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Sub-theme 2. Different approaches to QA and their impact on efficiency, effectiveness and sustainability

Title of the paper:

**Financial incentives to improve quality and relevance of education in universities:  
Centres of Excellence in university education in Finland**

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***Abstract:***

*The Finnish Higher Education Evaluation Council, FINHEEC, has implemented Centre of Excellence evaluations of university education commissioned by the Ministry of Education since 1997. These evaluations are the only part of the FINHEEC operations where financial incentives are utilised – after all, selection of Centres of Excellence is a significant funding indicator for the Ministry of Education. FINHEEC has now carried out the evaluation process five times. The objective is to improve the quality and relevance of education and to provide support for continuous improvement of education also through financial incentives. The nomination of Centres of Excellence in education is thus one means to promote the enhancement of university-level education and to highlight the importance of the quality of education. The paper discusses the development of FINHEEC's evaluation method and criteria during the past decade as well as some general impressions on the quality of Finnish university education and future challenges related to the evaluation process.*

**1. Background**

The Finnish Ministry of Education has a special financial incentive, i.e. designation as a "Centre of Excellence in University Education", to improve the quality and relevance of university education and to encourage universities to carry out long-term development. Since 1997, the Finnish Higher Education Evaluation Council, FINHEEC, has carried out Centre of Excellence evaluations five times at the request of the Ministry of Education (Table 1). The nomination of Centres of Excellence in education is one means to promote the enhancement of university-level education and to highlight the importance of the quality of education also through financial incentives, in parallel to the centres of excellence in research awarded by the Academy of Finland.

Based on the proposal/decision<sup>1</sup> made by FINHEEC, the Ministry of Education allocates additional funding to the nominated Centres of Excellence in each of the performance agreement period years (at present 3-year agreement periods). The allocation is associated with the universities' annual performance agreement negotiations. The universities, in turn, decide autonomously how to allocate and target the additional funding. At present, the additional funding to the nominated Centres of Excellence is 300.000 €/ year / unit.

Table 1. Centre of Excellence selections of university education

<u>Performance agreement period</u>	<u>Number of applications</u>	<u>Designated units</u>
1999-2000	38	18
2001-2003	53	20
2004-2006	64	20
2007-2009	64	20
2010-2012	44	10

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 five Centre of Excellence selection rounds, FINHEEC has desired to emphasise the importance of high quality university 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.

Centre of Excellence 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**

FINHEEC reformed the selection method of Centres of Excellence 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

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<sup>1</sup> In the first four Centre of Excellence selection rounds, FINHEEC made a proposal for Centres of Excellence in university education to the Ministry of Education based on its evaluation of universities' applications, and the Ministry made the final decision. In the recent evaluation round, however, the Ministry delegated its decision-making power to FINHEEC.

site visit, although according to a study<sup>2</sup> commissioned by FINHEEC on the Centre of Excellence 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 Centres of Excellence was implemented in two stages as an international evaluation. In the first phase of the expert evaluation, an international evaluation team of four members appointed by FINHEEC assessed the applications submitted by the universities. The first phase was anonymous, so that the international team was not able to identify the applicants. Out of 44 applications submitted to FINHEEC, the team selected the best 18 for the second round. After the decision was made all applications were published on FINHEEC's website with their identification information.

The units in the second-phase shortlist were notified separately, and the details of the visits were agreed. These one-day visits followed a plan devised together with the unit, based on the wishes of the evaluation team. For the second phase of the evaluation, the evaluation team was enlarged by four Finnish experts who formed work pairs with their international colleagues. Each pair of experts and a secretary visited four to five units to verify the activities described in the application and to appraise the quality of the unit's performance by means of interviews and observation. The visit was an independent part of the application process and, as such, could either augment or reduce the applicant's weighting in the final choice. After the site visits, all the evaluators and secretaries convened at a workshop led by the Finnish chair to discuss the findings of the visits and to formulate a recommendation to FINHEEC as to the Centres of Excellence in university education to be rewarded.

Thus, the revised evaluation method had six main stages:

1. FINHEEC published a call for proposals and evaluation criteria for Centres of Excellence in university education.
2. Universities sent their applications to FINHEEC.
3. The best applications were chosen for the second round by international experts.
4. Units selected for the second round were visited by international and Finnish experts.
5. Experts made a proposal to FINHEEC regarding the Centres of Excellence to be awarded.
6. FINHEEC selected Centres of Excellence 2010-2012 based on the work of the evaluation team.

## **2.2 The evaluation criteria**

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 Centre of Excellence 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.

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<sup>2</sup> Knubb-Manninen, G. & Nuutinen, A. 2002. Laatuysikköjärjestelmä opetuksen ja oppimisen välineenä, Muistio Korkeakoulujen arviointineuvostolle.

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 (i-v below). 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 applicants were requested to describe for all the content areas their activities of the essential personnel groups and student-staff cooperation as well as good practices as concretely as possible. They also had to submit additional background and statistical information.

### **Evaluation criteria in 2008:**

#### **(i) Mission of the unit**

A brief description of the unit and the way in which the application was compiled and who participated in the work. How does the unit define its role and significance of its own educational mission as part of the academic community and as part of the overall mission of the university? How does the work community as a whole support this educational mission and how does the unit see to the appropriate use and development of the available resources?

#### **(ii) Programme and course design**

A description of curriculum design. How are the degrees made into meaningful wholes and how are their successive and cumulative nature taken into account? How are research and teaching in the unit interlinked? How are lifelong learning and labour markets taken into account in the degrees?

#### **(iii) Delivery of education**

A description of the teaching methods used and how they are chosen and applied. What methods are used to assess learning and on what grounds? How are teaching and assessment methods and work methods mutually supportive?

#### **(iv) Outputs**

A description of the qualitative and quantitative outputs of the unit. Qualitative output means the usefulness of student knowledge; does it meet the objectives set? Is learning enhancing the profound knowledge of the field? The quantitative output is reported on the attached form, and the applicants are requested to evaluate the balance between the qualitative and quantitative outputs.

#### **(v) Continual development**

A description of the procedures used to identify critical points in education and in the curriculum and how the problems are solved. How are the degrees, curriculum, and teaching and learning methods developed in the unit? Which development projects is the unit currently engaged in to enhance the quality of education?

The set of criteria was used flexibly to ensure the objectivity of the evaluation, not as a set of absolute "gauges". It was planned as a tool geared to help the evaluation team to form an overall picture of each unit's application and to compare the applications. The aim was to find the real performance quality behind different presentations and linguistic variations. International interaction, cooperation across disciplinary, institutional and unit boundaries and networking were to be regarded as favourable factors in all the content areas.

### **2.3 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?
- Should we limit the possibility to apply or demand more from those units which already have been rewarded as Centres of Excellence (= avoiding the Matthew principle)?
- 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 evaluation method and criteria of Centres of Excellence in university 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 universities 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. Furthermore, in general, all universities have submitted applications to FINHEEC in every evaluation round. The maximum number of applications per university are proportioned with the number of registered students of the university. In every evaluation round, FINHEEC has received close to the maximum number of applications, which also indicates that universities are greatly interested in developing their education. Many of the awarded units have received the status already in the previous rounds once or even several times.

Applications sent by the universities 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 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.

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. The units had made a great effort in organising the site visits and the atmosphere at the visits was constructive. The 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.

Especially 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.

FINHEEC continuously develops its evaluation method for Centres of Excellence in university education. When considering the next selection round in 2011, 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?

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 nomination of Centres of Excellence in university education also aims to improve the overall competitiveness of Finnish university education by demonstrating that Finland has competent and high quality university education.

More information especially on the recent selection round in 2008 can be found in the evaluation report *Centres of Excellence in Finnish University Education 2010-2012*. Hiltunen Kirsi (ed.) *Publications of the Finnish Higher Education Evaluation Council 3:2009* (available also on FINHEEC's webpage [www.finheec.fi](http://www.finheec.fi) )