease of the academic culture.

“Of course, it has some risks. Risk belongs to the academic culture. Because if you look at the academic culture from historic perspective, you see, it is very old. What is a sustainable part of it? It is independence and critics. And what mean that people from outside participate in the academic culture and academic administration? (...) But we must choose people from outside. They should be well educated; they need to be able to understand the academic culture”

It was obvious, that according to the interviewees, the main guarantee of effective and sufficient participation of social stakeholders in university governance is relevant selection criteria and procedures. It is important that the main decisions concerning selection of these external members of the Board, were not under the competence of political structures, but were made by the university community. Although academic self-governance dominates over external guidance, the role and utility of social stakeholders in university governance is realized and acknowledged very well.

The **Collegiate Body** of Lapland University consists of 24 members, while the Act allows to have at maximum 50 persons in this body. The composition of the Collegiate Body is based on the principle

of equal tripartite representation, when each group [a) professors; b) other teaching and research staff and other personnel; c) students] has 8 places in this body. The term of being the member of the Collegiate Body varies according to the group: for professors and other staff – it is 4 year, while for students – only 2 years. It should be noticed, that the Collegiate Body is responsible for election and appointment of external members of the Board. It also confirms the financial statement and the annual report of the university and discharges the Board members and the Rector from liability; decides on taking action for damages against a Board member, the Rector and the chartered accountant. It is interesting that the representatives of the academic community of Lapland University are very sceptical towards this power of the Collegiate Body.

“It is more a formal power. They have meetings once per year, during the financial reports”

“Our internal organ is the Collegiate Body, which is a combination of institutional people and I have no interest or desire in being in that institution, because this Body has no real decision making power. But the way it works is that it decides on the structure of the decision making body”.

The common ideas were expressed by scholars, analysing the tendencies and challenges of the higher education reform in Finland. As Aarevaara, Dobson, Elander (2009, p. 16) noticed, “most of the changes in governance arrangements will be evident only to those directly involved, until such time as the university collegial body uses its right to bring action for damages against the university Board.”

The new reform of higher education changed the role of the **Rector** by referring some of his/her responsibilities to the Board. Nowadays, the Rector's position is between the Board and the university community. The main responsibility of the Rector is to ensure economical, efficient and effective running of the university. In other words, the Rector represents the university and acts as the leader of administration. As the interviewee observed: *“the Rector has all the power, but he has divided his power with the Vice Rector. (...) After the reform the power is more divided between the chairman of the Board and the Rector. (...) The Rector still signs agreements and contracts, thus he has the main decision making power”.*

In conclusion, it should be noticed that during the last years the internal governance of Lapland University became more entrepreneurial: the strategic goals and values emphasize the importance of the university collaboration and cooperation with the society and the business sector and its impact on the social and financial welfare of the university;

university governance, administration and academic self-governance are differentiated. However, the analysis of the election procedures of the external stakeholders, the responsibilities and cooperation of the Board, the Rector and the Collegiate Body confirm that external guidance is not the dominant of the governance model in Lapland University. Internal institutional governance is based on the combination of the egalitarianism and academic meritocracy principles.

Principles of Good Governance in Lapland University

The prerequisites for good management, set in Lapland University Strategy 2020, include equitable and fair actions in the university community, respect and concern for the individual, and interactive communication.

According to the interviewees, the main principles of good university governance should be added with *“mutual trust between all levels; a lot of effort of leadership (emphasis not on management only); open space for the academic people to concentrate on the things they are experts in; balance in power and responsibility (also within the university), transparent, foreseeable, proactive governance”, “professionalism, timely made decisions”*.

Good governance is also concerned with a decreasing bureaucratic process and creation of a pleasant climate within university.

“The effective way of governance is not bureaucratic. I have this working way...like printing papers. Good administration works in many ways and levels. One of them is papers, other – is personal level, which means relationship between the persons here and in the faculties. And it means that we have to listen and balance agreement in these communities. We have to make right decisions in the right situations. If administration works in less bureaucratic ways it works well,” – mentioned one of the administrative staff representatives.

So, the participants of the research emphasized necessity to harmonize and combine academic research development and its administration. Such reflections of the interviewees demonstrate the importance of the academic culture for university governance and a sceptical opinion on an entrepreneurial or corporative model of governance. Although governance, administration and academic functions are clearly divided at the structural level of the university, understanding of the academic culture remains an essential element of good university governance.

Governance Model of Lapland University

According to the analysis of the main university governance dimensions, it can be concluded

that such principles of academic self-governance as egalitarianism and academic meritocracy are successfully complemented by the features of external guidance: coordination and management of activities are based not only on formal rules but on regular discussion on results and strategic goals between the members of the academic community and the external stakeholders.

Although the governance structure of Lapland University is based on a strict division of administrative and academic tasks, the representatives of the university community state that the university can not run as a corporation mainly orientated towards financial benefit. While the importance of university openness and closer cooperation with the business sector were accepted by all research participants, they mainly emphasized the understanding of the academic culture as the main element of good governance. State control and the role at university governance are minimized to financial support and supervision of university activities. On the one hand, the new University Act increased autonomy of the university in the fields of internal governance, estate and financial management; on the other hand, it set higher requirements for university transparency and responsibility.

Thus, according to the analysis of the main university governance dimensions, the model of Lapland University governance could be described by using the equalizer scheme (see Fig. 3). It is supposed, that this model is closer to entrepreneurial than corporative because of several reasons: all groups (academic community, administrative staff and external members of the Board) are integrated in decision making processes; the professors and researchers actively participate in university governance and share their places in the main governance bodies with the external social partners. At the same time the university is strongly orientated towards the results and looks for additional financial recourses.

It is interesting, that the research participants described university governance as closer to the collegiate model and critically evaluated the EU higher education policy tendencies towards the entrepreneurial model of university governance. *“I think we are a classical university. I suppose, we are not so strongly orientated towards money”* mentioned the representative of administration. *“I evaluate these tendencies negatively because the university life and relevant/meaningful goals for it are mainly artificial to govern following the entrepreneurial model”*, noticed one of the deans. However, all interviewees agreed that the trend of the higher education policy make universities develop closer cooperation with the society and the business sector.

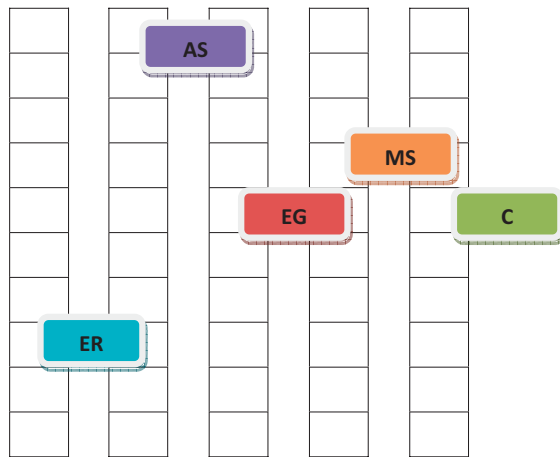


Figure 3. The equalizer model of Lapland university governance (ER- external regulation; AS – academic self-governance; EG- external guidance; MS – managerial self-governance; C – competition).

Findings

1. The Higher education governance concept is characterized by the complexity and multidimensional character. Governance is directly connected with university autonomy and university development, it is as a result of constant interaction between different actors in higher education that holds positions in the structural control, enabling them to act on making legitimate and transparent decisions.
2. The quantitative content analysis of the university missions showed that top rated core values are associated with traditional university values like scientific research, education / learning and interculturalism.
3. The circumstances of the global knowledge economy raised new challenges to traditional governance of higher education institutions, which lacked financial autonomy and which authority was mainly concentrated on the university academics. The new University Act in Finland changed the legal capacity of universities, claimed participation of external social stakeholders in the university Board and the Rector's subordination to it enabled the universities to pursue personal policies.
4. The development of new entrepreneurial modes of university operation is concomitant with transformation of the Ministry's role in university governance from control to review. The Ministry of Education has no authority to decide on the composition of internal university governance bodies, but it remains the main financial resource for the universities in Finland. The Finnish Higher Evaluation Council (FINHEEC), which is responsible for periodical evaluation of

higher education institutions, also operates under the auspices of the Ministry of Education.

5. Participation of external members in the university Board was positively evaluated by all interviewees. Previous experience with the university, interest of university activities and acknowledgment of the academic culture were named as the main characteristics of social stakeholders, who guarantee their effective and sufficient participation in university governance. However, the authority of the Collegiate Body to discharge the Board members and the Rector from liability was evaluated more sceptically.
6. Although during the last years internal governance of Lapland University became more entrepreneurial, the responsibilities and cooperation of the Board, the Rector and the Collegiate Body confirm that internal institutional governance is based on the combination of egalitarianism and academic meritocracy principles.
7. Equitable and fair actions of the university community, respect and concern for the individual, interactive communication, mutual trust, leadership, transparency, professionalism and the academic culture are seen as the main principles of good university governance.
8. Although the governance structure of Lapland University is based on a strict division of administrative and academic tasks and development of university openness and closer cooperation with the business sector is acknowledged as a necessity for effective university operation, the representatives of the academic community empathised that the university can not run as a corporation mainly orientated towards financial benefit.

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UNIVERSITY GOVERNANCE MODELS: THE CASE OF LAPLAND UNIVERSITY

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Summary

This paper analyzes the scientific discourse of governance and university governance within the framework of the existing concepts, it also deals with alternation of university governance in the context of European higher education regulations and directives, presents analysis of the traditional and entrepreneurial university governance models of the content aspect. It also presents the results of “International Comparative Research on University Governance Models” carried out by the paper authors emphasizing the context of Finland’s higher education and university governance and the case of Lapland University. Although traditional higher education values dominate in many missions and visions of Finnish universities, internal institutional governance of the University of Lapland has recently become entrepreneurial. Good governance of the university is associated not only with distinction of administrative and academic functions, reduction of bureaucratic processes, but also with the openness of the university, good communication and understanding of the academic culture.

Keywords: university governance, Lapland University, entrepreneurial university.