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Sub-theme 3. Quality teaching at the institutional level: Monitoring and evaluating quality teaching at the institution level

Title of the paper:

Financial incentives to improve quality and relevance of higher education in Finland

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Abstract:

Commissioned by the Ministry of Education, the Finnish Higher Education Evaluation Council, FINHEEC, has implemented Centre of Excellence (CoE) selections in higher education since 1997. The CoE system is a significant funding indicator for the Ministry of Education. Its objective is to improve the quality and relevance of education and to provide support for continuous improvement of education also through financial incentives. The designation of CoEs in education is thus one means to promote the enhancement of higher education and to highlight the importance of the quality of education in parallel with research. The paper discusses the development of FINHEEC's evaluation methods and criteria during the past decade as well as some general impressions on the quality of Finnish higher education, both in universities and polytechnics, as well as future challenges related to the evaluation processes.

1. Background

The Finnish higher education system consists of two complementary sectors: universities, which focus on scientific research, and polytechnics, which are professionally oriented HEIs. Ministry of Education has special financial incentives for both HE sectors i.e. a "Centre of Excellence in Education" system to improve the quality and relevance of higher education and to encourage HEIs to carry out long-term development. Since 1997, FINHEEC has carried out CoE evaluations five times on the university sector and four times on the polytechnic sector at the request of the Ministry of Education. CoE system is the only part of the FINHEEC's operations where financial incentives are utilised. The designation of CoEs in education is thus one means to promote the enhancement of higher education and to highlight the importance of the quality of education also through funding, in parallel to the CoEs in research awarded by the Academy of Finland.

Based on the proposal/decision made by FINHEEC, the Ministry of Education allocates additional funding to the selected CoEs in each of the performance agreement period years. The allocation is associated with the HEIs' annual performance agreement negotiations. The HEIs, in turn, decide autonomously how to allocate and target the additional funding. At present, the additional funding to the CoEs on the university sector is 300.000 € / year / unit. On the

polytechnic sector, the total amount awarded is 1,5 million € which is divided amongst the CoEs according to the size of the HEI, normally resulting approx. 300.000 € each.

All activities of FINHEEC are based on the enhancement-led evaluation principle. The Finnish higher education institutions are responsible for the quality of education they provide, and the aim of the evaluations is to offer tools to develop this quality further. In order to achieve this, the evaluation process must be credible and perceived to be fair and reliable by the higher education institutions. In all CoE selection rounds, FINHEEC has desired to emphasise the importance of high quality education, studying and learning, to promote the development of education and to make visible good practices in education. Moreover, the aim is that the process itself supports the development of quality in all disciplines and the entire field of higher education, not only in rewarded units.

CoE evaluations are implemented according to principles approved by FINHEEC, which are independence, expertise, proaction, international perspective, interaction, transparency and impact orientation. Transparency signifies that the evaluation criteria are published in advance, the report is public and all applications are published on FINHEEC's website. Another focal principle of FINHEEC's evaluations is that students are always represented on the evaluation team. Moreover, according to the enhancement-led evaluation principle adopted by FINHEEC, all applicants are given evaluation and development feedback.

2. Development of the evaluation method and criteria 1997-2008

2.1 The evaluation method and criteria

University sector

FINHEEC reformed the selection method of CoEs in university education considerably in the recent evaluation round in 2008. In the first four evaluation rounds conducted by FINHEEC, the selection was based on applications, which were evaluated by educational field-specific expert panels. The selection process then corresponded to the traditional peer review of higher education institutions but its reliance on applications increasingly raised questions from round to round. Does a mere application offer enough information and does the picture conveyed correspond to reality? That is, it was considered somewhat problematic that it was not possible to verify the activities described in the application in the same way as in an evaluation based on a site visit, although according to a study¹ commissioned by FINHEEC on the CoE selection method it was concluded that applications corresponded adequately to the activities described. The collection and work of field-specific expert groups as well as the role of pedagogical experts used in the groups also came under scrutiny. Moreover, the lack of an international perspective in the process caused debate. Thus, a method that had initially been good and functioned well was further developed and upgraded to an international level.

It was the first time the selection of CoEs was implemented in two stages as an international evaluation. The revised evaluation method had six main stages:

1. FINHEEC published a call for proposals and evaluation criteria for CoEs.
2. Universities sent their applications to FINHEEC.
3. The best applications were chosen for the second round by international experts.

¹ Knubb-Manninen, G. & Nuutinen, A. 2002. Laatuyskikköjärjestelmä opetuksen ja oppimisen välineenä, Muistio Korkeakoulujen arviointineuvostolle.

4. Units selected for the second round were visited by international and Finnish experts.
5. Experts made a proposal to FINHEEC regarding the CoEs to be awarded.
6. FINHEEC selected CoEs 2010-2012 based on the work of the evaluation team.

The evaluation criteria have changed surprisingly little over the years, which - we like to think - is a sign of a very thorough and successful consideration of the criteria at the outset of the whole CoE system. There has naturally been some precisions, additions, updates and some variation in emphasis based on the feedback obtained from the evaluators and universities, on the experience accumulated by FINHEEC in its own work as well as on international development.

In the recent selection round in 2008, the performance of the units was assessed in the following content areas: mission of the unit, programme and course design, delivery of education, outputs and continual development. These criteria, except for 'the mission of the unit', which was not included in the evaluation criteria in 1997, represent quite well the criteria applied in all five evaluation rounds. The set of criteria was used flexibly to ensure the objectivity of the evaluation, not as a set of absolute "gauges". International interaction, cooperation across disciplinary, institutional and unit boundaries and networking were to be regarded as favourable factors in all the content areas.

The revised evaluation method in 2008 with international experts and site visits was considered to be successful by both the evaluation team and from FINHEEC's perspective. The evaluation team considered that it was good that the emphasis was on practices, processes, ideas, activities, plans and structures directed at improving teaching and learning and not so much/only on results/quantitative outcomes what *might* be proof of quality. Success of the criteria was displayed also by the unanimity of the experts when, first, choosing the units for the site visits as well as deciding on the final ten units. The revised framework of the evaluation process functioned very well. Site visits genuinely, in many cases, augmented or reduced applicants' weighting in the final choice and, thus, provided true added value. Some of the applicant units were whole faculties, some, in turn, small departments, which caused, in some cases, difficulties in assessing and comparing the performance of the units.

The international experts were genuinely impressed with the high quality of the Finnish university education and the quality of applications, which showed that teaching is at the core of the activities of the applicant units. Designated units had made full use of the opportunity, offered by the Bologna process, to reform the structure and content of their degree programmes making their degrees meaningful wholes and promoting learning. Furthermore, there was good balance between teaching and research, and research performed in the units was very well linked with the education provided. Awarded units also shared research based approach to teaching and learning as well as proactive and open attitude to existing and future challenges. Alumni, external stakeholders and students played an active role in the discussions and development of the units.

Polytechnic sector

On the polytechnic sector, the first selection of CoEs in education took place in 2000, and subsequent evaluations were conducted in 2002, 2005 and 2008. In autumn 2009, the fifth CoE selection round is in progress. This evaluation marks the beginning of CoE evaluations for the duration of the three-year performance agreement periods which the Ministry of Education makes with HEIs. On the polytechnic sector, FINHEEC also conducted CoEs in Regional Impact evaluations in 2001, 2003 and 2006.

The first CoE selection in polytechnic education was conducted using the same evaluation method as on the university sector. The evaluation was based merely on written applications and study field-specific expert teams were utilised. The teams also included one person from the applicant polytechnic present. The nine study-field specific expert teams included 47 persons from Finnish polytechnics. Some criticism was received about this method and the CoE evaluation in 2002 saw utilisation of site visits to complement the written applications. In 2005, FINHEEC set up only a single, larger evaluation team which included experts from the major study-fields in Finnish polytechnics. In 2008 and 2009, the emphasis has been on wider pedagogical expertise and experience on the polytechnic sector instead of study-field specific representation. The 2008 evaluation also saw return into more general evaluation criteria with headings under which the polytechnics were evaluated.

From 2005 evaluation onwards, the applicants weren't necessarily traditional degree programmes in polytechnics, but also wider and more loose structures could apply. A polytechnic could, for example, put forward an application for a pedagogical method utilised in the whole HEI or a specific process within the context of education in the polytechnic. In fact, this was encouraged in the 2005 evaluation by including a separate category for Innovative educational units, which would include new and interesting pedagogical ideas utilised in Finnish polytechnics. This enabled FINHEEC to address a number of good practices and interesting ideas in the evaluation report for the benefit of the whole polytechnic sector.

Due to this relative openness of applicant criteria, the CoE applicants have been quite heterogenous since 2005. It is not a simple task for the evaluation team to compare the quality of education of e.g. a pedagogical method and a study programme in engineering. Furthermore, creating and using criteria to include all possible applicants in over thirty polytechnics seemed an overwhelming task. From the experiences of the 2005 evaluation, the planning group for the 2008 evaluation chose to use only more general criteria with headline-type targets under which the applicants were evaluated. In the same time, instead of large groups of study-field specific experts, the evaluation team consisted of only six people, with emphasis on wider pedagogical knowledge and expertise on the whole polytechnic sector. As always in FINHEEC's evaluations, the evaluation team included a student and a representative of the working life. The experience from the evaluation team and the feedback from the HEIs supported this method and a smaller group with very similar evaluation criteria are being used in the current CoE evaluation. More compact evaluation team is generally able to 'dig in deeper' and hence more able to provide with useful and relevant feedback for further development.

Another major change in the 2008 and 2009 evaluations was the inclusion of results to the evaluation criteria. The previous CoE evaluations placed primacy solely on the environment and context of education (ability of staff, coherence of curriculum etc.) as indicators of the quality of education. In 2008 evaluation, the evaluation team also looked into the results of activities. The evaluation team did not state exactly what statistical information the applicant should put forward but instead relied on the polytechnics' ability to decide which indicators or results were most relevant to their case. However, comparison to national, regional or study-field specific averages were encouraged. This freedom to set indicators was also necessitated by the heterogenous nature of the applicants. Feedback received by FINHEEC through formal feedback channels and also in seminars held in the course of the evaluation supported the view that inclusion of the results as an evaluation target was indeed a necessary and useful change.

2.2 Specific questions related to the evaluation method and criteria that need to be continuously deliberated

On the basis of FINHEEC's experiences during the past decade, it can be said that there are some specific questions related to the evaluation method and criteria that need to be continuously deliberated and indeed have been considered thoroughly in every evaluation round:

- Can the quality of education be evaluated by experts regardless of their subject-specific expertise/know-how? How widely should pedagogic experts and general experts in higher education be represented in the evaluation team?
- What are the means to ensure that the special characteristics of multidisciplinary education is taken into consideration?
- What are the 'units' that can apply for the status of a Centre of Excellence? Faculties, departments, programmes, graduate schools, networks etc? What implications does this definition possibly have on the evaluation criteria? How can we compare a big faculty with a small department?
- What is "quality" in this connection, excellence, fitness for purpose, quality culture,...?
- How to spread the best practices most effectively?

3. Conclusions

Over the past decade, the selection methods and criteria of CoEs in higher education have developed and have been actively brought up to date. The underlying enhancement-led evaluation principle adopted by FINHEEC has been recognised by the HEIs as a procedure that supports their work to further improve the quality of their education. According to the feedback from the applicant units, involvement in the evaluation process and merely formulating the application has enabled them to identify their own strengths and development needs. Applications sent by the HEIs have generally been of high quality and they have indicated that the applicant units truly appreciate the significance of the quality of teaching and invest in it.

The importance of the quality of education and teaching has truly been highlighted in parallel to research. The units have been very proactive towards pedagogical development, large parts of staff have participated in pedagogic training. In the performance of the awarded units, there has also been great emphasis on, among other things, leading education strategically, a clear profile and mission of the education, interlinking research and teaching in the unit as well as continual and systematic development of education. The units have also provided evidence for using teaching and assessment methods that enhance deep learning and active participation of the whole work community and students in the curriculum/course design and implementation.

FINHEEC continuously develops its selection methods for CoEs. When considering the next selection rounds, FINHEEC will have to address, among other things, the following questions: Do the evaluation method and criteria still support continuous improvement and innovation? Do the evaluation method and criteria measure "real quality"? How to attract applications from "new" units? How to spread the best practices of education most effectively? What kind of follow-up procedures should be developed?

From the feedback gathered from ten years of CoE evaluations, it is clear that the weakness of this type of evaluation is the first stage of evaluation i.e. when the evaluation team selects the units for site visits based on the written applications. The applications have a limited length and tend to be densely packed with highly positive information on the accomplishments of the applicant unit with little on the way of self-reflection. This is, of course, understandable given

the monetary prize to the selected CoEs but offers only limited information value to the evaluation team struggling to provide useful feedback to the units left out of the site visits. Therefore, the evaluation team is unable to produce as accurate and useful feedback to those units not shortlisted for site visits. It is clear that both the HEIs and the evaluation teams value the site visits immensely and they are often viewed as the most beneficial part of the evaluation, no matter whether the applicant receives the status of CoE in education and the performance based funding associated with it or not.

Finnish and European higher education competes in the global education market. It is no longer sufficient to have confidence in the quality of a country's higher education at national level, but higher education also must be comprehensible and reliable internationally. In particular, the mobility of students and labour emphasises the need to be able to demonstrate the quality of education. Therefore, the CoE system in higher education also aims to improve the overall competitiveness of Finnish higher education by demonstrating that Finland has competent and high quality higher education.