

**UNIVERSITY OF VAASA**

**FACULTY OF PHILOSOPHY**

Annamária Payer

**DEVELOPING QUALITY IN HIGHER EDUCATION MANAGEMENT**

The case of the University of Vaasa

Master's Thesis in  
Public Management

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**UNIVERSITY OF VAASA****Faculty of Philosophy**

**Author:** Annamária Payer  
**Master's Thesis:** Developing quality in higher education management:  
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**Supervisor:** Ari Salminen  
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**ABSTRACT**

The research topic of quality management (QM) originates from the private sector literature. For a long time in the production industry, developing high-quality products has been a strategy of winning the competition on the market. The use of the managerial tools developed in the private sector, however, becomes problematic in the QM of service delivery, specifically in the context of public service delivery, because the public sector needs to perceive the democratic values of participation and citizenship in addition to the private sector values of efficiency and productivity.

This study investigates the process of developing quality in higher education that should be pioneer in developing successful QM through its key role of connecting the community to knowledge during the process of social interaction. The theoretical problem of QM in the public sector is based on the challenge of developing common quality perspectives of the different organisational stakeholders throughout the diverse phases of the QM process. Maintaining academic freedom and collaboration of the organisational stakeholders, as well as a strong commitment to quality culture are the basis of the QM model in the higher education, which enables improved quality outcomes and continuous quality development of organisational processes in the changing political, social and economic environment.

This study follows a qualitative research design, in which the main research methodology is documentary analysis. The empirical analysis investigates the process of QM as a part of the management and operations management system in the case of a Finnish institution of higher education, the University of Vaasa.

The findings show that QM can be incorporated into the management and operations management systems of higher education institution, which enables a holistic approach towards the topic of quality development in higher education management. Creating a quality work group with representative members of the various organisational stakeholders provides a solution to involve them in the process of designing quality policy and defining common quality targets of the university. Furthermore, acting according to norms and being committed to quality in the daily routines creates an organisational culture, which is open to maintain and develop the quality of organisational processes and operations at the higher education institution. The most important tool of direction, which enables the collaboration of the various groups of organisational stakeholders is sustaining open communication. Furthermore, supporting human interaction and collegial decision-making enables the organisation to solve quality-related problems in collaboration with its external and internal stakeholders. Finally, the most efficient methods of quality evaluation are the internal feedback system of the organisation and external audits. Involving the organisational stakeholders in the quality evaluation of organisational processes requires, however, a working feedback system.

It can be concluded that high quality organisational outputs and continuous development of long-term quality outcomes can be enabled if QM is a common mission of the various organisational stakeholders.

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**KEYWORDS:** Quality Management, Higher Education, Continuous Quality Development



## 1. INTRODUCTION

Quality has been an important value of professional work life for a long time during the history. Øvretveit (2005: 540) mentions the importance of a product's quality already at the time when production had been organised in craftsmen's guild. Only the educated, well-trained and experienced craftsmen were held able to prepare and sell good quality products. The main motives of the guilds have been the exclusion of the cheap and low-quality products of partisans out of the market. Since that time, many hundreds of years have passed, but the concept of quality has remained significant even today in the global context. As Lumijärvi and Jylhäsaari (2000: 247) put it, the implementation of quality has been a permanent strategy for winning the competition on the market in our globalised world.

This is not different in the case of public sector, either. On the one hand states are becoming more appealing also from an international point of view if they provide high-quality public services. As Humphreys (2004a: 57) argues as well, public services have an important role in creating an environment for economic growth and social progress. On the other hand, offering quality services to citizens is also a lawful obligation of a democratic state; it represents the values of citizenship, democracy and participation. According to Jenei and Gulácsi (2004: 113), maintaining and improving quality of public services belongs to the realm of rule of law. Based on Bovaird and Löffler (2009a: 178), the final outcome of high-quality public services should be among others the improvement of quality of life in the long-term and, according to Humphreys (2004b: 86), an increase in public trust and confidence towards public organisations.

Improving the quality of public service delivery has in fact been a part of a major reform of public sector management, which brought the public sector closer to the principles of the private sector. This shift in the public management has been argued to be a reaction to the global pressures, which has aimed to turn the national economies more competitive in the global markets, as argued by Pollitt, Hanney, Packwood, Rothwell and Roberts (1997: 9). According to Pollitt and Bouckaert (1995: 4–8), new managerial

techniques including New Public Management (NPM) and Total Quality Management (TQM) have been applied in the reform of the public sectors to achieve social and economic efficiency as well as to improve the quality of public service delivery. The concept of quality nowadays refers to the practice of good business i.e. good strategy, well-planned budget and the following of business ethics in the public sector too (ibid.).

There is still an important difference between the private and the public sectors' associations of quality. While the private sector aims primarily at the most economic, effective and efficient production and the earning of profit, the public sector has to represent also other public values besides economy, effectiveness and efficiency. From the state's point of view, maintaining and improving the quality of public services belongs to the realm of good governance, argued by Lumijärvi et al. (2000: 14) and Ikola-Norrbacka (2011: 92). According to Salminen and Ikola-Norrbacka (2009: 7), the characteristics of good governance can be examined from different perspectives; from the ethical, from the organisational or from the managerial aspect as well (Salminen & Ikola-Norrbacka 2009: 7).

This study attempts to investigate the organisational challenges relating to good governance, specifically regarding to the maintenance and improvement of quality in the higher education management. According to Gaster (1995: 20–23), managers at different hierarchical levels of the public organisations face different challenges of quality management, because managing quality is an issue involving the values and interests of all actors, who relate in some way to the organisational process of service delivery besides public sector managers: the public, professionals, front-line workers and politicians as well. Public sector managers have an important task both at the strategic and at the operational levels to balance the needs and demands of the several actors, within the existing legal, economical or even technical limitations. (Ibid.)

Previous research in the field of public management has raised main concerns about the issue of managing quality. One problem has been the exercise of political power when it comes to the implementation and development of quality in public service delivery. According to Gaster (1995: 31–32), the access to exercise political power is different

between positions (i.e. between the political-, managerial-, professional-, front-line worker- and citizen level), where especially citizens are the least advantaged having the fewest knowledge and information. Another issue includes the problem of high costs and limited resources when attempting to manage quality. The limited resources in the public sector, which expenses are covered mainly by tax revenues, are claimed to be one constrain of the quality management in the public sector (see for instance Gaster 1995, Sundquist 2004 and Øvretveit 2005.) Finally, measuring and monitoring quality (both belonging to tools of managing and developing quality) have been mentioned as becoming ends in themselves instead of being means for the continuous improvement of quality, as both Gaster (1995: 105) and Löffler (2006: 29) argue. This can namely draw the attention away from the important impacts and the results (i.e. the actual improvement of quality), which should be the primal goal of applying the different managerial tools, as Löffler emphasizes (2006: 29).

In addition to these challenges, a recent research carried out by Finnish researchers Stenvall, Koskela and Virtanen (2011: 161) found that slightly over 26 % of public managers agree with the statement, that quality management belongs to the most important fields of leadership and management. However, a significant part of the managers named this field of management belonging to its weakest know-how (ibid. 163). Nowadays, there are numerous quality techniques and strategies which are applied in the public sector. However, research is still needed in order to understand, which strategies and management tools are essential in the improvement of public service quality, considering the different aspects of quality during public service delivery as well as the maintenance of democratic values in the public sector.

These concerns described above lead to three main challenges regarding the organisation's quality policy and the use of the different quality management tools. Firstly, how the different organisational perspectives concerning a high quality of service delivery can democratically be involved in the organisation's quality policy and further into its strategy? Secondly, how the quality techniques (used in the organisation, despite of the limited resources) can enable the democratic involvement of the entire organisation and its external stakeholders in the quality maintenance and development process of the or-

organisation? And finally, how the quality of the organisational service outputs and long-term outcomes can be developed to enhance a continuous quality development of the organisational processes? These questions do not only concern public managers, but in fact the whole organisation, which is involved in the maintenance and development of quality in public service delivery.

Despite of the possible challenges a public organisation might face, the aim is to highlight the significant aspect of maintaining the diverse organisational perspectives during successful quality management of higher education. The thesis examines the importance of quality and the effectiveness of quality management in the organisational processes, having an ever growing significance in the organisational strategies of the public organisations as well. Finally, why the present study investigates the above described questions from the higher educational point of view, can be justified by paraphrasing the thoughts of Srikanthan and Dalrymple (2003: 129–135); the universities' key role is to connect the community to knowledge. By maintaining the value of academic freedom and co-operation in their everyday organisational processes, they can be pioneers in the development of successful quality management, as well (ibid.).

### 1.1. The aim of the thesis

This study aims at investigating, how managers can involve the diverse perspectives concerning quality of service delivery in the organisational strategy through the quality policy, and by what managerial tools the different aspects of quality can be managed and developed efficiently. The focus is especially on the involvement of the different organisational actors and external stakeholders in maintaining and improving the quality of higher education services. According to Bovaird et al. (2009a: 175–176), the maintenance and improvement of service quality highly depends on the motivation and commitment of the entire organisation and actors connected to the organisation. Initiations forced from above usually fail, if values of the stakeholders are not involved, vision is not communicated and quality is not internalized in the everyday routines of the organisation (ibid.).

The reason why studying this issue is important is to gain a better understanding of the present challenges of quality management, and to reach a further step towards the successful improvement of service quality. At the same time, the investigation of the issue from the various organisational perspectives (rather than barely from the managerial point of view) highlights the attitudes towards quality management in the entire organisation. The three research questions of the study (see next section) are also built around the challenges related to the access of political power within the organisation. Besides that, as described in the previous section, the problem considering scarce economic resources in the public sector and the issue of ends becoming means are two additional problem areas also relating to the field of quality management, which are worth studying. Although strongly connected to our focus, these still need more investigation in future research.

By highlighting the possible challenges relating to quality management, the aim is also to contribute to the deeper understanding of the fuzzy field of quality and quality management. Furthermore, the study can be important to public managers as well, who are daily facing the conflicts and barriers of quality management. They need to learn, how these challenges can be overcome in order to successfully develop common quality perspectives of the various organisational stakeholders. Namely, managing quality should be the concern of the whole organisation, rather than solely of the management. Implementing and developing quality is a matter of all.

## 1.2. Research questions

The research questions examine the process of developing common quality perspectives in higher education management by applying the case of a Finnish public organisation of higher education, the University of Vaasa (for the general presentation of the organisation and materials applied, see chapter 4.2). The research problem of quality management in the higher education institution is approached from the aspect, how the different organisational perspectives are represented in the process of quality management. The involvement of organisational perspectives to the quality management will be ex-

amined through the quality policy, the managerial tools applied and the quality outcomes attained in the case of the University of Vaasa.

The first research question investigates the quality policy of the higher education institution in relation to its organisational stakeholders:

*How the quality policy of the higher education institution takes into account the different perspectives of the organisation's stakeholders concerning the quality of higher education services?*

As will be seen, quality can be defined and carried out in the public sector quite differently according to the several viewpoints of diverse actors participating in the organisational processes. According to Gaster (1995: 31–32), the public managers face the challenge of involving, balancing and revisiting the (often conflicting) interests and values of the actors. While managers are responsible for empowering the weakest actors (i.e. citizens) and giving place for their opinions as well, they are also guided on the one hand from the political and legal sides and on the other, they are limited by the economic side (ibid.). The expectation is to have more as well as less important aspects when developing common quality perspectives, regarding the diversity of the organisational participants. The question will be reflected from the strategic level of the organisation as well. A democratic organisational strategy would involve important perspectives for each organisational actor, who is connected in some way to the organisational processes.

The second research question focuses on the university's managerial tools, by which the different organisational perspectives are included in the implementation of the organisation's strategy:

*How managerial tools enable the involvement of the different perspectives of the organisation's stakeholders in the quality management of the university?*

This question highlights the importance of those managerial tools, which can be applied in the university by involving each organisational level in the process of quality management. Managers should be aware of these quality instruments, because delivering high-quality in higher education services depends on the whole organisation and how motivated and committed the organisational actors are concerning public service quality. The abovementioned managerial tools will be evaluated based on their efficiency in involving the different organisational actors in the process of quality management.

With the study of the final research question, the focus will be on the continuous quality development process of the organisational services and processes at the University of Vaasa:

*How the quality of service outcomes can be developed with the involvement of the different perspectives of the organisation's stakeholders in the quality management of the University of Vaasa?*

The final research question investigates the challenge of evaluating and developing quality with the involvement of different organisational stakeholders in the quality management of higher education. The application of inefficient quality tools can be a source of wasting resources, which in the end does not lead to quality development in a democratic sense. Managers need to be aware, how relevant the managerial tools are in the quality development process and can these tools be developed or should these be changed if these do not lead to actual quality improvements concerning the different organisational views. The methods of quality assessment and evaluation have an important role in eliminating useless managerial tools and highlighting the development areas concerning the quality of short-term outputs and long-term outcomes of the organisational processes.

Resulting from the extensive study background of quality management, there are most likely other important challenges and problematic issues in quality management, which cannot be studied in the present study due to the lack of time and other limitations. However, studying the research questions of this paper should contribute to the clarifi-

cation of the present ambiguity concerning quality management. The findings should be useful to highlight how to search for solutions resulting from the challenges of different aspects relating to quality. Through the study of these different issues, quality can be maintained and continuous quality improvement can be enhanced in the higher education in a democratic and efficient way.

### 1.3. The structure of the study

The structure of the study will follow the subsequent logic. Chapter 2 and 3 include the theoretical discussion about the concepts of quality development and quality management. Chapter 2.1 grasps the background of the quality discussion, reflecting on its growing importance and the issue of its complexity (originating in the private sector). Chapter 2.2 discusses the concept of quality specifically in the context of public services and of higher education (as a realm of public services). The different perspectives relating to the definition of quality corroborate the present ambiguity and unclearness of the whole system of quality management, which public managers face. Chapter 3 presents the theory of quality management in the broad context of public sector and specifically in the context of higher education, including the main managerial tools available for the public managers.

Chapter 4 is presenting the methodology and the research material applied during the empirical analysis. The study follows a qualitative design, in which the data is collected and analysed by documentary analysis. The general presentation of the organisation closes the chapter. Chapter 5 includes the empirical analysis of the research. Finally, the last chapter summarizes the main findings and suggests possible future research relating to quality management in the higher education.

### 1.4. The limitations of the study

Generalization i.e. the possibility of applying the scientific results on the entire research population is one aim of science. According to Mayring (2007:1), there is nevertheless a critique regarding the ability of qualitative studies to draw conclusions on the entire research population based on its results. Critiques often reflect on the low number of examined cases enabled by qualitative analysis (ibid.). The findings of this study, therefore, need to be evaluated in the context of the present empirical data.

The Finnish cultural context also needs to be taken into account during the interpretation of the present research findings. As also Löffler and Vintar (2004: 5) highlight, the cultural context needs to be noted, because quality discussion can include diverse concepts relating to public service, administration or politics among the different countries. However, the results can still be valuable in other public services or other countries as well, because they can offer general rules about the problems and possible solutions (or actions taken) regarding the several instruments of quality management in the higher education.

According to Bryman (2004: 100), probability sampling has often been avoided by researchers because of its costs and the long preparation process it requires. This research also analysis the case of an organisation, which can represent a unique case, and therefore might limit the representativeness of the findings. Further limitation of the case study is connected to the challenge of establishing the reliability of the research findings. Namely, the research material applied in the empirical analysis including national policy reports and university reports (the latter prepared by the university management) involves the risk of providing only a one-sided picture about the reality.

## **2. DEVELOPING QUALITY PERSPECTIVES IN THE HIGHER EDUCATION**

### 2.1. The concept of quality

Understanding the concept of quality is quite problematic. One of the reasons can be found when the background of the term is studied. Namely, the importance of maintaining and improving quality is originated in the private sector, where also the quality techniques and tools have first been developed and applied. Therefore, the use of these tools as such is a challenge in the public sector, where the complexity of the term needs to be sustained in respect of preserving the public values as well.

#### 2.1.1. The growing importance of quality

During the 20<sup>th</sup> century a vivid discourse has been started about improving the quality of production in the private sector industry. According to Lumijärvi et al. (2000: 11–23), Japan was the first country to realize the importance of quality in the production process. The country was forced to maintain a strict economic control because of its hard financial situation after the Second World War and later after the oil crises. According to Sarala and Sarala (1996: 98–104), the inventors of the “quality philosophy” (among others Edward Deming and Joseph Juran) came from the United States but interestingly they became famous first in Japan, where their studies on quality had been eagerly implemented. Following the principles of teamwork and cooperation, the Japanese managed to save on budget and their high-quality products became in demand abroad as well. (Ibid.)

According to Lumijärvi et al. (2000: 22), in the Japanese industry, quality became an important strategy of winning the competition in the markets. Since the country has been lacking several resources, the concept of productivity and the minimization of wasting resources have strongly related to the maintenance of quality during the production processes (ibid.). The studies of the “quality-gurus” include main themes, which can be identified as common views on implementing, maintaining and improving quality. Sarala et al. (1996: 105–107) summarize these in nine topics: the use of data as the

basis of analysis and improvement, the use of statistical approaches and measurements, the involvement of employees in the evaluation processes, the systematic improvement of operations, the responsibility of management, the organisation of processes, the financial issues relating to quality, the minimization of mistakes and the maintenance of customer satisfaction. These represent the basis of total quality management (TQM), the continuous improvement of the organisation processes and a customer-oriented philosophy, which requires the commitment of the whole staff in the organisations (ibid.).

After the successful implementation of the quality strategies and techniques in Japan, soon the United States and some of the European countries have started to pursue the Japanese example, according to Lillrank (1998: 12). However, as Sarala et al. (1996: 107–108) assume, the realization and the development of quality in the production processes were obviously different in the Western method, when comparing it with the Japanese case. Namely, in most of the western countries quality management included several separate systems and procedures which replaced the common decision making of the workers and the commitment of the whole organisation to the quality methods, both argued above as important tools in a successful quality management. Because of this, not only the resource usage but also the hierarchies increased inside the organisations. (Ibid.)

#### 2.1.2. From ‘quality-products’ to ‘quality-services’

Grasping the concept of quality becomes even more challenging when it comes to the issues of public sector and more specifically public services provided by the public sector. First of all, we have to note the distinction between products and services when talking about the quality of public service delivery. Namely, the quality techniques have originally been defined and applied for the private sector production considering primarily the quality of products, only later of the services, as argued by Pollitt et al. (1995: 10).

According to Pollitt et al. (1995: 10–12), products or goods can be checked and stored, they have important technical features which define their ‘fitness for use’, and they also

have non-technical qualities such as design defined mainly by customers. Services, besides their possible technical and non-technical qualities, are most importantly interactions between the service provider (i.e. customer service assistant) and the client in need of the services. Two services are never entirely similar; they can depend on the discretion of the servant, on the cooperation between the servant and the client, and also on the feedback of the client. Therefore the quality of two similar services can also be entirely different. As it could be concluded, the concept of quality defined and measured in the production industry cannot be applied as such in the context of services.

When discussing the quality of services, it is also important to understand the whole chain of processes in service delivery. Øvretveit (2005: 545) mentions three important phases during service delivery; inputs, process and outcomes. Concerning inputs, Vakuri (2010: 1003) describes three different kinds of resources i.e. financial, intellectual and software resources. Financial resources include besides the budget all other material and physical resources as well. Intellectual resources refer to the personnel including their competence and expertise. The available information and software facilities of the organisation form a third type of resources. (Ibid.)

The service process basically describes the interaction between the service provider and the service user during the service delivery. According to Lillrank (1998: 93–94), three different modes of interaction can be illustrated between the service provider and the service user concerning what service is delivered and how it is delivered. In the context of public services, if the targets and the processes are decided through political decision-making, then the main principles in the planning phase of services are justice and equality among citizens. Quality of services in this case could refer to these abovementioned norms. (Ibid.)

In the case of specific services, like for instance healthcare and education (the latter investigated in the present study), the professionals have (or at least they should have) the know-how about the targets and the processes. Quality is a central issue in the planning process of these services as well, but it will be pronounced differently, as in the previous case (i.e. in the political process). The third type of interaction includes those

services, in which the professionals and the citizens have equal knowledge about high quality of services (for instance in day care service or in retirement homes). (Ibid.)

The last phase of the service process, outcomes can be divided to short-term outcomes (immediate results of services, measured by outputs among others) and long-term outcomes, as Bovaird et al. argue (2009a: 178). According to Kelly and Swindell (2002: 272), the output of services refers to the own evaluation of a service provider including performance measures and standards. The outcome of services on the other hand concerns the degree of citizens' satisfaction with the services, which can be influenced by various factors (see chapter 2.2.2. about users' perspectives for further explanation) (ibid.). It is a very difficult task to evaluate the quality of outcome of a service, because it can be perceived very differently by people, as will be argued during this study. Therefore, as Kelly (2005: 77) concludes, the output of public services needs to strive to a positive influence on the "external value criterion" i.e. the outcome of service evaluated by the citizens.

The abovementioned service process is also clearly visible in the case of higher education. Inputs, processes, outputs and outcomes can be identified, as the following illustration shows (see Figure 1).

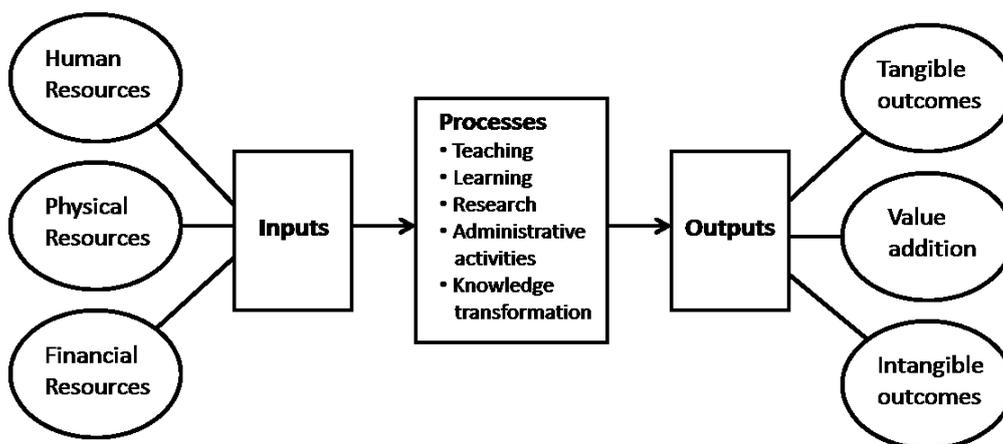


Figure 1. "Education as a 'transformation system'" (Sahney, Banwet & Karunes 2004: 153).

According to Sahney, Banwet and Karunes (2004: 150–153), the service process of higher education takes place in the environment (e.g. society), which provides the input and at the same time receives the output created by the process of transformation. Inputs in the higher educational system are formed by human resources (e.g. students, faculty staff, administrative and other staff), physical and non-physical resources (the former being e.g. organisation's facilities and infrastructure while the latter e.g. organisational culture and goals) and financial resources (e.g. financial supports and funding).

The higher educational processes (e.g. teaching methods, learning activities, research and administrative processes and the societal interaction to mention the central processes) are transforming the inputs into service outputs (graduated students, research findings or community services respectively). The service outputs lead to tangible and intangible outcomes (from the students' point of view a tangible outcome is for instance the student's results in exams while intangible outcome can be the long-term satisfaction of graduated students with their higher education background). (Ibid.) According to Sahney et al. (ibid.), an important part of the system is the feedback, which can be redirected to the system as input and thus it can provide an impulse for developing the system to become more responsive to the environmental needs.

### 2.1.3. Private and public service contexts of quality

There are also important differences between the private and the public sector which need to be considered before applying any quality techniques in the public sector. According to Pollitt et al. (1995: 12–13), one of the main differences relevant to the issue of quality is clearly between the private and the public sector's relation to demand. In general, decreased demand in the private sector results in lower income. This further compels businesses to enhance the quality of their products or services in order to increase the income again. The issue is different in the budget-based public sector organisations (at least in most cases), where lower demand means savings in the resources, and not necessarily the need of increasing quality. Citizens of limited means for example cannot afford to pay for private services and they have to content themselves with the (often lower-quality) public services. (Ibid.)

According to Boland & Silbergh (1996: 351), the implementation and improvement of quality in the private sector highly relates to managing the competition on the market and gaining profit with the most economic, efficient and effective performance, as also the above example shows. Resulting from the modernization of the public sector and the contracting-out of several public services, the literature of public service quality has emphasized a consumerist approach as well, similarly to the private sector. The definition of public service quality has often imitated the private sector definitions of quality as 'value-for-money' measured by different performance indicators among others. (Ibid.)

The lack of customers (and hence the lack of exchange), however, needs to be realized as an important basis of public service quality. According to Lillrank (1998: 91–92), citizens are not customers as such, but they have political right to use the publicly founded services. In return they are obligated to safeguard and serve the society as being taxpayers themselves. The actual use of their taxes is decided through the political process. (Ibid.) Therefore, the external political dimension needs to be especially highlighted in the context of public service quality, as also Broussine (2009: 269) argues.

The political mechanisms explain the complexity of the public domain, where temptation for the misuse of the public money and the inflexible nature of bureaucracy are both serious problems affecting also public service quality. According to Lillrank (1998: 93), if the problems with service quality are hidden in the bureaucratic system of public organisations or in the moral (or else in the know-how) of professionals, change will not happen easily. According to Stewart and Walsh (1992: 506–507), measuring quality by the standards of service output or by the satisfaction of consumers is insufficient in the context of public sector, where the important values of commitment and responsibility have to be maintained. Public service quality, if defined on the basis of competition and profit, weakens these values between the state and the citizens (ibid.).

Based on Stewart and Ranson (1994: 55–58), the actual implementation of policies belongs under the realm of public management, where the public interest should be represented and the collective need should be fulfilled in equity. The public interest cannot

entirely be maintained by the support of the private sector values of consumerism and competitiveness. Resulting from its imperfect operation, the market can cause inequality among citizens, when collective social needs are not fulfilled in equity. (Ibid.) The common social and political values including the democratic values of citizenship, justice, equality, equity and responsiveness, in addition to commitment and responsibility mentioned earlier, need to be involved in the context of public service quality.

Considering the differences between the private and public sector, Stewart et al. (1994: 54–57) point clearly out the inadequacy of the private sector model in the quality management of the public domain. The public domain cannot base its operation entirely on the markets, where the prices are decided according to supply and demand. The main functions of the public sector are determined by the collective values and needs of citizens, which are defined in the changing environment of political process. In the public domain most phenomena including for instance marketing, budgeting or being accountable change their meanings as they are used in the private sector. Marketing becomes the investigation of collective values and needs, budgeting is decided by the political decisions with a strict limitation of scarce resources, and public management needs to be accountable to the public, not to the market. (Ibid.)

According to Gaster and Squires (2003: 4) as well, when discussing the issue of quality in the public sector, the involvement of citizens and democracy creates a strong difference, unlike in the case of quality as a technical issue in the context of private production sector. Citizens, differently from the private sector, are participants in the wider economic, political and social life (Sanderson 1996: 96). Therefore, quality of public service delivery needs to be defined, implemented and improved in accordance with the collective social needs and values, not on the basis of private interests. The end outcome of maintaining and improving the quality of public services is an important part of the wellbeing of citizens, argued by Gaster (1996: 80), thus providing high-quality public services is a public interest.

Because of these different circumstances of the private and the public sector, Stewart et al. (1992: 512–517) warn against the uncritical use of quality management techniques,

which can be functional in the private sector but which are not suitable for the public sector, as such. As argued by Bovaird and Löffler (2009b: 5), managerial techniques used by public managers have been developed originally by the private sector to increase efficiency and productivity of service delivery. The scarce availability of resources and the financial limits regarding public service delivery especially during the economic crises of the 1980s (but also lately from 2008) has required the efficient management of public organisations. Hence, the different context of public and private sector needs to be highlighted, when the different management tools (originally designed for the use of the private sector) are applied in the public sector, as also Löffler et al. (2004: 10) argue.

In the context of higher education -and in the present study we investigate a publicly financed institution-, a similar trend has been emerged, namely taking a consumerist approach in the literature of higher education quality. According to Houston (2008: 62–64), the concepts used in the context of the private market started to be more important in the quality development process of higher education than for instance the goal of representing commitment towards the society. Even students became customers, which is really problematic in the context of higher education, where quality is defined from the perspectives of several stakeholders involved in the quality maintenance and development process. (Ibid.)

Immediate outputs (e.g. the number of the graduated students per academic year) are systematically measured in the organisations and long-term outcomes (e.g. satisfaction of the students) are collected by surveys, but are these methods sufficient in the quality development process of the higher education? Houston (ibid. 68–69) argues knowledge creation and learning being the central purposes and priorities of the university, which should only be supported by the means of quality techniques and methods. Therefore, emphasis should be put on the values of commitment and responsibility inside the organisation and the quality methods and techniques should primarily enhance learning and knowledge creation, rather than being an end in themselves (ibid.).

Chapter 2.1 aimed to provide a short presentation about the extensive field of quality literature, originating from the private sector production industry and taking over in the service delivery as well as public sector. The next chapter narrows the focus down to the quality definitions and interpretations in the context of public service delivery, regarding also the concrete case of the higher education. The values of the different stakeholders involved in the service delivery place a challenge to a single quality definition. As pronounced also by Houston (ibid. 64), creation of labels or pre-definitions are not possible in the quality definition of higher education, where different group's perspectives need to be taken into consideration.

## 2.2. Definitions and interpretations of public service quality

### 2.2.1. Characteristics of public service quality

Quality in the context of public service delivery entails three main characteristics. Similarly to products, services have technical and non-technical qualities and (unlike products) so called amenities or environmental qualities, as argued by Gaster (1995: 36).

According to Gaster (1995: 39), the technical qualities of services –tangibles and intangibles– are for instance the quantity, speed or effectiveness of services. These are defined by professional standards within the limits of accessible resources, knowledge and requirements (ibid.). Technical characteristics of quality describe the fitness of purpose of a service, in other words, *what* the service should do, as Gaster (1999: 41) argues. The technical characteristics mostly focus on the quality of the service output, according to Becser (2012: 27). The different social values and the important issue of political representation, however, cannot be described by the standards of technical quality, based on Pollitt (2009: 380). Hence, the technical characteristics of quality are constantly evaluated and challenged based on the preferences of people, and the standards are often changed with time, as concluded by Boyne (2003: 368).

In addition to technical qualities, public services have certain non-technical qualities. Non-technical qualities describe the interaction between the service user and the service provider, in other words *how* the services are delivered, based on Gaster (1999: 41). The non-technical characteristics emphasize the quality of the process i.e. the quality of the interaction, argued by Becser (2012: 27). From the users' perspective, non-technical quality includes for instance helpfulness and knowledge of staff, access of sufficient time and privacy, acceptability, comprehensibility, fairness and non-oppressiveness (see e.g. Gaster 1995: 40 and Gaster 1996: 84).

Finally, according to Gaster (1995: 43), services have also environmental qualities including for instance the ergonomics (i.e. light, temperature, noise and design) of the place of service delivery, social ecology (privacy and distance) while providing services and lastly, the meaning of the actual service interactions (the behaviour of staff and users, feelings of fear or stress etc.). While the service providers usually focus on the technical quality of services, from the perspective of the service users, the non-technical and environmental quality of services can have more importance. As also Brady and Cronin (2001: 37–47) argue, the main dimensions of the quality of service interaction from the user's perspectives are the attitude, expertise and behaviour of the service providers (employees). Furthermore, under the quality of physical environment, the ambient conditions (e.g. peacefulness, light and colours), the design (cleanness, space, convenience) and social factors (e.g. presence of other people) have been mentioned by users (*ibid.*).

Gaster (1996: 84) argues that the technical and non-technical qualities of a service cannot be understood without studying the organisational policy and value frameworks, which include the different perspectives of managers, professionals and politicians besides service users. When studying the different dimensions of public service quality, the diverse perspectives of the different parties interacting in the service should be highlighted as well. These perspectives need to be considered and included in the managerial decisions about quality of public service delivery.

### 2.2.2. Different perspectives on public service quality

Walsh (1991: 505) emphasizes that the definition of quality in the public sector is not universal, but it always depends on the judgments and practices of the diverse actors participating in the public services. Regarding the different “interest” groups, Pollitt et al. (1995: 14–15) name three possible levels of analysing quality; the micro-, meso- and macro levels of the society. The micro level of analysis focuses on the organisations. The meso level of analysis investigates the relationships of the service provider (e.g. a higher education institution) and service user (society, for which the institution provides community services) while the macro level of analysis examines the relations between the public services (e.g. all higher education institutions in a country) and citizens as well as citizens and state generally. Pollitt et al. (1995: *ibid.*) argue that each level includes actors, whose interests might be in conflict, when defining what quality is or what it should be.

The present study focuses specifically on the perspectives that different actors in the organisation and connected to the organisation have concerning the quality of public service delivery. The public managers at the different hierarchical levels of the public organisation are responsible to balance and negotiate the (often contrasting) views of the different actors, both at the organisational level, and on the meso- and macro levels of society as well, based on Gaster (1995: 32). For this reason, before focusing only to the organisational level regarding higher education, in the remaining part of this subchapter, the main views of service users (i.e. society), service providers (i.e. public organisations), and the political perspectives are introduced, regarding what public service quality is or what it should be.

It is important to return to the main phases of service delivery classified by Øvretveit (2005: 545, described in chapter 2.1.2.), when introducing the different abovementioned perspectives. Namely, the process of service delivery is studied here as inputs (resources), process (interaction), outputs (immediate results) and outcomes (long-term results). Øvretveit (*ibid.*) highlights that each actor (or “interest group”) focuses on different aspects of public service quality in the specific phases of service delivery. Even

though the process of service delivery is more complicated in the reality, this simplified classification is useful, because it helps to create a more transparent picture about the different perspectives of actors in each phase of service delivery and at the different analytical levels of society as well.

### *Perspectives of the service users<sup>1</sup>*

The users of the different public services have important perspectives in each phase of the process of public service delivery. As taxpayers, they are engaging with the input (i.e. providing financial resources required to the delivery of public services, see earlier Lillrank 1998; the society is also an important provider of human resources see earlier Vakkuri 2010 and Sahney et al. 2004). Service users are important actors taking part (directly or indirectly) in the actual process of interaction during service delivery (see earlier Pollitt et al. 1995, Gaster 1995, Gaster 1999, Lillrank 1998, Brady et al. 2001 and Becser 2012 among others). Users are also interested in the quality of immediate output, because they are affected by the decisions. However, they might also be interested in the long-term results i.e. how quality of services are being improved and developed during the years (e.g. in relation to the resources they provide for instance as taxpayers). (Øvretveit 2005: 545, and see more in Kelly et al. 2002, Kelly 2005 and Bovaird et al. 2009a.)

According to Øvretveit (2005: 545), the perspective of user (or client) quality includes all necessary inputs, processes and outcomes, which need to be provided regarding the different wants and desires of service users. Concerning inputs, there is a need for trained personnel and appropriate place/s during service delivery. Regarding process, just and fair treatment, quick service as well as information in each phase of the service need to be available for service users. In the short term, the service provider has to aim to user satisfaction, while in the long-term the purpose should be a positive change vis-à-vis user's experiences about services. (Ibid.)

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<sup>1</sup> At the meso level of analysis, from the perspective of the society (citizens) being users of the public services.

According to Kelly et al. (2002: 271–288), the judgments of service users about the quality of service delivery are affected by quite diverse factors, and so these can significantly differ from the perspectives of other actors in the public domain, as well. From the users' perspectives, quality contains subjective views, in which beliefs and perceptions are important variables when defining service quality. In this sense, quality is seen as the degree of users' satisfaction with the services, based on their different expectations and actual perceptions about quality. (Ibid.)

Based on Kelly et al. 2002: 274), subjective views about quality can vary individually. As a result of different expectations and perceptions people might have about public services, 'high quality' can mean quite diverse issues. These differences can be based on people's ethnical background, socio-economic situations, the characteristics of their neighbourhoods and their local governments or even their interpersonal contacts with the public servants (ibid.). Brown (2007: 560–562) further adds citizens' educational background, age, social and physical conditions of living circumstances, the fact of information-asymmetry (citizens not knowing who the provider of a service is) and even the direct or indirect experiences<sup>2</sup> of citizens with the public services as important biases, which affect the opinions of users about the actual quality of public services.

In general, Rieper and Mayne (1998: 122) stress the importance of long-term outcomes and normative base (i.e. justice, responsibility and equality) of the public organisations from the citizens' perspectives of quality. Pollitt et al. (1995: 16–17) also argue, that service users are usually more considered about the non-technical qualities (see chapter 2.2.1. for definition) of services. Empowering the citizens by the direct involvement of their interests in the decision-making and evaluation processes considering public service quality is important for them in order to hold politicians accountable (ibid.); but it often results in conflicts, according to Bouckaert (1995: 172). There are potential frictions between citizens on the one hand and professionals and managers on the other, because the empowerment of citizens means a challenge to the professional autonomy,

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<sup>2</sup> Rieper and Mayne (1998: 122) present the example of students being end users or direct users of educational services, while parents being indirect users of the same services. Depending on the situation, students can be more considered about service quality activities, while their parents about the efficiency of money used to deliver these services.

to the managerial freedom of action and to the traditional politics of decision-making (ibid.). Regardless of the possible conflicts and frictions, pluralism and active involvement of the public is necessary, if the intention is to reach high quality of public services, as Gaster (1995: 137) argues.

### *Perspectives of the service providers<sup>3</sup>*

It is even more challenging to grasp the perspectives of the service providers, because the term 'provider' refers in fact to the whole public organisation, with managers at the different hierarchical levels, with front-line workers and with other professionals. The perspectives of the different organisational levels are described next.

Based on Øvretveit (2005: 545), *professional quality* refers to the degree, how well services and procedures provided to the clients meet their actual needs, which are assessed by the professionals. All in all, the main difference between client quality and professional quality lies in the fact that the former describes what they desire from a service, while the latter defines what clients' needs are regarding the service (ibid.). According to Travers (2007: 4), professionals' definition of quality often involves also their judgements and discretions; therefore it is hard to measure it by objective performance indicators, as for example in the case of quality assurance.

According to Øvretveit (2005: 545), concerning inputs, high professional quality refers to among others skilful and supportive co-workers, the availability of sufficient information and appropriate equipment. Regarding the service process, high professional quality means among others the correct assessment of clients' needs, the right decisions made, the compliance of accurate procedures and good communicative skills. High professional quality also aims at positive outputs and outcomes. (Ibid.)

From the *managerial* point of view, the definition of quality is often relating to the costs and the regulations concerning quality. The definition of Øvretveit (1992: 2) about the quality of public service delivery highlights this perspective of the concept, namely

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<sup>3</sup> At the micro- and meso level of analysis, from the perspective of the public organisations, being providers of the public services.

“...meeting the needs of those, who need the service most, at the lowest cost...” and within regulations. Regulations refer to the requirements defined at the political level, while costs need to be kept low because of the limited resources available to the public organisations, as argued by Øvretveit (2005: 543–545). Øvretveit (ibid.) also mentions the term of “management quality”, which describes the responsibility of managing quality within the legal limitations and scarce resources. As also Travers (2007: 5) argues, the improving of targets and performance is not only a requirement, but also a desire from the managerial point of view. “Over-regulation” still means a challenge, which needs to be considered (ibid.).

As argued by Zurga (2006: 17), the efficient work processes can cause difficulty in following rules and acting legally. Therefore, from the perspective of the civil servants, a main dilemma arises when managerial values of efficiency, innovation and goal-orientation clash with the more traditional values of legality, fairness, punctuality and rule of law, announced by the political level (ibid.). Namely, the political perspective including politicians’ drives is a third important aspect of quality management.

#### *Political and legal perspectives on public service quality<sup>4</sup>*

When describing the phenomenon of public service quality, the political characteristic of the issue needs to be highlighted as well. Quality policy is articulated in the constantly changing political environment and it also follows strict legal requirements, as argued by Gaster and Squires (2003: 4–5). The political decision-making about public policy is influenced by different external and internal forces. Externally, ageing population and the restricted ability of collecting higher taxes is one problem among others, which affects the decision-making about quality policy, based on Bovaird and Löffler (2009c: 16). The scarce resources, which need to be used for the financing of public sector (i.e. 33–50% of countries’ GDPs according to Jackson 2009: 27), are clearly not enough to supporting the development of the service quality. On the other hand, the different forms of corruption and the contracting-out of public services to the private sector are

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<sup>4</sup> At the macro level of analysis, from the perspective of the state governance and administration.

internal factors, which also affect the issue of policy making regarding public service quality, as argued by Bovaird et al. (2009c: 19).

Besides these problems, the development of quality in the public service delivery requires commitment from the politicians as well, argued by Jenei et al. (2004: 116). According to Travers (2007: 5), governments are often inspecting the quality of public service delivery through different performance measurements and indicators. Based on Bovaird et al. (2009c: 20–23), governments are able to establish organisational strategies (or at least influence these) by creating policies, while at the same time public managers can influence the way, how public policies are fulfilled. While to goal should be a better co-operation and the maintenance of trust between the political and the organisational levels, the struggling for political power can lead to conflicts as well (ibid.).

From the legal perspective, improving the quality of public services belongs under the realm of establishing rule of law. According to Zurga (2006: 11–12), decision making based on the rule of law (i.e. the creation of legitimacy and credibility in the decision-making processes through basing decisions on law, while not abusing the political power for one's personal aims) belongs under the realm of good administration. In addition, according to Jenei et al. (2004: 113–114), developing the quality of public service delivery can be interpreted as belonging to the legal rights of the service users. Based on Zurga (2006: 20–22), especially in the current era of information society, the public organisations need to be transparent towards the citizens regarding each phase of service delivery, from managing inputs to the outcome of service delivery. The legal framework in the quality management of public services is crucial to provide guidelines to the management of public organisations, however, it cannot and should not define all aspects of how to do it, but managerial knowledge is necessary (ibid.).

### 2.2.3. Quality perspectives in the higher education

In the aspect of higher education, we can refer to the following main perspectives when investigating possible definitions regarding quality; within the organisation, managerial aspects, professional aspects (can be investigated both from the views of academic as

well as administrative and other staff) and students' perspectives (being the direct users of the educational services). Secondly, connected to and affected by the organisation; society's perspectives (being indirect users of the services provided by the organisation) and other external stakeholders (e.g. companies and partners) connected to and co-operating with the organisation. Thirdly, we can think of the national and international frameworks influencing the decision-making processes and policy implementation of the organisation, namely the state's perspective. (From the European point of view, the legal and political influence of the European Union on the member states can be mentioned here, providing one of the main frameworks internationally.)

As illustrated in sections 2.2.1 and 2.2.2, quality definitions clearly are multidimensional and cannot be described by one single quality indicator. Therefore, as defined by Bovaird et al. (2009a: 167–168), an ideal quality indicator should encompass both objective and subjective characteristics by targeting both quantitative and qualitative aspects, defined by the different participants and involving their perspectives as well (described previously).

Taking these perspectives into account in the organisational and decision-making processes is crucial, according to Houston (2008: 75). However, there have been (and are) also several other quality definitions in the higher education, which have existed or which still exist (sometimes simultaneously) in the current quality culture, other, than the one involving the several perspectives of organisational actors into the central processes of higher education. Harvey and Stensaker (2008: 432–433) describe five main quality definitions in the context of higher education; value-for-money, fitness-for-purpose, consistency or perfection approach, excellence definition and transformation approach.

According to Harvey et al. (2008: 432-433), value-for-money definition relates to the question, whether the investments made in the educational services have returned a sufficient amount of profit. Fitness-for-purpose approach concentrates on the question, whether the purpose of the educational services defined by the higher education or its external stakeholders (i.e. the goal of the organisation) has been met. The consistency or

perfection approach highlights, whether the higher education processes were consistent and reliable. Emerging after the Bologna process, the excellence definition has been focusing on the question, whether the various standards (professionally defined) have been met. The transformation approach, which main goal is to enhance and empower the diverse perspectives of participants in the quality processes of the organisations is only a new quality definition. (Ibid.)

In the higher educational context, quality as transformation means the ability of organisation to change by reason of the changing environment and its ability to enhance transformative learning process of the students as well, argued by Vettori (2012: 16–19). In addition to the transformation definition, the approaches of both quality excellence and fitness for purpose are often combined to the current quality definitions in the higher educational services (ibid.). Each higher education institution may have its own definition of quality, but Harvey et al. (2008: 434) argue that as a common pattern, it partly involves mutual perspectives of the participants as well as a managerial (or structural) element, the latter influenced by the political level and including important standards and responsibilities within the organisation.

As described previously (see Chapter 2.1.2), the main service processes (or interaction phases) in the context of higher education are teaching, learning, research activity, administrative processes and interaction with the society. These central processes of the higher education can only aim to be quality processes, if they are strongly attached to the quality culture of the organisation and if they involve the diverse quality perspectives defined by the several actors within and connected to the higher education institution, argued by Harvey et al. (2008: 427). Harvey et al. (2008: 436–438) refer to four quality cultures, into which organisations can be divided in an ideal case. Naturally, the following quality cultures are mostly overlapping in the real organisational settings, but these are still illustrating the main differences in organisational characteristics and can be applied in the analysis of organisational cultures as well.

According to Harvey et al. (ibid.), an organisation with a *responsive* quality culture tends to implement the external (e.g. political and legal) requirements in the everyday

organisational practices, but often also loses the connection with them. In this case, quality practices become separate from the daily organisational activities (rather than being attached to them). An organisation which has a *reactive* quality culture only implements the reward-based external demands, but in most cases it remains reluctant to these. Quality culture in this kind of organisational settings is forced to the organisation and remains outside from the everyday organisational practices. In a *regenerative* organisational culture, the internal processes of the organisation have advantages over the external demands. External requirements are implemented only if these do not hinder the internal coordination of the organisation. The quality culture is strongly attached to the everyday practices, but it can also easily collapse, if the external demands are implemented by force. Finally, the *reproductive* quality culture aims to maintain the status quo with the minimization of external demands. The quality culture remains non-transparent, resisting self-criticism or developing open processes. (Ibid.)

Harvey et al. (2008: 438) conclude, that the local institutional knowledge and practices within the organisation have core importance in the quality culture of the organisation and the investigation of the quality culture is important to identify main challenges of quality management in the organisation. The next chapters are, therefore, investigating the quality management process first in the context of public service delivery, then specifically in the case of higher education. The literature review highlights the main managerial tools applied in the quality management of the service processes and their contribution to the actual quality development of public service delivery.

### 3. MANAGING QUALITY IN THE HIGHER EDUCATION

The responsibility of public managers is to implement, maintain and improve the quality of public services provided by the public organisations to the (direct and indirect) service users. Based on the previous chapter, it can be concluded that quality management of public service is necessary, because citizens have political right to quality public services (and this aspect also makes the issue entirely different from the case of the private sector). However, defining the concept of quality is not easy at all, as the diverse perspectives within (and externally influencing) the public organisation can be multifaceted. Quality management cannot be entirely defined from above either, as it is strongly influenced by the organisational culture towards quality as well as local managerial knowledge and know-how. According to Harvey and Stensaker (2008: 427), the issue of involving the several perspectives affected by the diverse values, beliefs and perceptions into the organisations' quality processes is a challenge also in the case of the higher education.

This chapter investigates the development and the current model of quality management in the public sector service delivery and it highlights the main issues, which need to be taken into consideration in the specific context of quality management in the higher education.

#### 3.1. Quality management in the public sector

Quality management is based on two important questions, what service to deliver and how to deliver it. Gaster et al. (2003: 5) connect the "*what*"-question to the different organisational targets, which involve the citizens' needs defined professionally. The authors refer to the "*how*"-question concerning the desires of service users, and highlighting their interests, which should be involved in quality management, as one would expect in a democratic political environment (ibid.). The decisions concerning targets and service processes also depend on the relationship between the service user and ser-

vice provider (see Chapter 2.1.2) and the quality definitions of different perspectives relating to the “what”- and “how”-questions were also presented earlier (see Chapter 2.2.2).

Lillrank (1998: 94–96) summarizes that the planning process (what to do) is decided on normative, political base. The need of society is not understood similarly as in the market mechanisms (based on the relation between demand and supply), rather based on the values of justice and equality. These values also replace the concept of net value, hence in public services, value does not come from the margin of benefits and price, but from the just and equal availability of services. On the other hand, citizens’ opinions need to be considered in the aspect of how to deliver the services. Namely, in that sense, citizens do have knowledge and expectation about quality and they are able to give their evaluation on it, as well. (Ibid.) Lillrank (1998: 98–100) concludes that the question of ‘what to deliver’ remains, however, only a political choice. The quality of the planning process cannot be improved by quality techniques or management, but the political choice will depend on the preferred ideology of the different parties; (such as e.g. the degree of respecting common values of the society or rather individual need as in a market-centred society) (ibid.).

In addition to the political element, Van Dooren, Thijs and Bouckaert (2004: 94–99) introduce four different models of quality management, each based on the diverse developmental stages of social relationships; traditional (hierarchical), market and modern networking society (see Table 1 about the different decision-making processes of quality management in the different phases of social relationship development). Traditionally, two main cycles, policy and management can be differentiated, which are mainly engaging in the quality management. In the policy cycle, governments make all decisions about service delivery, concerning both “what”- and “how”-questions, described above. Civil servants and other professionals in the management cycle are responsible of organising and delivering the services. In the traditional view, citizens are not involved in the cycles, hence they do not have an active role in any phase of the process. (Ibid.)

Table 1. Quality management models in the different phases of social relationship (Van Dooren, Thijs & Bouckaert 2004: 94–99).

I. Traditional	II. Participation in implementation	III. Enlightened ruler	IV. Co-governing
<ul style="list-style-type: none"> <li>• Phases of service delivery implemented by policy and management cycles</li> <li>• Service provider oriented</li> </ul>	<ul style="list-style-type: none"> <li>• Citizens participate in the production phase</li> <li>• Partly citizen oriented, but still bureaucratic</li> </ul>	<ul style="list-style-type: none"> <li>• Needs and expectations of government during designing and decision making</li> <li>• Provider oriented, but focuses on quality</li> </ul>	<ul style="list-style-type: none"> <li>• Citizens participating in each phase of service delivery</li> <li>• Citizen oriented and focuses on quality</li> </ul>

According to Van Dooren et al. (2004: 95–96), the case becomes different when the focus is on the modern relationships in the society. Namely, in a networking society, more and more actors are involved in the different phases of service delivery and citizens' role becomes visible in designing, deciding, implementing, monitoring and evaluating the quality of public services. We can also talk about “the four C’s policy”, meaning *co-design, co-decision, co-production and co-evaluation* in the modern phase of social development. (Ibid.) It is worth to note, that different models of management simultaneously exist in the public administration of different countries based on the corresponding stage of social relationships.

Staronova and Löffler (2004: 188) illustrate for example the difference between Finland and Belgium on the one hand and many Central-European countries on the other. While in the former countries, management is more autonomous and strongly based on partnership among the participants, the latter represents a rather more traditional approach regarding quality management with a more bureaucratic relationship among the different participants (ibid.). In Figure 2, Van Dooren et al. (2004: 98) illustrate, how the above presented models of quality management relate to the different developmental stages of social relationships. The figure presents the development process as a continuum to both ends. The hierarchical end of the continuum embodies more rules, norms



application of the democratic principle; namely being accountable towards citizens and shaping the targets of the public agencies according to the citizens' preferences of service qualities.

Finding the balance between the performance targets of the provider and the desired service outcomes defined by the service users can be one of the main concerns, when discussing the issue of managing and developing the quality of public service delivery. As Kelly puts it (2005: 82), financial success and internal performance of the service providers are only parts of the managerial values, which should define the quality of service delivery. However, the performance measures should be primarily based on the citizens' priorities, not on the preferences of service provider (*ibid.*). Besides finding the balance between the wants and desires of both service user and service provider, conflicts of perspectives should be solved at the organisational and at the macro level, too (i.e. citizens, organisations and state). On all micro-, meso- and macro levels of analysis, the common goals of participants should be negotiated in a democratic way and all interest groups should be open to the final co-operative decisions.

Currently the main challenge of quality management in the public sector is, how to manage and develop the quality of public services while taking into account the views of the service users in a democratic manner and at the same time to operate as economically, effectively and efficiently as possible. Can public service organisations achieve a balance among the different perspectives of participants in the chain of service delivery concerning high-quality service for all of the interest groups? In the rest of this chapter, the different phases of quality management will be presented by also reflecting on the different managerial tools and specifically on the context of higher education.

### 3.2. A theory of managing and developing quality

A theory of service quality in the context of the public sector is formed by Lucy Gaster (1995 and 1999), who describes quality management in different stages from the formu-

lation of organisational values and objectives until the evaluation of outcomes and reformulation of values and objectives (see Figure 3).

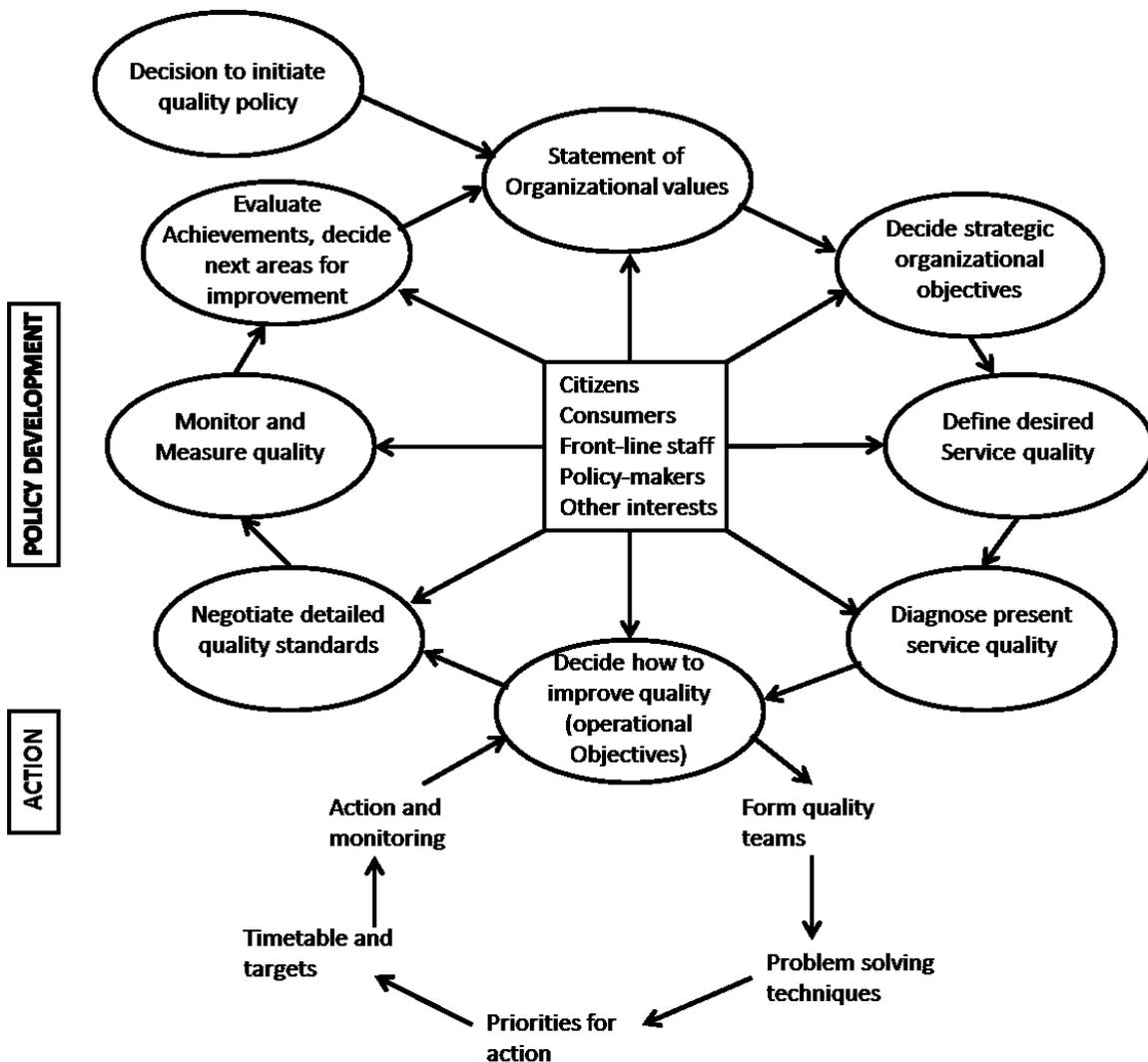


Figure 3. "A Model for Service Quality" (Gaster 1999: 39).

The process of quality management is illustrated in a circle, which emphasizes the necessity of continuous quality improvement while delivering public services. As presented in Figure 3, "interest groups" (i.e. participants of the chain of service delivery) are in a central position of the model, and hence all of them are involved in each stage of qual-

ity management at the strategic level from the value statements till the evaluation stage. According to Gaster (1999: 38), the key for the successful quality management is the improvement of quality regarding the whole organisation rather than its parts.

Based on Gaster (1999: 39–40), during the first phase of quality management, values are formed and quality objectives are set at the strategic level. When defining the values relating to quality, the central interest group should be citizens. Citizens' values should provide the main guidelines concerning what resources should be used for and what the priorities should be. The strategic goals and quality objectives should be clearly communicated to the whole organisation and these should also be based on democratic values. (Ibid.) According to Humphreys, Fleming and O'Donnell (1999: 2–11), the main values of the service users should be identified and their needs should be stated clearly both in the organisation's mission and vision, as well. Furthermore, the implementation of quality services should also be pronounced among the strategic goals and targets of the organisation (ibid.). In this way, the strategic goals of quality improvement are in synergy with the organisation's goals and strategy.

Based on Gaster (1999: 42–43), the second phase of quality management describes the implementation of service quality at the operational level. During this phase, clear explanation about the possible aims of changes should be provided to the employees. Top-down style of management should be replaced with bottom-up methods, which enables the flexibility of decision-making at the lower hierarchical levels, as well. Managers have diverse tools, which can be used to the solution of different problems in service quality; quality teams, prioritizing, schedules including clear objectives and targets are all vital parts during the management of quality problems. (Ibid.) Implementation of quality services not only requires the commitment of the whole organisation, but it needs the support of the senior management with maintaining trust and innovation as well as taking risks (Gaster 1999: 50).

Based on Gaster (ibid.), the third phase of quality management includes the negotiation, measurement and monitoring of the different quality standards (we can also refer to this phase as quality assurance). In the context of higher education in Britain for example,

the process of quality assurance has been maintained as a threefold mechanism. According to Salter and Tapper (2000: 75), quality control has been an internal mechanism of the organisation for sustaining and developing the quality of processes. Quality audits have been carried out externally in the diverse higher education institutions assuring that the organisations had appropriate quality control mechanisms. Finally, quality assessment has been an external review of the quality of learning and teaching processes. (Ibid.)

The phase of quality assurance also entails a few challenges, which needs to be overcome in the organisations. Firstly, as quality assurance often involves external review of the organisation, there might be a problem of power imbalance (e.g. between the state governance and the organisational management concerning the performance indicators and organisational targets, see Salter et al. 2000). According to Zurga (2006: 9–10), the process of quality assurance should only be a mean to improve the effective and efficient use of scarce resources rather than being an end in itself. As this phase belongs again to the strategic level of quality management, it is important that the diverse interest groups (including citizens) are involved to this phase as well. Finally, the process of quality management also requires a continuous quality development and evaluation, as can be seen during the next phase. This means, that quality management is not ending at the phase of quality assurance.

Based on Gaster (1999: 45), the fourth phase of the quality management process includes evaluation and comparison of results both in the short-term and in the long-term. According to Rieper et al. (1998: 121–123), evaluation in the process of quality management can have different aims. It can be used for the steering and motivation of employees. In the context of contracting-out services, the service provider can examine, whether the service deliverer has fulfilled the requirements of their contract. It can also focus on service users and examine the questions, whether their needs and expectations have been taken in attention or whether they have further complaints or improvement suggestions. Finally, it can also aim at receiving feedback from the service provider. (Ibid.)

After the evaluation process, quality management continues with its first phase again, where organisational- and quality values as well as objectives at the strategic level are re-examined and re-stated, if these have changed or if these are not supporting the new quality development targets, as argued by Gaster (1999: 39).

### 3.3. Managerial tools of quality development

In the main phases of quality management, the public organisations apply different instruments (or managerial tools) for developing and continuously improving public service quality. In practice, these tools are applied in a mixed way, based on Löffler et al. (2004: 22). Therefore, the use of managerial instruments during quality management always depends on the different circumstances and specific needs regarding the different cases of public service delivery, as argued by Humphreys (2004b: 86). As Humphreys (ibid.) puts it, there are no “ready recipes”, rather the right methods of quality management should be learnt from others’ experiences. As also discussed by Humphreys et al. (1999: 10), while searching for the best approaches, managers should always consider the perspectives of employees and citizens as well.

Vakkuri (2010: 1000–1001) defines managerial instruments as means to the end of solving problems relating to social efficiency. The tools can be material, symbolic, conceptual or linguistic. The interpretation of the instruments is influenced by diverse factors; the availability of human, mechanical and informational resources; how well the top management is supporting change; social norms, assumptions and behaviours and finally the organisational traditions, the pressure of other organisations as well as the capability of adjusting to the environment. (Ibid.)

Vakkuri (ibid.) differentiates two important mechanisms relating to the use of the diverse managerial instruments, “knowing” and “doing”. Managers should be able to identify efficient mechanisms including the different concepts, models and measurements of quality management. At the same time, they should also be able to apply these in practice by using the right managerial instruments and tools.

### 3.3.1. Tools of investigating organisational perspectives

Quality of service delivery is affected by the fact, how well the perspectives of the different actors (contributing at the different phases of service delivery) are taken into consideration during the quality management. Therefore, public managers need to pay attention on managing the possible conflicts within the different perspectives (described in section 2.2.2). Concerning the successful management of quality, Díez (2004: 72–73) argues that it is important to have a bottom-up approach with the participation of the different interests in the entire process of service delivery, instead of a management-driven, top-down control during quality management. However, this might create a tension to the still strongly hierarchical nature of public organisations, where middle management can lose their authority and importance, furthermore disagreements can evolve between the organisational and the political level as well as between managerial and professional level (ibid. 74–77).

The strong hierarchical structure of the public organisations means a challenge also to quality management. According to Øvretveit (2005: 538), treating others as equals, which is a crucial factor of quality management, can be a challenge if one is being afraid of losing power and control. According to the study of Tönnisson (2004: 53), both organisational structure and organisational culture have a significant influence on the success of quality management.

Organisational structure can be defined by the degree of organisation's centralization, differentiation and formalization. According to Tönnisson (2004: 47–50), the stronger an organisation is centralized, the higher the power and control are concentrated in the hierarchy of an organisation. Complexity and differentiation can be manifested in the spatial structure of an organisation as well, when different departments are located in separate buildings causing a feeling of “first-class” and “second-class” employment within the employees. Concerning the high degree of formalization in organisations, where high amount of rules and regulations are strictly followed, missing managerial guidance and the fact that civil servants are not motivated and /or they are even untrained are often the reasons of slow decision-making. (Ibid.)

According to Tönnesson (2004: 50–53), organisational culture and principles need to support quality management, as well. Commitment and cooperation of the whole organisation as well as employees' motivation have all key importance in a successful quality management (*ibid.*). That also means, that organisational goals and values should support and in the long-run also integrate with the goal of quality development as well, as argued by Díez (2004: 82).

Public managers have access to several tools for investigating the diverse aspects of stakeholders, which they need to take into consideration while managing and developing the quality of public services. For investigating user's perspectives, Øvretveit (2005: 546) presents the tools of sending out surveys or organising focus group- or panel discussions as possible channels for receiving information about users' dissatisfaction or asking their opinions about possible solutions. Nowadays, the application of mystery shoppers is increasingly popular as well, when investigating customers' priorities (*ibid.*).

According to Mark and Nayyar-Stone (2004: 35), citizens' surveys are common tools for investigating their opinions about service quality. Feedbacks from citizens are needed frequently, if public managers want to maintain accountability and partnership with them. Providing information and maintaining communication increase the awareness of citizens about the quality of public service delivery, but it also enables them to be active participators in the evaluation of "how" quality should be maintained and developed. (*Ibid.*)

According to Gaster (1995: 40), the non-technical quality of the services can be influenced by the staff depending on their access to power and on the cooperation within the whole organisation. Furthermore, if the staff is supported by the management and there is cooperation within the departments, non-technical quality can be improved by the staff (*ibid.*). As also Díez (2004: 72–73) argues, employees (especially at the front line) have the best knowledge about organisational processes in practice and mostly they receive feedbacks from the service users as well. Therefore, it is important to involve

these front-line workers in the decision-making about work processes and quality improvements (ibid.).

Finally, according to Øvretveit (2005: 546–550), not only the managers can affect the quality of public service delivery, but there are also tools, which can be used by the other actors participating in the process. Regulations concerning quality of public services are strict and in case of unjust or unfair treatments complain can be stated to the ombudsmen for example (ibid.).

### 3.3.2. Tools of quality management at the operational level

According to the quality management model in Figure 3, quality teams are in a central role of operative quality development of public services. As argued also by Øvretveit (2005: 539), with the help of diverse quality projects teams can be responsible for investigating a problematic issue relating to public service quality (ibid.). According to Díez (2004: 77–82), teams can be both meaningful in the investigation of employees' perspectives about quality of service delivery, and they can have an important role in creating solutions to existing quality problems as well. Defining quality problems, creating action plans with possible solutions and implementing solutions requires the active participations of both teams and management including among others good communication, effective decision-making and the actual recognition of teams (among others by implementing their proposals for instance). (Ibid.) Cooperation and good communication, furthermore, enables more knowledge about the other's work, which leads to efficiency, based on Sundquist (2004: 127).

However, based on Tønnesson (2004: 48–49), if the public organisation is characterized by a highly centralized and complex organisational structure, this affects also the organisational culture and the efficient operation of quality teams. High centralization means an obstacle to the decision-making at the lower organisational levels and a high degree of complexity and specification of different tasks lead to the problem of cooperation and sharing information, which are all very important in the successful quality management (ibid.).

According to Øvretveit (2005: 546–551), quality teams cannot work sufficiently, unless there is a strong managerial support, empowerment and commitment towards quality improvement besides a strong motivation of each actor inside and outside the organisation, who participates and/or is involved in the service delivery (ibid.). As argued also by Bovaird et al. (2009a: 176), the successful quality improvement depends on the commitment at all levels of the organisation. Organisational values need to be relevant to all interest groups, vision needs to be communicated to the staff and quality needs to be internalized to the everyday routine of the organisational processes (ibid.).

Commitment towards quality improvement can be maintained by different tools for motivation. Mark and Nayyar-Stone (2004: 27–31) mention the importance of “Service Improvement Action Plans”, which describe the present situation and different objectives and targets for the future. An objective always means a desired outcome, which the public organisation shall aim to reach. An action plan can include exact actions with schedules, responsibilities of different actors and finally a report evaluating the success of reaching the intended targets and outcomes. (Ibid.). Besides the strategic planning, managers need to be responsible leaders as well, enabling bottom-up initiations and paying attention on both external relationships (e.g. service users) and internal relationships inside the organisation, as argued by Bovaird et al. (2009a: 175).

According to Øvretveit (2005: 539), quality programmes including for instance activities, planning processes or trainings can be established within an organisation in order to improve the quality of public service delivery. Trainings can be essential, because quality improvement requires expert knowledge, as argued also by Jenei et al. (2004: 116). Customer care training is a necessary part of improving non-technical quality, based on Gaster (1995: 41–42). As Holkeri and Summa concludes (1996: 16), the important values of service users and customer service concepts can be instructed to employees and different forms of corruption can be minimized as well.

According to Pollitt et al. (1995: 16–17), from the managerial perspective, quality is meaningful if the different technical characteristics of the services are being measured and monitored. At the same time, managerial responsibility requires the knowledge of

worker's desires and their empowerment in the quality development processes, as Øvretveit argues (2005: 540–556). The Taylorian definition of management, which emphasizes the control of predetermined processes, is being challenged by the new quality movement enabling the self-fulfilment among the workers (ibid.). Managers can investigate the employee's attitudes and values by surveys for instance. Moreover, by enhancing an effective internal communication and by enabling bottom-up initiations, a successful teamwork can be established as well, argued by Holkeri and Summa (1996: 10–11).

### 3.3.3. Managerial tools of quality assurance

Measuring and monitoring are important tools for managers to assure the efficiency and the quality of public services. Therefore, quality assurance often involves the establishment of standards regarding input, process, output and outcome of services.

A standard-based approach requires the phases of developing and implementing the standards as well as auditing and taking action if standards are not met. According to Øvretveit (2005: 546–550), the realization of these phases needs sufficient resources (e.g. skilful staff) and effective communication of the standards. As argued by Sundquist (2004: 127–128), standardization is efficient, when identifying and enhancing work processes, but it can easily increase individual workload and it requires managerial guidance as well.

According to Travers (2007: 64–68), measuring and monitoring quality of public services are often managed by the establishment of different performance indicators. Governments can define diverse performance indicators externally, which enable the steering of resources used or targets fulfilled by the public organisations. As in the British context, resources are ensured to public agencies only, if these fulfil the different performance criteria. Standards and measurements can be also formed on the base of users' preferences and these can be easily raised as time passes. (Ibid.)

According to Bovaird et al. (2009a: 171–172), most public organisations apply existing quality assurance systems, because these enable an easier performance measurement and a guaranteed level of standards in most cases. The different perspectives on quality influence the choice regarding which quality assurance system is applied inside an organisation. The quality assurance system of ISO<sup>5</sup> is used especially in the situation of contracting-out public services, because it enhances competitiveness in the market and the buyer of the service can make sure that the supplier fulfils the specific requirements. The advantage of ISO is that it assures the quality of processes and it leaves room for quality improvements as well. However, its drawback is its high price, which is caused by the documentation processes. (Ibid.)

A positive example of assuring and controlling public service quality (while at the same time managing to save resources) comes from a Finnish pilot project. According to Sundquist (2004: 122), instead of gaining an actual ISO certificate, which was considered both as expensive and meaningless, a quality manual has been created and implemented based on the ISO criteria. As the Finnish example shows, the implementation of changes in an organisation can be easily tested through pilot programmes, by which change can be introduced gradually to the whole organisation, in case the pilot project shows success concerning the quality targets (ibid.).

Showing accountability to service users about the degree of quality of public services is possible with citizens' charters. According to Bovaird et al. (2009a: 169), citizens' charters proclaim the standards of the services and they inform citizens in an open manner about their choices and possible complaint processes. These are, however, inefficient methods of quality assurance and nowadays conventional marketing methods through the different channels of media are considered as more effective, as argued by Sundquist (2004: 125).

In sum, both quality measurements and cost monitoring need further research and development, as argued by Sundquist (2004: 129). Measuring and monitoring the quality of public services should be maintained through the whole process of quality manage-

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<sup>5</sup> International Organisation for Standardization

ment as an important mean to improve effectiveness and efficiency of using resources rather than being ends in themselves, argues Zurga (2006: 9–10). However, measuring and monitoring the level of quality still requires a rather high amount of resources and it increases the bureaucratic processes as well, based on Bovaird et al. (2009a: 174).

#### 3.3.4. Managerial tools of quality assessment

According to Øvretveit (2005: 544), with the method of quality assessment, the achievements of services are benchmarked with the achievements of similar services or with a specific target achievement. The achievements of the same service can also be compared within specific time periods. Quality assessments or evaluations can be established externally as well, like in case of external audits. (Ibid.) Benchmarking of the different organisations carrying out the same (or similar) services enables the discovery and implementation of best practices as well, according to Travers (2007: 64–65).

According to Bovaird et al. (2009a: 173–174), public organisations apply increasingly the quality assessment systems of Common Assessment Framework (CAF) and European Foundation for Quality Management (EFQM), which enables a more balanced system of quality management regarding the whole process of service delivery from resources to outputs and outcomes. The quality system of EFQM uses the approach of self-assessment, and the system entails the levels of “committed to excellence” and “recognized for excellence” based on the achieved amount of scores during self-assessment. For organisations, which only start to implement quality management, the simplified version of EFQM (i.e. CAF) has been developed, which gives the level of “committed to excellence”, similarly like in the case of EFQM. (Ibid.)

Accreditation and rankings are applied increasingly as main tools of quality evaluation in the case of several public services, also in higher education. Based on Øvretveit (2005: 547–548), the accomplishments of the different accreditations provide information for example about the degree of service quality and hence the competence of professionals, which can be important in case of contracting-out (or establishing inter-institutional partnerships or cooperation, which is the case of the higher education.

The phase of quality evaluation or assessment is perhaps the most important phase in the model of quality management, which not only enables the elimination of the useless tools (ibid.), but it also gives an overall feedback on the success of quality management and it further highlights the possible areas, where additional improvements are needed. In the phase of evaluation, the outcomes can be examined and compared. According to Rieper et al. (1998: 123), the different perspectives of the diverse interest groups can be revisited, as described in the first phase of quality management. Furthermore, if public managers and even politicians are involved in the evaluation process, it enables “organizational learning”. (Ibid.) The feedback of the service users are inevitable to evaluate the quality of service provided.

According to Øvretveit (2004: 116), quality management and development is not successful, if new reforms are coming out frequently and there is no time for keeping up with the changes. The effects of using the different quality tools need to be observed from time to time, and if positive results are not perceived, the tools need to be eliminated or changed (ibid.). As Jenei et al. (2004: 116) argue as well, quality improvements should always be justified with results. According to Tönnisson (2004: 48), when introducing new reforms and changes, the reasons and goals of changes should be clearly explained to the staff, otherwise employees will not understand the processes. This further leads to low motivation, frustration and even insecurity of the personnel.

Relating to this issue, Löffler et al. (2004: 4) highlight the importance of appropriate quality rhetoric as well, in which public managers succeed to convince the different stakeholders engaging in service delivery about the meaning and hence the importance of using the different quality methods and tools. There needs to be a strong correspondence between the rhetoric and actions as well (ibid.). Understanding quality in a similar way and striving towards the same goals are the bases of successful quality management, according to Díez (2004: 82–83).

The concept of continuous quality improvement can of course be defined differently. From the managerial perspective, improving the quality of public service delivery refers to the increasing efficiency and enhanced performance of the public organisations. Ac-

According to Vakkuri (2010: 1000), this can be reached by providing the same quality services from less resources or by providing higher quality services from the same amount of resources, as previously. According to Bovaird et al. (2009a: 173–174), from the citizens' point of view, the aim of quality improvement is meeting the users' expectations and continuously developing skills, through which a best practice can be established. Concerning the political and legal questions, the aim of the quality improvement regarding service delivery is the development of quality of life and the reaching of good governance at the macro level of society. (Ibid.)

A common reason of resisting the application of different quality tools in the abovementioned phases of quality management is the fact that their use might sometimes be too expensive and public organisations not always have remaining resources, which could be applied to quality management and improvement of public service delivery (or simply it does not belong to their priorities). According to Øvretveit (2005: 551), the high costs of information technology and necessary equipment are often more important than financing the quality programmes. Therefore, managers need to be aware, how the different tools of quality management could be used as economically as possible and how quality of public service delivery can be maintained, measured and developed so that the limited financial and other resources do not mean an obstacle to that.

Concerning this problem, Löffler et al. (2004: 11–12) see the importance of cooperation between the public and non-profit organisations, which can be considered as highly successful in offering quality services (hence the donations given to them) but still capable of coping with lower resources. The good practice of quality management should be learnt together (ibid.). Moreover, cooperation is needed among the different actors participating in the whole process of service delivery. According to Mark and Nayyar-Stone (2004: 39–41), fear of losing employment because of low performance, fear of cutting resources or insufficient experience and competence of public employees in leading positions are also serious obstacles of a successful quality management.

Quality improvements are not successful, unless there is an appropriate organisational culture supporting the process of quality management. A proper organisational culture

enables bottom-up initiations from the lower hierarchical levels as well as good internal communication. According to Humphreys et al. (1999: 14), instead of the punishment for failures, which means a barrier for the development processes, employees should be encouraged to continuous learning and efforts should be directed to the ineffective (or weak) flow of information in the organisation.

#### 3.4. Research focus: quality management in the higher education

According to Srikanthan et al. (2003: 127–128), a proper model of quality management in the higher education needs to involve a common perspective of the different representative groups, who are participating in the processes of higher education. Coexisting with the earlier described main quality contexts (i.e. value-for-money, fitness-for-purpose, excellence and consistency, see chapter 2.2.3), the quality model should strive towards a quality definition, which involves the perspectives of all stakeholders and maintains academic freedom in the teaching and learning processes, rather than emphasizing only the economic side of the quality problems. As concluded in a recent research of Srikanthan and Dalrymple (2007: 174–178), the higher education should clearly focus on their common goals and core values in the continuously changing social environment, academic freedom being a main value in their quality model.

As pronounced by Srikanthan et al. (2007: 179–181), the organisational strategy of the higher education should place the learning process of the students on the basis of their quality policy. On the operational level this can be implemented by a threefold-mechanism; by a transformative learning process of students (e.g. encouraging students on critical thinking, disciplinary knowledge and being in control of their learning process), collaboration and co-operation of co-workers and commitment and support also by the higher managerial levels (e.g. enabling a shared decision-making process and integrity) (ibid.).

The publicly founded higher education institutions still face the problem of limited resources, which also hinders the transformative learning process of students. According

to Srikanthan et al. (2007: 182–187), because of the lack of resources, universities need to go through a transformation, which includes among others shared goals of the higher education, trust among its members, awareness about different perspectives within the academic community, commitment towards learning and multiple-level leadership. A holistic model of quality management in the case of higher education means the systematic monitoring of quality development of education, which main values (i.e. commitment, collaboration and transformation) lead to improved quality outcomes (ibid.).

Based on the previous literature review, this research study assumes that a successful quality management model has to be built on mutual organisational goals and values, which have been defined (and are constantly revisited) in a democratic manner among the representative groups of the service processes. The fundament of the quality management is a supportive organisational culture, which –besides maintaining the value of academic freedom- supports commitment, collaboration and a transformative learning environment for the stakeholders both within and outside the higher education institution. The research questions are also based on the abovementioned assumption (see chapter 1.2), and these follow the circle of the quality management process as well (see chapter 3.2).

The first research question *“How the quality policy of the higher education institution takes into account the different perspectives of the organisation’s stakeholders concerning the quality of higher education services?”* examines quality management of the higher education institution at the strategic level. The main discussion will be around the topics, to what degree the main public values (from the higher educational point of view, the main values which will be reflected on are academic freedom, commitment and collaboration) and private values (such as e.g. performance and efficiency) affect the quality policy of the higher education; how quality targets are formed and communicated to the internal and external stakeholders of the institution and what is the general relationship between the organisation’s quality policy and organisational strategy.

The second research question *“How managerial tools enable the involvement of the different perspectives of the organisation’s stakeholders in the quality management of the*

*university?*” engages with the quality management of the higher education at the operational level. The analysis aims to highlight the role of quality tools in enhancing common perspectives of the different stakeholders in the organisational processes and hence in leading towards high quality of organisational processes. The question will be analysed from the perspective of maintaining and increasing the fundamental educational values of collaboration, commitment and academic freedom in the quality management process. Furthermore, quality problem solving mechanism will be studied from the perspective of being shared mechanism of the different stakeholders of the organisation.

The final research question “*How the quality of service outcomes can be developed with the involvement of the different perspectives of the organisation’s stakeholders in the quality management of the University of Vaasa?*” returns to the investigation of quality management of the higher education at the strategic level. The main discussion topics will include quality assessment and evaluation processes from the common perspectives, similarly as in the case of first and second research questions. Are the standards (or short-term outputs) met, how the organisation reacts to the feedback of its stakeholders and how continuous quality development is enabled in the organisation (what are the main challenges in developing long-term outcomes and how challenges can be overcome?).

In the cycle of quality management, the organisation should reflect on its quality culture concerning how well the diverse organisational perspectives are taken into consideration and implemented during the quality management process of the higher education institution. The aim of this study is to demonstrate that quality development can be successful, if common perspectives and the main educational values of collaboration, commitment and academic freedom are taken into account in the quality management of organisational processes. However, it can also be assumed that several aspects still need to be developed in the future, and further research is needed in the field, to enable high-quality educational processes and continuous development concerning the quality of public service delivery, also in the case of higher education.

## 4. METHODOLOGY AND DATA

### 4.1. Methodology

This study is based on a qualitative research strategy. For the empirical part of the study, the data was collected and analysed with the research methodology of documentary analysis. In order to obtain the validity, credibility and representativeness of research data and to be able to generalize the findings within the frame of limits (see more in Chapter 1.4), it was necessary to plan the method of data collection carefully. After describing these steps, the method of interpreting the documentations and other written material (i.e. qualitative content analysis) is described.

#### 4.1.1. Selection of study subjects and data collection

As will be seen during the empirical analysis, one of the central managerial tools, which is applied during the quality management of the University of Vaasa, is the tool of documentation. The availability of a rich amount of documents and other written sources, therefore, supports the choice of applying documentary analysis as research methodology. Public domain- as well as internally available documents and electronic sources, which have been produced by the organisation, provided important material for the analysis during the empirical study. As also Bryman (2004: 387) states, researchers often rely on documents produced by organisations.

According to Scott (1990: 19–35), there is four vital criteria, which needs to be considered when selecting documents for analysis; authenticity, meaning, credibility and representativeness. In Bryman's terms (2004: 387), authenticity and meaningfulness of the organisational documents are likely to apply, as these are in most cases clear and understandable for the researcher. Credibility and representativeness, however, might be a challenge. The analyst should pay increased attention on credibility, whether the source of data is biased. Therefore, the documentations should not be taken for granted as illustrating reality. Furthermore, the question of representativeness arises, because of the

uniqueness of the organisational material, however, the problem of representative data also applies in case of statistical analysis, in quantitative research strategy. (Ibid.)

#### 4.1.2. Qualitative Content Analysis

According to Bryman (2004: 392–393), a common way of interpreting documents is qualitative content analysis. In qualitative content analysis the subsequent main steps are followed; developing research question/s, getting to know the context in which documents were created, developing specific themes or categories for the collection of documents, selecting small number of documents, getting familiar with the documents and finally, selecting further documents if necessary. Qualitative content analysis is also one way of coding qualitative data. (Ibid.)

According to Bryman (2004: 401–404), coding is in fact a tool of grounded theory, in which the researcher's interpretation of data is formed in diverse codes. In the data analysis, codes can be turned into concepts, which later can be grouped in diverse categories (i.e. open coding). Categories can be connected to each other via e.g. contexts (i.e. axial coding). Finally, in the selective coding mechanism, the researcher chooses a central category, which is the focus of the data analysis. All other categories are attached to the central category. The outcome of the grounded theory are e.g. concepts, categories, but eventually, these can become hypotheses and even a new theory, if well-organised. (Ibid.)

Based on Bryman (2004: 409–411), coding (and in this study, the method of qualitative content analysis) is a well-applicable method of analysing organisational documents. Even though the method entails challenges (e.g. losing context or fragmentation of data), the method certainly is widely accepted and applied in the research community. The interpretation and theorization of the data is nevertheless important during coding and analysis. Coding, namely should be done on many levels simultaneously; on the basic level, on the level of content (i.e. what has been said) and in connection of a broader analytical level. (Ibid.)

## 4.2. Data

The empirical research elaborates a Finnish institution of higher education, the University of Vaasa. The case of the University of Vaasa was selected to represent the general situation of the publicly funded universities in the Finnish higher education. According to the Finnish Higher Education Evaluation Council (FINHEEC) (2014a), which accomplished the first round of an external audit focusing on the quality systems of the Finnish higher education institutions between 2005 and 2011, quality culture and a transparent quality system should be strongly attached to the organisations in the Finnish higher education. Based on the results of the external audits implemented by FINHEEC (2014b), the University of Vaasa represents one of the most recent cases evaluated in 2011, which therefore enabled the access of an up-to-date and relevant research material.

During the documentary analysis, the quality policy of the University of Vaasa is examined from the aspects of reflecting common perspectives of the institution's different stakeholders concerning quality, definition of quality targets as well as stakeholder's influence on the quality policy. The quality management tools of the University of Vaasa are presented and evaluated in the specific context of societal interaction, reflecting also on the involvement of different stakeholders in the processes of quality management and the maintenance of their common perspectives concerning quality. Finally, the tools applied for the evaluation of quality (i.e. quality assessment) in the University of Vaasa are presented and evaluated, from the same viewpoints, as above. The analyses closes with the reflection on the continuous quality development in the organisation.

### 4.2.1. General presentation of the case of the organisation

With 5071 students (including 346 international students) and 511 staff members in 2012 based on University of Vaasa (2014a), the University of Vaasa is a rather small university if compared with other Finnish universities<sup>6</sup>. The university is relatively

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<sup>6</sup> Compared with e.g. Aalto University situated in the Finnish capital city in Helsinki, where the number of personnel only is around 5000, and the number of students is around 20000, according to the Aalto University (2014).

young as it started with the establishment of the School of Economics and Business Administration approximately half a century ago at the time of this study (University of Vaasa 2014b). However, during this short period, the university successfully increased its expertise and know-how and managed to educate experts in its main study fields.

According to University of Vaasa (2014c), the organisational structure of the university can be illustrated by a matrix characteristic (see Figure 4 in Appendix 1). The Board is hierarchically on the top of the organisation, in charge of the decision-making at the highest level. It is elected by the University Collegium. The organisation is led by the Rector, who is selected by the Board. The university has three faculties responsible of research and education; these are the Faculty of Business Studies, the Faculty of Philosophy and the Faculty of Technology.

At the Faculty of Business Studies the main research and study fields include Finance and Accounting, International Business Studies, Marketing and Management. At the Faculty of Philosophy the main focus areas of research and study are Public Management, Regional Studies, Languages and Law (the latter organised in cooperation with the University of Helsinki). At the Faculty of Technology, Computer Science, Electrical Engineering and Energy Technology as well as Industrial Management are the main focus areas of research and study. The Levón Institute (centre of research and education) and the Tritonia Academic Library are affiliated institutions of the University of Vaasa. The University Services (including e.g. Personal Affairs, Communications, Academic Affairs or the International Office) are providing the administrative services for the organisation.

#### 4.2.2. The basic tasks of the organisation

The core processes and at the same time, the main strategic goals of the university include research, education, interaction with the community as well as management of the above, based on University of Vaasa (2014d). The research process aims at international recognition, regarding both research groups, education and publication. Developing international skills is one of the central aims in the education process, as well. In addi-

tion, relevance to working life, focusing on students' needs as well as high-quality and continuous learning are in central position, when defining goals of the education. Interaction with the society refers to a third main service process of the higher education. The main aims of the process is to support the labour market with highly skilled workforce (e.g. graduates), co-operate with different stakeholders on national- and regional-level as well as produce knowledge for the use of community. The management of the above processes emphasizes high level of quality assurance, productivity and efficiency as well as collegial decision-making with following the principles of democracy and equality. (Ibid.)

Based on University of Vaasa (2014d), each basic task is realized by different means. The research process is carried out with the contribution of research teams, the graduate school, tenure track system and academic publication activity. The education is accomplished by the different degree programmes (both Finnish and international), business-oriented studies and internationalisation skills. During the interaction with the society, the different networks (strategic, national, regional), university's alumni, the research and education centre Levón, co-operation with other higher education institutions and the media have the main roles. The central tools in the management process are among others resource planning, merit pay (according to performance) and the principle of participation and collegiality. (Ibid.)

#### 4.2.3. Applied material in the analysis

The primary research data, which is examined during the documentary analysis, includes the recent quality audit material prepared by the University of Vaasa to the external evaluation of its quality system implemented by FINHEEC in 2011. As a significant part of the quality material is available in the internal portal of the university only, permission for use was asked from the quality manager of the university. The evaluation report of the quality assurance system of the University of Vaasa as well as the official electronic sites of the organisation provided supplementary data during the analysis. The documents and other official sources applied for the documentary analysis are listed in the Bibliography section "B".

## **5. EMPIRICAL FINDINGS OF QUALITY DEVELOPMENT IN HIGHER EDUCATION MANAGEMENT: THE CASE OF THE UNIVERSITY OF VAASA**

The three subchapters are examining the three research questions separately. Each research question is studied by reflecting on the diverse theoretical concepts described in chapters two and three. The analyses focuses on the involvement of the different stakeholders' and the implementation of their common perspectives in the quality development process of the higher education.

### 5.1. Quality policy of the University of Vaasa

There needs to be a holistic approach towards quality management of the University of Vaasa during the present analysis. According to the quality policy of the University of Vaasa (2012a: 1), the process of quality management of the organisation is incorporated into its management and operations management systems. The notion of quality management does not even exist or is used as a concept in the case of the institution. This argument is also supported by Niemelä, Kivistö, Lindblad, Räisänen, Wahlgrén, Holm & Saarilammi (2012: 82), who audited the quality assurance system of the university in 2011. In fact, the external audit inspected the university's operations management system. Therefore, the different processes, operations and quality development of the higher education services need to be analysed, as a part of this larger complexity.

The starting point of the university's quality work is defined by the university's strategy, the organisational planning- and development processes, based on University of Vaasa (2014e: 3–11). It can be stated, that the quality perspective is closely attached to the everyday work and operation of the university. The quality assurance (and the quality processes) are continuously present in the operations. On the other hand, the quality system of the University of Vaasa (and this is also a typical characteristic of all Finnish universities) is uniquely implemented (see FINHEEC 2014b). According to University

of Vaasa (2013: 1), the university has developed its own operations management-, management- and quality systems.

#### 5.1.1. Representation of different quality perspectives

The current strategy of the university does not explain the concept of value, neither does it define, what these are in the organisation. Based on the vision of the university presented in University of Vaasa (2014f), the main goals include the education of highly international minded experts and leaders as well as new knowledge creation concerning operations management and management models of organisational processes. Furthermore, the university's vision is also defined regarding all of its main research and education fields as well, separately (*ibid.*).

However, if we take a closer look at the matter, the following principles can be recognized in the organisational strategy; efficient cooperation networks, modern and sustainable operations models, high standard and productivity of research and education on the one hand; while on the other social interaction, local cooperation or educational responsibilities (University of Vaasa 2014e: 5–14). The values originating from the private sector such as for instance efficiency, sustainability and productivity coexist with the public values of cooperation and responsibility when defining vision.

The adaptation of values from the private sector (such as efficiency and productivity) is based on the administrative system of the states, where orientation towards results has central importance. As can be seen from the agreement between the university and the Ministry of Education and Culture for the period of 2013–2016 (University of Vaasa 2012b: 5–6), there are quantitative and qualitative targets defined for the specific time period and they are being followed up. The basic funding of the organisation (received from the ministry) is strongly affected by the organisation's success of fulfilling the predefined targets.

At the same time, the value of collaboration with the university's stakeholders is a central task of the institution, which comes from the legislation. According to the Universi-

ty Act (Finlex 2010), interaction, which specifically refers to the fact, how the university is connected to and collaborating with the society and with its other stakeholders, is a basic task of the higher education, similarly like research and education. As the process is incorporated in the university's quality system as well, it should be taken into account at each level of the organisation, including the management level, the level of departments and the University Services.

While the public and private sector values are both represented in the university's strategy work and this also influences the different organisational units and their everyday processes and operations, the clash of the private and public shows for instance in the competition with the other universities for external funding. According to Ministry of Education and Culture (2014a), competed research funding has a growing importance in the financial model of the higher education. Researchers need to take into account the purpose, the type and the specific field of research, in which the funding is offered. This competitive financial pattern of the higher education, however, seems to create a barrier towards one of the university's key target; maintaining academic freedom.

The university can attempt to offset this imbalance with its basic research activity, which belongs to the university's own responsibility and which is also attached to its strategic targets and main academic focus areas. According to the strategy of the University of Vaasa (2014e: 2), the focus areas of the university are energy, management, multilingualism and finance. Based on the agreement with the Ministry of Education and Culture (University of Vaasa 2012b: 5), these focus areas are the central research areas, from which the university needs to get results during its research activity. There is a certain flexibility concerning which research direction the university wants to go, but at the same time, it inevitably ends up in the competition (relating to its external funding).

In sum, the problems of the existing competition between the universities, (which is connected to the financial pattern of the higher education), and the general need of being focused on the predefined research fields, could mean a threat to the new emerging research fields. Therefore, the state of academic freedom and freedom of research needs

to be reflected on and the new, growing research fields need to be constantly taken into account by the university.

Then do the private values of efficiency or productivity influence in some way the other two main values of the university; collaboration and commitment, which should be common perspectives of all university stakeholders relating to quality? The private sector values are certainly present and involved during the cooperation with the university's external stakeholders (especially external customers and companions of the private sector) and these values have a strong effect on the commitment of the external stakeholders, as well. According to the University of Vaasa (Vaasan yliopisto 2014a), there is a strong representation of external stakeholders in the university Board. The external members of the Board have their own premises from their own organisations and they strive to influence the way of managing the university via their membership in the Board. Through this influence, their perspectives and the issue, how they understand the concept of management becomes visible in the organisation.

### 5.1.2. Developing quality targets

The establishment and communication of quality targets (and the whole quality assurance system of the university) is emerging from the management and operations management system of the University of Vaasa, as described earlier in this chapter. According to the “wheel of management” of the University of Vaasa (2014g), the management- and operations management system of the organisation are founded on the different quality-, strategic- and performance targets<sup>7</sup> as well as operations in accordance with norms (i.e. the question of “*what to do*”) and on the diverse managerial means (i.e. the question of “*how to do it*”). What the main managerial tools of the university are applied during quality management, is described in the next chapter. The current chapter focuses on the main targets (the “*what*” question).

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<sup>7</sup> The concept of “targets” [Finnish “tavoitteet”] has been further divided into “quality targets”, “strategic targets” and “performance targets” in the university’s documentation. The word “goals” refers to the same concept as well. (See e.g. University of Vaasa 2014g and 2014h).

According to Figure 5 (see Appendix 2) on management, operations management and quality assurance, the targets or goals of the university can be divided into three main groups; these are the implementation of strategic objectives and quality development (including the strategic and quality goals), reaching performance targets (i.e. performance goals) and acting according to norms. The main targets of the university's quality work are also pronounced in the quality policy (University of Vaasa 2012a: 1) as being productive (in the sense of goal-oriented), progressive and responsible in all of the operations<sup>8</sup>. As can be seen, even the targets defined in the quality policy have a double representation of private and public; they entail both the values of efficiency and productivity as well as public responsibility. Moreover, the concept of progressiveness refers to a continuous supervision and, if necessary, improvement of the quality targets of the organisation. Next it has been examined, how the values of productivity, progressiveness and responsibility are connected to the main targets of the university.

The analysis is starting by the examination of performance targets, which belongs to one of the main goals of the university during the implementation of managerial and operations management processes. The performance targets are both quantitative and qualitative and these are negotiated in an agreement of a specific period between the University of Vaasa and the Finnish Ministry of Education and Culture (based on University of Vaasa 2014h). The performance objectives are focusing on the basic tasks of the university; research, education and interaction with the society (see Vaasan yliopisto 2010a: 5).

The newest agreement has been signed for the period of 2013–2016 between the University of Vaasa and the Ministry, based on University of Vaasa (2012b). The agreement defines the quantitative as well as qualitative performance targets according to the new needs for reform regarding the Finnish higher education. On the national level, the strategy defines the main concepts of higher education as basis of know-how, progress of studies and an early start of work life, maintaining the competitiveness, wellbeing and impressiveness by research and innovation, internationalisation and developing academic community. (Ibid.)

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<sup>8</sup> The original text in Finnish "Yliopisto on kaikessa toiminnassaan tuloksellinen, edistyvä ja vastuullinen."

According to the agreement (University of Vaasa 2012b: 1–4), know-how is supported by e.g. structural reform of inter-institutional administrative co-operation and education according to the changing needs of society and labour market. Quality education is enabled by developing the quality of teaching and the necessary prerequisites for good learning, supporting students in progressing with their studies, developing study guidance and study services, developing specialisation studies according to the needs of work life as well as enabling equality and parity in education regardless of gender or social-economic backgrounds. In the field of research and innovation, Doctoral education and the level of research publication are high-quality, cooperation is enabled by the national and international networks and the higher education actively engages in producing and developing new knowledge. Internationalisation is reinforced by e.g. international networking and strategic partnerships, endorsing the integration of foreign students and recruiting international personnel. Finally, developing academic community entails promoting well-being and strengthening equality. (Ibid.)

In the political framework, quality, internationalisation, impressiveness, efficiency, but at the same time, social responsibility, sustainable development, ethical course of action and the mission of civilisation are being emphasized in the everyday operations of higher education. Concerning the abovementioned performance targets, the values of productivity, responsibility and progressiveness are equally represented in the national strategy, as common quality targets of the Finnish higher education.

Taking the specific example of the University of Vaasa, the university's performance targets for the period of 2010–2012 have been examined<sup>9</sup> (based on Niemelä et al. 2012: 18). The quantitative performance targets in the field of research were set down by the number of e.g. Doctoral degrees /professors, different kind of research publications /teaching and researching staff, the amount of national and international funding gained in relation to the total amount of funding as well as the international mobility of the teaching and researching staff (ibid.).

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<sup>9</sup> The newest performance targets according to the newest agreement have not been published at the time of this study, therefore, it cannot be observed yet.

According to Niemelä et al. (ibid.), the quantitative performance targets in education have been defined among others by the number of international degree students, the international mobility of incoming and outgoing exchange students and different performance targets defining the progress of the students in their studies and the employment status of the graduated students. A positive, increasing trend can be observed in almost all of the performance indicators for the years 2011–2013, according to University of Vaasa (2014i).

The quantitative performance targets not only enhance productivity, they also affect the process of interaction with the community (and hence, influence the qualitative performance targets as well). Social interaction, cooperation and social responsibility can be enhanced e.g. through the number of employed graduates or through the influence of research work on the society as well as on the economic life, based on the documentation of social interaction (Vaasan yliopisto 2011a: 1). Moreover, progressiveness can be followed throughout the years, and measures can be taken, if necessary.

When defining the more specific quality targets of the University of Vaasa, we have to move from the national level to the organisational level; and specifically to the organisational strategy. According to the documentation on quality work at the University of Vaasa (Vaasan yliopisto 2010a: 5), the implementation of strategic objectives and quality development of the organisational operations are based on the strategic-, quality- and operational targets<sup>10</sup> of the organisation.

According to the university's strategy chart (University of Vaasa 2014d), the operations are directed by the different strategic goals of nationally and internationally important and high-quality research; clearly focused and work-life oriented education with knowledge on business; societal interaction through producing expert graduates, high-quality research results and through research cooperation; as well as the managing of "productive, high-quality, expert and healthy" work community with "efficient administration". Furthermore, based on the quality goals (University of Vaasa 2014h), operations are managed with the objectives of excellence, meeting customers' expectations,

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<sup>10</sup> The operational targets will be discussed in the next chapter about quality techniques and tools, because this refers to the "how" question of management.

and maintaining reasonable response time. The operational targets are maintained by the different quality tools, which will be described in chapter 5.2.

According to the document on quality work at the University of Vaasa (Vaasan yliopisto 2010a: 5), the implementation of strategic objectives and quality development of the organisational processes at the University of Vaasa are also future-oriented and they aim for the implementation of change. Change can be executed e.g. in organisational structures or resources based on the stakeholders' feedbacks, inspections or audits (important methods of quality assessment (which will be presented in chapter 5.3) and the organisational strategy (ibid.).

Regarding strategy implementation and quality development, the following quality targets can be summarised, if comparing with the targets of quality work (defined in the quality policy, i.e. productivity, progressiveness and responsibility). Productivity can be emphasized concerning the standard of research activity, the business-oriented education, the managerial processes, the efficiency of administration and the response time. The university takes also responsibility as an important public value vis-à-vis nationally significant research, work-life related education, each aspect of its interaction with the community, taking care of the wellbeing of its employees and aiming for customer satisfaction. Finally, progressiveness is visible in the evaluation of processes, renegotiation of strategy and implementing necessary changes in future operations.

Lastly, the third branch of management and operations management systems includes "acting according to the norms" or in other words "doing things right", according to the document on quality work at the University of Vaasa (2010a: 5). This includes the university's operations according to laws, rules and regulations. The university operates in line with the University Act, it follows the University Regulations in its administrative operations and in the managerial processes, while at the same time the Degree Regulations direct the degrees of the university, based on University of Vaasa (2014 h). According to the quality work documentation (Vaasan yliopisto 2010a: 5), the university is further responsible of observing the possible changes of external norms and accordingly updating its internal rules, as well.

The legal perspective defines the central tasks of the universities on the highest level. According to the Ministry of Education and Culture (2014b), the responsibility of the university is to maintain free research and scientific education, offer research-based higher education and educate students to be responsible for their nation and the society. Universities have a great role in this task, regarding the interaction with the surrounding society and producing research findings, which has an influence on the society. Freedom of research and education have been further endorsed by a recent university reform, which came into force in 2010, and as a consequence, universities became more autonomic. Promoting impact on society by research, internationalisation and operation based on regional and national needs are central aims at the legal level as well, on which universities' operations are based. (Ibid.) As can be seen, the endorsement of public values concerning the perspectives on quality in the higher education is strongly represented legally, as well.

The legal aspect is, on the other hand, closely attached to the political strategy and this is when the private sector values such as productivity and efficiency become significant in the administration and in the financial models of the higher education. Together with the performance targets described earlier, a development plan is carried out, including the main policies for research, education and R&D activities (based on Ministry of Education and Culture 2014a). More than half of the university budget is covered by the government funding, which contains the core funding. The basic university funding includes strategic funding, competed research funding (having an important role in increasing quality and influence of research), and basic research (the latter being financed by the Academy of Finland). (Ibid.)

### 5.1.3. Stakeholders' influence on the organisation's quality policy

The commitment of the different stakeholders of the University of Vaasa to the quality services are also described in the quality policy documentation. According to the quality policy (University of Vaasa 2012a: 1), every member of the Academic Community commits to high-quality, responsible and productive operations. The document further defines the commitment of each actor towards the quality culture of the organisation

regarding their main organisational tasks; researchers commit themselves to ethical guidelines during research, teachers commit themselves to high-quality teaching and educational development, students commit themselves to responsibility in their studies and active engagement in educational development, University services commit to supporting the basic tasks of the university according to the norms as well as of sustaining and developing quality during service provision. Finally, all university stakeholders commit to the university's strategy. (Ibid.)

Next we examine, to what degree the different stakeholder groups of the university engage in the different operations management and management processes of the organisation. If the engagement of the different stakeholders is varying in these processes, their perspectives are also taken into account differently in the organisation's quality policy and their influence on the organisation's strategy has a risk to remain limited.

According to the document on quality work at the University of Vaasa (Vaasan yliopisto 2010a: 5), during the process of reaching performance targets, the central actors are the Board, the Rector and the different departments, the latter providing the actual performance, which is being measured. The rector is responsible for the quality of university's operations, and he/she is further supported by the university's management team, based on the quality policy of the University of Vaasa (2012a: 1). The management team can also be referred to as the "Steering Group", which permanent members are the Rector (the chair) and the Deans of the different faculties, based on University of Vaasa (2014c).

According to the document on quality work at the university (Vaasan yliopisto 2010a: 5), in the process of implementing strategic objectives and quality development, the central actors are the Board, the Rector and the so called "operation owner". According to the quality policy documentation (University of Vaasa 2012a: 1), the 'operation owner' is responsible for the evaluation and development of his/her own processes. The operation owners are the Deans, the managers of departments and the different units in charge of the quality as well as the managers of the University Services in their own responsibility areas (ibid.).

In the third main process, acting according to norms, the central actors are the Board, the Rector, the Deans and on the level of offices the office managers, based on the quality work document (Vaasan yliopisto 2010a: 5). In addition, according to the quality policy documentation (University of Vaasa 2012a: 1), the actors and main organs engaging in the quality-related questions of the organisation and who are in charge of quality assurance system include also the Quality Manager (responsible of maintaining and developing the quality assurance system), the quality work group (in charge of the direction and coordination of quality assurance, quality development and -evaluation of operations as well as of the support of the organisational units in their quality work), the quality controller<sup>11</sup> and the quality assistant<sup>12</sup>.

The above described quality organisation has a hierarchic structure. According to the university's quality policy (University of Vaasa 2012a: 1), the Rector is on the highest hierarchical level, who is also the chairman of the quality work group (right below the Rector). The quality work group further includes the quality controller of each organisational unit (i.e. the University Services, Faculties and affiliated institutions of the university) and the Quality Manager. The quality controller is in charge of the quality-related documentation, communication and reporting in his/her own unit, he/she is engaging in the evaluation and he/she is responsible for introducing the university's unified quality assurance processes in his/her unit. The quality assistant answers for the technical realisation of documentation and communication issues.

## 5.2. Managing quality at the University of Vaasa: managerial tools

In the present chapter, the analysis is focusing on the “*how*” question of quality management at the operational level. The different managerial means and -tools are examined from the aspect of involving university's stakeholders in the quality assurance and -development processes, their collaboration and commitment to the quality of university's operations and processes and the achievement of academic freedom.

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<sup>11</sup> In Finnish: ”laatuvaastaava”

<sup>12</sup> In Finnish: ”laatuavustaja”

As a starting point, the definition of “quality tool” is examined, as it is applied in the case of the University of Vaasa. The different tools applied in the university’s quality management process will be categorized as systems, money and human’s action (human action referring for instance to the courses of action<sup>13</sup>, to the collegial decision making at the different organisational levels and to the matter, how the stakeholders are involved in the decision making and in the organisational conversations). Next, the different quality tools are examined in relation to one of the basic tasks of the university, interaction with the society. The chapter closes with the analysis of quality tools regarding the involvement of university stakeholders and the realisation of common perspectives regarding quality in the higher education processes and operations (through fulfilling the values of collaboration, commitment and academic freedom).

#### 5.2.1. Quality tools applied in the operations management

The main managerial means in the university’s management and operations management describe three main processes; these are strategic and financial planning, quality assurance of processes and operations as well as communication (i.e. quality rhetoric), based on the University of Vaasa (2014j). First the quality tool of strategic and financial planning is analysed. According to University of Vaasa (2013: 1), the organisation defines performance objectives for the different faculties and for its affiliated institutions, as well as it announces service targets for the University Services. With the help of these performance- and service targets, also plans are being formed regarding how to implement the targets (ibid.).

While the university establishes the university-level targets by the mean of strategic and financial planning, at the same time, it also drives its departments and units to fulfil the targets on the lower levels as well. According to the quality work documentation of the university (Vaasan yliopisto 2010a: 6), the process includes strategic planning; establishing objectives and planning of operations; implementation, follow-up and reporting of plans and the evaluation and continuous development of operations. Within the processes, the main organisational guidelines and objectives are laid down, resources are

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<sup>13</sup> In Finnish ”toimintatapoja”.

allocated in order to achieve the targets, outputs of processes are steered and monitored as well as the achievement of targets is evaluated and reported (see also University of Vaasa 2014j).

The technical quality tool, which was earlier applied in the organisation's strategic and financial planning process was an electronic system called "Strategic Planning Tool"<sup>14</sup>. According to the internal communication platform of the organisation, the Strategic Planning Tool aimed at uniform and updated planning, steering, monitoring and reporting of processes and at the same time transparency in the strategic and financial planning process. The tool, however, has been eliminated, due to technical problems. Replacing of the technical tool is still in progress in the organisation.

While the strategic and financial planning process observes the establishment and fulfilment of university targets at the organisational level, the quality assurance of processes and operations, which is the second main managerial mean in the operations management and management processes, focuses on the specific functions<sup>15</sup> of the organisation. The document of strategic planning and quality assurance (University of Vaasa 2013: 1) refers to functions, as the university's basic tasks attached to each other, the different services provided by the organisation as well as the strategic and financial planning process. The definition of strategic and financial planning process can be found above. Furthermore, the concept of basic tasks are outlined as research, teaching and interaction with the society, produced by the university's departments<sup>16</sup>. Lastly, services are functions, by which the University Services support the basic tasks as well as provide other services to the departments and to the other university units (ibid.).

Quality assurance of the abovementioned functions aims not only at evaluating and assuring quality, but also at the continuous quality development of processes and operations, argued in University of Vaasa (2014j). Therefore, 'operation owning' (described in chapter 5.1.3) is crucial in the management and quality development of the functions. According to the quality work document of the University of Vaasa (Vaasan yliopisto

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<sup>14</sup> In Finnish: "Toiminta- ja taloussuunnitelma-työkalu" aka "TTS"

<sup>15</sup> In Finnish "toiminnot"

<sup>16</sup> In Finnish "tuloksikkö"

2010a: 6), it is necessary to have a “function map” describing the complexity and hierarchy of functions, in which the targets, plans and implementation (e.g. whose responsibility the function is) are being indicated. Namely, the different units can be engaging with the same functions. This complexity is further described regarding acting according to norms, reaching performance targets and developing processes. Finally, communication of functions is also a central question, when describing what these functions are. (Ibid.)

The technical quality tool, which is applied for the depiction of functions and their responsible actors and which is used for documentation at the University of Vaasa is called “Proppu”. Based on the quality work at the University of Vaasa (Vaasan yliopisto 2010a: 6), Proppu is a technical quality tool, which allows automatic content updates, collecting information from different sources and structuring information in a standardised way. It can also be referred to as the quality hand book of the organisation.

According to the document on strategic planning and quality assurance (University of Vaasa 2013: 1), the documentation quality tool describes the different functions by the following characteristics; targets (such as e.g. quantitative targets and targets to be developed) and implementation plans of the functions as well as their follow-up-, reporting- and evaluation procedures and norms; implementation of functions in practice (work distribution and responsibilities) as well as hierarchic description of functions (including constituent functions<sup>17</sup> and single work tasks).

Proppu is presenting all university functions in the above illustrated unified and standardised structure. Furthermore, according to University of Vaasa (2013: 1–2), it introduces the communication and job description involved in the processes as well as reflects on the different stakeholders being involved in the processes. The documentation is coherent, therefore, the structure of university functions are also visible from the content of this quality hand book. The advantages of the quality tool is, that the targets, which need to be developed in each function are reflected on, furthermore, the quality development tools of the functions are included. (Ibid.) Development can also be stimu-

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<sup>17</sup> In Finnish: ”osatoiminto”

lated based on the documentation tool, as actions need to be made in case the documentation demand stimulates problematic issues.

Even though the tool provides a detailed and comprehensive picture, a disadvantage of the quality tool is that it needs further development regarding user-friendliness and visualisation based on the findings in the external audit by Niemelä et al. (2012: 25). According to the strategic planning and quality assurance of the University of Vaasa (2013: 2), the responsible actors for the practical documentation are the quality controllers and the quality assistants of the different functions. As Proppu is a quality tool, it needs to be noted, that it aids in the quality developing process, but it does not “do” quality in itself.

Finally, communication (and in the current aspect, quality rhetoric) is the third main managerial mean in the operations management and management processes of the organisation. With the mean of quality rhetoric, the university functions are being communicated in the internal university portal and on its external webpages based on the quality policy of the University of Vaasa (2012a). According to the quality work documentation (Vaasan yliopisto 2010a: 6), communication has a vital role in directing its different stakeholder groups towards the university services and procedures. The mean of communication enables the stakeholders to find necessary records, information about the service providers and it also enables service providers to receive feedback from its stakeholders. Further role of communication entails the description of the different services, procedures and operations management as well as it has an important role in marketing. (Ibid.)

Communication in the context of quality development has a crucial role in the management and operations management processes, namely, it enables a close relationship between the stakeholders and the service provider. According to University of Vaasa (2013: 2), the stakeholders are guided towards the right actions, while at the same time they provide valuable feedback to the service provider. With the mean of communication, the provider is directed towards the specific development needs of its own processes.

The university applies three own platforms (we can refer to these as technical tools) for communication; these are the portal, the external websites and the “Ruori” site. The internal portal can be accessed by the academic community; students, teachers, researchers, other university staff as well as individuals. Based on University of Vaasa (2013: 2), the portal includes the descriptions concerning services and central processes as well as it has a role in collecting feedback about the abovementioned processes. The portal acts as a storage for the quality assurance documentation (i.e. Proppu, see above), as each service and process description has a link to the appropriate quality assurance description. (Ibid.)

Based on the quality work documentation (Vaasan yliopisto 2010a: 6), external websites of the university are technical tools of communication for all university stakeholders (including also the external stakeholders; e.g. partners, companies and the community). The university employs the tool for communicating the university processes and services towards all of its stakeholders, and for the purpose of university’s marketing. The stakeholders have possibility for feedback on the external web pages, as well. The feedback can be applied for evaluating and developing the university’s processes and services. (Ibid.)

The third technical tool of communication are the “Ruori”<sup>18</sup> sites, which describe the university management and the complexity of operations management. According to University of Vaasa (Vaasan yliopisto 2010a: 6), the Ruori sites also include the above described strategic and financial planning processes as well as the processes of quality assurance and the technical tools involved within these processes. Based on University of Vaasa (2013: 2), the university’s processes are going through a continuous change, therefore, the university’s staff has an ongoing access to the different technical tools and the descriptions of processes as well as documentations are constantly being updated. The responsible actors for the communication are the quality controllers of each organisational unit. (Ibid.)

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<sup>18</sup> The word ”ruori” also has a symbolic meaning in this context. The Finnish word “ruori” means wheel in English, referring to the management and direction of the organisation.

Other means of the management processes, which are applied as tools of fulfilling the organisational strategic targets, while involving the stakeholders in the organisational processes, are money and human's (inter)action. The money-related explanation can be seen for instance in the merit pay system of the organisation, by which the university staff and researchers are encouraged to pay attention on the important targets. The university applies the system of merit pay as a mean for direction. Researcher's publishing can be mentioned as an example, in which researchers are encouraged to high-quality research publications on high-esteemed publication channels.

Besides money, human's action and interaction are also quality tools applied in the managerial processes. As will be seen in chapter 5.2.2, collaboration can be highlighted in the project of the university jury. The jury (based on the citizen's voice project) is a communal operation model, in which the whole university is involved. During the discussion, the university community is thrashing out a specific problem or a challenge (e.g. progress of studies, students' employment), and they are pondering together, how these problems could be solved.

As can be seen, quality tools applied in the organisation include both human action and -interaction elements (e.g. models of collegial decision making and collaboration), systems (e.g. documentation system Proppu, as well as other systems applied during the operations management processes) and material means such as e.g. money. The next chapter illustrates, how these managerial tools are applied in a specific function of the university; interaction with the society. The basic task of societal interaction was chosen for further analysis, because this function also delegates a higher role to the community and other external stakeholders, besides the academic community. On the other hand, interaction with the society is an important target of the higher education strategy also at the national level, which aims at fulfilling the needs of society and labour market, and in the long run, the development of quality of life.

### 5.2.2. Application of managerial tools

The university has three basic tasks; research, education and interaction with the socie-

ty. Other functions of the higher education include the supporting services provided by the University Services as well as strategic and financial planning activity (described in 5.2.1.). This chapter analyses the quality tools (described in the previous chapter) regarding their application in the practice during the university's basic task of interaction with the society. It has to be noted, that research and education (the two other basic tasks) have a strong role in the successful implementation of the strategic targets of interaction with the society. In fact, high-quality education and research in the organisation both affect its successful and high-quality interaction with the society.

The organisation's research activity and its targets of nationally significant and internationally high-standard research in fact influences the research cooperation and provision of research results during the process of interaction with the society. On the other hand, the educational targets of providing high-quality education, which is also relevant to working life, affects the aim of producing expert workforce, which supports the successful interaction with the society. During the process of societal interaction, the organisation represents the important public value of social responsibility. While interacting with the surrounding community, the university aims at producing expert workforce, being in tight research cooperation with its partners and actively providing research results to the society. Visibility in the media, local, regional and strategic networks and cooperation with the different stakeholders are all important means during the process. (See also chapter 4.2.2.)

In the documentation tool Proppu, the complexity of social interaction is described with the aims of quality assurance and continuous quality development of the process. The function is described in a hierarchic arrangement of the work tasks (responsibilities at the university-level, at the faculty-level and the specific responsibility area of the Levón institute). The implementation of the function is presented in practice according to norms, after which the targets, implementation plans, follow-up and reporting is explained. The targets are also reflected from the point of view, how these could be developed according to the quality targets and what the current development activity is.

The analysis starts with the strategic and financial planning activity in the process of social interaction. Every unit of the organisation needs to have specific targets and implementation plan relating to the basic task of interaction with the society. The units should reserve resources to the implementation of the task, as well as the results of implementation should be followed-up and evaluated. According to the documentation on social interaction (Vaasan yliopisto 2011a: 1), at the level of faculties for example, the different study programmes are continuously evaluated, whether these are relevant to working life and the employment rate after graduation is being followed up. The working life relevance is in most study programmes listed on the programmes' website. Feedback concerning the employment of graduates is collected (the situation is reviewed one year after their graduation) (see e.g. Vaasan yliopisto 2014b).

Besides the education, also the relevance of research is examined at the faculty-level; how impressive the research group's activity is and does it provide relevant knowledge for the social and economic life. The research agenda of the different research groups is described on the website of the research groups. Furthermore, the research publications are marked at the sites, as well as these are collected to a general research database of the university, available to the public. The dissemination of research results and outcomes of educational work to the use of society happens also by the university blogs (based on University of Vaasa 2014k).

The documentation on social interaction (Vaasan yliopisto 2011a: 1) highlights that the process is fulfilled by two main responsible actor and unit at the university-level; the rector and the Communications office. The rector represents the university and provides knowledge about the organisation in the different cooperative meetings with other higher education institutions, municipal and regional partners. The cooperation is two-sided, as the rector receives feedback and initiatives from the external stakeholders. The Communications office has a role in producing and passing on the knowledge to the different stakeholders, it creates the university brand, supports the university's media relation and deals with the feedback (coming through different channels). (Ibid.)

The main targets of the university concerning social interaction are based on the performance objectives agreed by the University of Vaasa and the Ministry of Education and Culture (see in 5.1.2), containing the qualitative and quantitative targets concerning research and education. Based on the documentation on social interaction (Vaasan yliopisto 2011a: 1), the process is guided according to the legal and political norms, which is pronounced by the university law and regulations. The latter, however, can be affected by the university Board through different proposals (e.g. in case of changing the educational responsibility for instance by introducing a new educational field). (Ibid.)

According to University of Vaasa (Vaasan yliopisto 2011: 2), the targets of social interaction are three-folded; they include the rate of employed graduates at the university-level, the influence of research on the social and economic life, as well as the impressiveness of social interaction, which is measured by the performance targets of the Levón institute. The Levón institute has a strategic responsibility in developing education and research activities as well as guiding the activities of Open University and the continuing training of the personnel (ibid.).

The university-level planning, follow-up and reporting activities about the social interaction are also accurately documented in the Proppu documentation tool. According to the university's documentation (Vaasan yliopisto 2011a: 2), the employment-rate of graduates is assured by their business- and international competence as well as the increase of work life relevance of the study programmes. During the planning process, municipal cooperation within the Ostrobothnia region is created between the municipality and the other higher education institutions of the region, especially in the field of energy. This kind of cooperation not only enhances the wellbeing of community in the municipality, but also supports the development of research and education. (Ibid.)

The increasing influence of research on social and economic life is a target, which is followed up yearly by the strategic and financial activity, and the concrete definition of the target can also be negotiated (this is scrutinised at the end of the agreement period for the performance targets). According to the document on social interaction (Vaasan yliopisto 2011a: 2), one mean of follow-up is currently the amount of research funding

received. The amount of research funding is also stated in the annual report of the University of Vaasa. In the years 2011–2013 for example, the amount of competed research funding received by the organisation has increased in the university with an average of 4,1 % / year (based on Vaasan yliopisto 2013a: 10).

Another mean of follow-up social impressiveness of research is the quality indicator of research publications (classified by The Publication Forum). According to the forum's evaluation (The Publication Forum 2013: 2), classification '3' stands for the "highest level of leading scientific publication channels", level '2' is classified as "leading scientific publication channels", level '1' describes "scientific publication channels" and level '0' refers to "other identified publication channels".

The research publications classified with level 3 have a high international impact, they cover the research fields comprehensively and they also have a high citation index. Publications with a classification of 2 refer to a (rather limited) international impact compared to level 3, and in the fields of humanities and social sciences, these publications also have a high national impact. Level 1 describes publications with high national research influence and scientific outcomes. (Ibid. 2–5.) The university yearly follows up and reports the outcomes of its research publications in various channels (e.g. in the annual report of the organisation and on its external websites among others). During the years 2011–2013, the number of research publication classified by '0' has evenly decreased, while at the same time, the number of publications classified by 1–3 has increased (based on University of Vaasa 2014i).

The documentation tool Proppu also describes the various methods of developing social interaction and it lists the different forms of strategic, regional and municipal collaboration of the higher education. According to the documentation (Vaasan yliopisto 2011a: 2), the development process of social interaction is based on the university strategy (see also chapter 5.1.1). Active collaboration with the different stakeholders, networking and interaction all have central importance in fulfilling the mission of social interaction.

Based on the document on social interaction (Vaasan yliopisto 2011a: 2–4), the study programmes, the research groups, the Levón institute and the university have a clearly defined role in the development process. The study programmes aim at increasing work-life relevance, the research groups create, transfer and apply new knowledge with the contribution of their innovation networks; the Levón institute transmits the knowledge of know-how to the society, and the university establishes strategic partnerships. The stakeholders also contribute to the university's operations management processes, based on the agreements, regional strategies and other forms of collaboration. (Ibid.)

The different forms of collaboration with the various stakeholder groups during the process of societal interaction are defined on six different levels, these are collaboration with other universities and higher education institutions, collaboration and interaction within the municipality of Ostrobothnia, -within the region of Vaasa, -on the national level, -with companies and -on the international level.

The *inter-institutional collaboration* of the universities on the national level promotes the common perspectives and endeavours of the universities as well as it supervises their interests. According to University of Vaasa (Vaasan yliopisto 2011a: 3), the Vaasa Consortium of Higher Education, led by the rectors of the higher education institutions of the city of Vaasa, collaborates in the form of diverse work groups to fulfil the common strategy of the consortium. The rector has a role in representing the organisation in the municipal collaboration of the University of Vaasa. The *municipal collaboration* has diverse forms and missions e.g. in forecasting the needs of education and research from the municipal perspective, networking of the cultural, educational and research fields, developing strategic partnerships and collaboration model in the form of common projects as well as influencing the national decision-making process and budgeting. (Ibid.)

The organisation is also involved into a multifaceted *collaboration in the region of Vaasa*. According to University of Vaasa (Vaasan yliopisto 2011a: 3), the objectives of the collaboration is e.g. creating regional development projects, promoting know-how of establishing enterprises and education of management. Furthermore, the regional collaboration also has a significant role from the financial aspect of the organisation, as

both the city of Vaasa, the Chamber of Commerce<sup>19</sup> and the University Association<sup>20</sup> have a role in the fund-raising of the university. The university is represented by various actors at the regional-level collaboration, not only by the rector, but also by the deans, by the university staff and by the Levón institute. (Ibid.)

According to University of Vaasa (Vaasan yliopisto 2011: 3), the *national-level collaboration* includes the cooperation with the members of parliaments and with the university alumni. The university engages with the members of parliament in different development projects, the university law and the educational policy. (Ibid.) The university also maintains a strong relationship and collaboration with its alumni. The personal contact with the graduated students supports not only social interaction, but the relation also aims to a two-sided prosperity for both alumni and the academic community (based on the Alumni website of the University of Vaasa 2014l).

According to the document on social interaction (Vaasan yliopisto 2011a: 3–4), the *cooperation with the companies* include several research projects and strategic partnerships, through which the university students have possibility to receive summer jobs, internships and practical experience for writing their thesis. Finally, *international collaboration* supports the research- and educational cooperation with the mean of international mobility of students and staff, international research communities and different research projects carried out in international collaboration. (Ibid.)

Quality rhetoric or communication of quality was presented as a third main quality tool applied by the organisation during the operations management and management processes. When analysing the technical tool of communication during the process of interaction with the society, external websites of the organisation are examined, as these are available for all university stakeholder groups.

The main organisational website (available externally) includes two central sub-sites, through which the university describes its societal interaction and reaches out the media; “Cooperation and Services” (according to University of Vaasa 2014m) and “Me-

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<sup>19</sup> In Finnish ”Kauppakamari”

<sup>20</sup> In Finnish ”Yliopistoseura”

dia” (based on University of Vaasa 2014n). On the first sub-site (University of Vaasa 2014m), the organisation clearly defines social interaction being one of its basic tasks in addition to research and education. The synergic importance between the region and the organisation, the support of society with creating expert workforce through education and new scientific knowledge through high-quality research, as well as being leader of societal communication are pronounced as main guidelines in the organisation (ibid.).

According to University of Vaasa (2014m), the basic task of societal interaction is divided into further ways of cooperation, these are “Cooperation with Companies and Organisations”, “International Cooperation” and “Support our Success”. Additional categories are available on the Finnish language site, such as “Welcome to the Community”, “Cooperation with Other Education Institutions” and “The University as the Force of the Region”. (Ibid.)

Cooperation with Companies and Organisations is established in the main education and research fields of the organisation. Cooperation is done by commonly funded research projects and commission projects. The organisation offers different services for external companies and other stakeholders, not only in the form of research projects, but also in the form of supplementary trainings, Open University studies and available work force (e.g. trainees and thesis writers). International Cooperation is a highly valued part of the organisation’s strategy, as well. The cooperation includes student- and staff mobility through the extensive international network of the organisation, the provision of international Master’s and Doctoral Programmes and international research cooperation. International competence is seen to belong to high-quality education, which also increases the work-life relevance of the education. (See University of Vaasa 2014m.)

Further ways of collaboration are described under “Welcome to the Community”. The Student Union is functioning as the supervisor of students’ interests and wellbeing. The Alumni is a link of the organisation to the social and economic life through the graduates, but it also provides a wide network for the Academic Community, the graduates, other external stakeholders and the community. The University Association emphasizes the collaboration of the university with its environment. Finally, the Vaasa University

Foundation provides economic support for the development of the university (included also in “Support our Success” sub-site). (See University of Vaasa 2014m.)

“Cooperation with Other Education Institutions” includes collaboration with the Vaasa University of Applied Sciences, with the Vaasa Consortium of Higher Education, with several high schools and regional networks of higher education. The collaboration with the education institutions aims at benefiting all parties in the processes, providing multi-faceted, high-quality and even more efficient services. (See University of Vaasa 2014m.)

Lastly, the regional impressiveness of the organisation is supported with the means of “popular science” (scientific knowledge provided to the society via e.g. publications, public lectures, other events available to the general public, university blogs, interviews and video conversations with the researchers), “Newspaper University” (a unique concept of educating society, partly or completely via article series, in collaboration of the Open University, university departments and regional newspaper ‘Pohjalainen’), the university blogs (mentioned earlier), Citizens’ Voice (a method of citizens’ participation, shaping common perspectives and influencing decision-making about citizens’ needs), the university’s own newspaper ‘Vox Cordis’ (being a link between all stakeholder groups) and newspaper of Student Union ‘Vaasan ylioppilaslehti’ (the university’s world from the students’ perspectives). (See “The University as the Force of the Region” in University of Vaasa 2014m.)

Based on the organisation’s media relations (University of Vaasa 2014n), the University of Vaasa is open to collaborate with the media. It is seen as a way to provide scientific knowledge to the society and maintain two-sided communication with the surrounding community. The organisation is also represented on various channels of the social media. Furthermore, the publicly available events are also listed on the external website. The primary responsible unit of maintaining external relations is the Communications office.

### 5.2.3. Evaluation of quality tools

Chapter 5.2.1 presented the different quality tools applied by the University of Vaasa during management and operations management. Chapter 5.2.2 elaborated the specific example of how quality tools are used while implementing the basic task of social interaction between the university and its stakeholder groups. In the present chapter, the quality tools will be examined from the perspective, how they contribute to the involvement of stakeholders to the university's quality management process and how the values of collaboration, commitment and academic freedom are maintained by the various tools of management, while contributing to the implementation of common quality perspectives of the stakeholders in the higher education.

During the strategic and financial planning process, by which the organisational units set up quality- and performance objectives as well as plans for the implementation of the targets, the units have a great autonomy in setting up targets independently and they can themselves evaluate, if the different targets were met. The planning process gives a specific direction for the organisational operations and the decision-making process is carried out at the organisational-level. As there is currently no technical quality tool, which is used in the process, stakeholders' involvement cannot be evaluated.

The technical quality tool used for quality assurance of the university's functions (i.e. research, education, societal interaction, services and strategic and financial planning process) is Proppu. The quality tool lists the specific responsibilities and work distributions of the different stakeholders, and it also illustrates, how stakeholders are involved in the different operations. Stakeholders (other than the quality controllers and quality assistants) do not, however, take care of the technical documentation of the processes, so this technical tool does not involve stakeholders on a wide scale.

The different technical tools of communication, which is the third main managerial mean applied at the University of Vaasa, are the internal portal, the external websites and the 'Ruori' management site. These quality tools were examined from the perspective of quality rhetoric of the organisation. From the three main managerial means ap-

plied by the organisation, communication, and specifically the external websites came up as the most interactive quality tools between the university and its stakeholders. The different platforms of communication create an important link between the university (being the service provider) as well as its stakeholders (the service users). With the help of the communication tool, service users are directed towards the proper sources and the organisation receives important feedback and needs for development concerning its operations.

Money, which is used for the purpose of direction and is applied by the management in the form of merit pay, can be an efficient managerial mean, however, it is mainly used for influencing the stakeholders of the internal organisational operations and processes, regarding the goals of their productivity and efficiency. Whereas, with the diverse means of collaboration (in the forms of university jury and various other methods of interaction with the external and internal stakeholders of the university), the organisation can create a more collegial atmosphere, where human's action and interaction are being emphasized and stakeholders are actively involved in the operations and processes.

From the perspective of implementing the values of collaboration, commitment and academic freedom with the different quality tools during management and operations management, the basic task of societal interaction was examined. Interacting with the society by producing expert workforce and high-quality research results concerning the social and economic life is a social responsibility and a lawful obligation of the higher education.

From the educational context, managers of the study programmes are committed to maintain the work life relevance of their programmes and they also aim at high employment rates of their graduates. According to the quality policy of the University of Vaasa (2012a: 1), the means of commitment during teaching are pedagogical expertise and the expanding of one's knowledge in the specific study fields. Also students commit themselves to be responsible members of the academic community (ibid.) and to progress with their studies. Applying the quality tool of strategic and financial planning,

different quantitative and qualitative targets are defined and followed up during the operations, which enable the members of the academic community to reflect on their own commitment in the processes, as well.

From the aspect of research activity, the relevance and impressiveness of research publications (measured with the means of e.g. the amount of research funding received and the quality indicators of The Publication Forum) have a significant effect on the quality of university's societal interaction, as well. Based on the quality policy of the organisation (University of Vaasa 2012a: 1), the researchers' means of commitment include the wide distribution of research results on high-quality and impressive publication channels. Furthermore, managers of research groups commit to being responsible leaders, who enable a well-planned research activity in their research group (*ibid.*). The commitment to high-quality and ethical research activity can, nevertheless, be hindered by the competition for research funding, which can have a negative effect on the implementation of academic freedom during the research activity (see also 5.1.1.).

The implementation of the value of collaboration occurs at different levels via the strategic, regional, municipal, national and international partnerships and networking activities created between the organisation and its different external stakeholders. The collaboration with other educational institutions and companies enables a synergy, in which the different needs of the collaborating parties meet. The synergy, which is enabled by this multi-faceted collaboration, escalates the positive effects on the societal interaction regarding the quality of research activity and the work life relevance of the higher education. The different platforms for communication with the external and internal stakeholders have a role in the organisation's quality rhetoric and in the implementation and reinforcement of the value of collaboration.

### 5.3. Evaluation and development of quality at the University of Vaasa

Chapter 5.3.1 aims at presenting the quality assessment methods, by which the university evaluates the quality assurance of its services and operations. When examining the

different quality assessment methods, some cases of societal interaction will be given as examples. In chapter 5.3.2, the quality assessment methods are elaborated from the perspectives of involving stakeholders and implementing their common perspectives regarding quality. Finally, chapter 5.3.3 elaborates, how the organisation can best utilize the outcomes of quality assessment in re-evaluating and redesigning its quality policy. The continuous quality development of the organisational operations leads to the development of long-term quality outcomes and in the macro perspective, to the development of quality of life.

### 5.3.1. Methods of quality assessment

According to the quality policy of the organisation (University of Vaasa 2012a: 1), the methods of quality evaluation (or quality assessment) during the process of management and operations management include the follow-up of strategy by the means of internal reporting and evaluating effectiveness; receiving of feedback from the Ministry of Education and Culture (i.e. evaluation at the political level); internal quality assurance and assessment with the means of feedback system and theme reviews and lastly, external assessment with the means of audits, accreditation and different ranking lists.

The fulfilment of quality during the university's basic tasks and processes is not only a target, but it is being strictly followed up. The outcomes of processes and the quality of work done are constantly evaluated, as high-quality of functions and processes is a strategic target. Moreover, quality of the service provided to external stakeholders and sponsors in general is also defined in the agreements made with them. Based on the university's strategy (University of Vaasa 2014d), there are specific criteria, which are being followed and evaluated during the task of societal interaction (discussed in 5.2.2). These include the examination of partnership agreements, the productivity of adult education and the follow-up of impressiveness of research.

In addition, the university follows an action plan for its strategic targets and means, including specific actions, responsible actors as well as units, schedules and annual plans for its departments. The follow-up and evaluation of quantitative and qualitative targets

are based on the action plan. According to the university's development plan for 2013–2018 (Vaasan yliopisto 2013b), the visibility in the media should be continuously supported with the contribution of faculties and the University services. The main research findings and prominent study attainments should be present through the different channels of media. Other ongoing processes should include the evaluation of local and regional education networks as well as the cooperation with the region's polytechnics. The partnership agreements between the companions should be periodically elaborated and renewed. (Ibid.) The ongoing processes of media visibility and educational collaboration in the region are all important means of maintaining the value of collaboration. A well-functioning collaboration also suggests the high quality of processes and high quality of the services provided.

The action plan further highlights specific tasks regarding alumni activity, strategic partnerships and the role of Levón institute with more detailed schedules. As stated by the development charter (Vaasan yliopisto 2013b), the alumni activity should be a link to the work life connections, hence, the activity needs to be carefully planned concerning responsible actors and resources need to be allocated. Strategic networks should be established with the most important partners through agreements, visits and collaboration with the external stakeholders needs to be supported by working feedback systems. For maintaining the role of Levón institute in conveying the scientific knowledge and know-how through adult education and other services (e.g. commission projects), there needs to be an internal representation of the institute at the faculties, and regional partnerships need to be established. (Ibid.) Working feedback systems, inter-institutional cooperation and external relations arise as further aspects of the action plan, which shows the significance of functioning and synergic collaboration among the partners.

The qualitative and quantitative outcomes of the strategy are also systematically followed up and evaluated in the quality development process of the organisation. According to the action plan (Vaasan yliopisto 2013b), the outcomes of societal interaction are monitored by quantitative measures (i.e. the efficiency of performance) and qualitative measures (i.e. feedbacks, reports of the departments, evaluating impressiveness of research). While the evaluation of quantitative measures highlights the private values of

efficiency and performance, the qualitative measures promote more interaction and collaboration among the stakeholders.

Receiving feedback from the Ministry of Education and Culture is another evaluation method, which assesses the organisational activities from the political perspective. The ministry provides a written review to the universities concerning the fulfilment of performance targets (including the agreed quantitative and qualitative strategic targets, discussed in 5.1.2). In the context of the University of Vaasa, the feedback was available from the years 2010 (Ministry of Education and Culture 2010) and 2011 (Ministry of Education and Culture 2011).

The ministry's feedback elaborates the fulfilment of the university's strategic tasks in its educational focus areas, its basic tasks of research and education (referring also to the aspect of societal interaction), management and economic situation of the organisation as well as recommended future operations. The political-level review also enables the domestic benchmarking of the universities, as it compares the organisations from the national perspective. According to the review from 2010 (Ministry of Education 2010: 1–2), the educational collaboration with the region's polytechnics and other regional stakeholders was emphasized in order to coordinate the educational offer to the region's actual work-life needs. Clear work distribution and avoiding of overlaps in the educational offer were also highlighted in the critique. The ministry further recommended the establishment of strategic partnerships for developing the quality and the impressiveness of research activity. (Ibid.)

Based on the review provided the following year (Ministry of Education 2011: 1–2), the research activity was suggested to focus on the needs of the regional economic life. Concerning the aspects of collaboration and networking, cooperation with other universities, companies and the regional polytechnics was emphasized, not only due to the synergic effects for the parties, but also to improve the chance of gaining financial benefits (e.g. international funding). (Ibid.) The ministry's feedback is a useful evaluation method for preparing and encouraging the organisations to fulfil the agreed performance targets. The national-level evaluation focuses on the social and economic needs of the

surrounding society and on the role of the university (at both local, regional, national and even international level), to fulfil these specific needs.

Internal inspection (i.e. theme reviews) and the feedback system represent a third type of evaluation method in the quality assurance of services and operations of the university. The first internal inspections of the organisation were carried out in 2009, when the faculties were in focus. According to the rector's decision (Vaasan yliopisto 2009), the theme reviews are conducted by the rector and vice-rectors with the method of interviewing. The internal check-ups aim at ensuring and developing the quality of services and basic tasks of the university (i.e. education, research and societal interaction), as well as their aim is to support the organisation in the constantly changing environment. (Ibid.) Similarly, as in the case of the ministerial feedback, report needs to be done about the development process carried out after the inspection.

Concerning the basic task of interaction with the society, the inspection of Levón institute (carried out in 2009) provides some insight. According to the minutes of meeting completed at the theme review of the Levón institute (Vaasan yliopisto 2010b), the unit sees its role as a link between the university and the community from the aspect of societal interaction. The unit is responsible for communicating the know-how to the society and to ensure, that the new innovations are implemented and followed-up. On the other hand, the unit also gathers feedback from the external stakeholders and contacts, which is further communicated to the university. As a development target of the institute, education should always be connected to practical know-how. (Ibid.) The internal inspections enable the different organisational units to reflect on their targets, operations and achievements from time to time and implement changes and developments, if necessary.

In addition, the feedback system enables the organisation to reflect on its services and operations from the perspectives of its stakeholder groups. Based on the rector's decision on the university's feedback system (Vaasan yliopisto 2011b: 1), the system has a significant role in improving the basic tasks of research, education and societal interaction. The feedbacks are directed to the specific university units, which are dealing with the particular process that the feedback is describing. The feedbacks are also handled by

the university's quality work group at least once a year. (Ibid.) Feedbacks can be provided at different levels of the university and hence, each stakeholder (external or internal) is capable of influencing the organisational operations.

Feedbacks are not only important means of developing the quality of services and operations, but lately, it is strongly attached to the financial mechanism of the Finnish higher education. Based on the recently introduced Bachelor's Feedback<sup>21</sup> (University of Vaasa 2014o), every student, who has completed the Bachelor's degree in Finland, can provide his or her opinion concerning the social and communal circumstances as well as students' wellbeing, which had an important influence on the studies. The outcome of the gathered feedback is applied to evaluate and develop the quality of education, furthermore, approximately 3 % of the university's total financial income is calculated based on the result. (Ibid.) The competitive financial model and the target of efficiency is attached even to the evaluation method of the higher education, as this example shows.

Still, the possibility of providing feedback and ensuring stakeholder's about the importance of their feedbacks during the quality assurance and -development of the organisational processes, requires working system and efficient communication. According to the document on strategic planning and quality assurance (University of Vaasa 2013: 4), an upcoming challenge in the future is to decrease the amount of feedback gathered, and in that way, to make the feedback system more efficient. This is a general problem in most of the universities (ibid.). To be able to find the essential development areas based on the incoming feedbacks, there needs to be an even more simple feedback system, which could enable the gathering of relevant feedback.

Finally, external audits, accreditations and ranking lists belong to the last category of evaluation methods at the University of Vaasa. The external audit, which was carried out at the University of Vaasa in 2011, and which purpose was the auditing of the organisation's quality assurance system, provided relevant feedback about the strengths and development aims of the whole quality system. The organisation received for in-

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<sup>21</sup> In Finnish "Kandipalaute".

stance feedback concerning its basic task of societal interaction and the collaboration with its external stakeholders. According to Niemelä et al. (2012: 40–44), the university has impressive evidence of diverse collaboration with its various partners in cooperation. The main development goals were the better systematizations of forecasting the needs of social and economic life and ensuring the quality and impressiveness of societal interaction. Furthermore, the university's alumni activity needed improvement and external stakeholders were encouraged to participate more actively in the strategic work of the university. (Ibid.) Based on University of Vaasa (2014p), participation in external assessments is also a lawful obligation of the Finnish universities.

Accreditations and participation in different rankings provide, furthermore, another mean of assuring, maintaining and developing the quality of operations and services. Accreditations for instance need to be renewed within a specific time period. The organisation currently has two EPAS accredited educational programmes and also an AMBA accredited MBA programme, based on University of Vaasa (2014q). According to the document on strategic planning and quality assurance (University of Vaasa 2013: 6), a future challenge of the university is to find out a way to transfer the good practices attained in a specific study programme also to other study programmes. However, transferring of the quality tools and good practices might be a challenge, because of the different nature and needs of the diverse study fields.

The university also participates in different rankings, which rates the universities from various perspectives. According to University of Vaasa (2014p), rankings can examine the quality of research, the degree of societal interaction, students' learning results and the visibility of university (based for instance on the organisation's website). Participation in rankings place the universities into a competition against each other. The better position in a ranking can for instance support the efficiency of student's recruitment of the university.

### 5.3.2. Evaluation of quality assessment methods

The evaluation of organisational operations and services is carried out by the different methods of quality assessment, as presented previously. Quality assessment can be executed either internally or externally. Involving the different stakeholder groups of the university both in the internal and external evaluation processes is significant in the quality assessment, because the common perspectives of the participants regarding quality can be identified and further implemented in the future operations, based on the outcomes of the evaluation processes.

The internal quality assessment of the organisation includes internal evaluation of quality and effectiveness by the means of internal reporting, theme reviews and the university's feedback system. In the process of internal reporting, action plans are used to follow-up and evaluate both qualitative and quantitative outcomes of the organisational strategy. The advantage of the action plans is that they describe in detail the tasks and responsibilities of different actors and units in the basic tasks of the organisation. Concerning the basic task of societal interaction, the main goals of the organisation are the visibility in the media, productivity of adult education, evaluation of the collaboration networks and impressiveness of research activity. The qualitative measures used in the evaluation stimulate the values of collaboration and human interaction among the stakeholders, while the quantitative measures concentrate more on the private sector values of productivity and efficiency.

Other means of internal quality assessment are internal inspection and the organisation's own feedback system. Internal inspection (or theme review) can be directed to the different organisational units in order to examine the quality- and possible needs of development of the organisational processes and operations, which the units carry out. The advantage of theme review is that it enables the units to reflect on their quantitative and qualitative targets and achievements, however, as internal inspections are usually not implemented in large scale and therefore, they cannot (or rarely) involve all stakeholders connected to the specific organisational processes, the investigation of common perspectives regarding quality with this assessment method becomes challenging.

Feedbacks provided by the organisation's stakeholders enables the organisation to investigate and implement the common perspectives regarding quality on a wider scale compared to the theme reviews. Therefore, a functioning feedback system can lead to the quality development of organisational processes and operations. The organisation needs to gather relevant feedback from its stakeholders. Collaboration and commitment of organisational stakeholders arise in the quality assessment method, as commitment to high-quality processes and services requires stakeholders' active collaboration to provide relevant feedback on the organisational operations and services. At the same time, the financial aspect and the target of efficiency is connected to the feedback system, which illustrates the coexistence of private- and public values, even in the quality assessment process.

The external quality assessment of the organisation is implemented by the ministerial feedback as well as in the forms of external audits, accreditations and participation in various rankings. The feedback provided by the Ministry of Education and Culture focuses on the qualitative and quantitative performance objectives, which are agreed for specific time periods between the ministry and the university. The ministerial feedback has an important role in influencing the organisation's operations and services provided, according to the national strategy of the higher education. The feedback concentrates on the quality perspectives of educational collaboration and commitment at the national level, as well as they emphasize efficient working processes for the outcome of fulfilling the social and economic needs of the national and international environment.

### 5.3.3. Continuous quality development

Before giving a summary of the empirical results and concluding the main findings of this study, the importance of continuous quality development needs to be highlighted, as the cycle of quality management does not end with the stage of quality assurance (see chapter 3.2). The aim of continuous quality development is to return to the diverse needs and expectations of the service users and re-evaluate (and if needed, re-define) the organisational strategy and objectives. The most interactive quality tool of the organisation, which engages with the various stakeholders, is communication. The role of inter-

nal and external communication of the university is significant in achieving high quality of service outcomes.

Two-sided (or multi-sided) communication between the university and its stakeholders should be enabled and further developed. The central channel for creating two-sided communication is the feedback system of the organisation. Listening to the feedback and implementing changes based on the received feedback illustrates, that stakeholders' opinions are taken into account in the organisational processes. Furthermore, it also reinforces the bottom-up decision-making and an open organisational atmosphere, in which continuous learning process is supported and mistakes are allowed. Maintaining the value of internal collaboration and the support of collegial decision-making contributes to the open atmosphere, as well.

Using the quality tools of strategic and financial planning process and documentation, applying the quality assessment methods of internal reporting and theme reviews as well as participating in the external audits as well as accreditations and rankings demonstrates, that the university carries out a continuous follow-up and evaluation concerning the quality of its operation- and service outcomes. The elimination of the Strategic Planning Tool shows, that the organisation is able of objective reflection, if an unintended problem occurs during the use of a quality tool. This ability of objective reflection should also be maintained in the future.

Implementing efficiency and productivity of the organisational operations is increasingly important for the quality management of the higher education. However, the implementation of common quality perspectives of the organisation's stakeholders during the quality management process should be equally important. Especially the value of academic freedom seems to be challenged by the competitive financial model of the higher education. Commitment of the organisation's stakeholders could be more enhanced during the use of different quality tools and quality assessment methods. Collaboration is maintained by multi-level networking locally, regionally, nationally and internationally. The synergy, which is established during the educational cooperation and collaboration

with the private sector companies, should continuously aim at benefiting the social and economic life.

Utilization of the positive examples within the whole organisation evaluated by the external audits and accreditations is a challenge, which needs to be overcome in the organisation. Implementing best practice within the university requires managerial support and the willingness of risk-taking. Supportive organisational culture towards the organisation's quality policy and bottom-up process of managerial decision-making is inevitable.

Finally, when revisiting the organisational strategy and the different performance, quality and strategic targets, the re-examination of quality policy could be reasonable, as well. For maintaining high-quality processes and services, there is a need of an open attitude of the academic community towards the quality culture. The quality definitions of productivity, progressiveness and responsibility should be further maintained during the quality work of the organisation.

#### 5.4. Summary

Based on the empirical analysis, it can be summed up that incorporating quality assurance into the organisational management and operations management systems of the higher education enables a holistic approach towards quality management of the higher education processes. This allows the integration of high quality processes and services to the everyday routines of the organisation. The integration was further supported by a positive organisational culture at the University of Vaasa, in which the targets of quality work in the university's quality policy and the main objectives in the organisational strategy (including the different strategic-, performance- and quality targets as well as norms) were in synergy.

On the level of strategic management, we can also conclude that all stakeholder groups have their representation in the different managerial processes. Mainly, the hierarchical-

ly higher decision-making levels (i.e. Board, Rector as well as top- and middle management) are engaging to a greater degree in the decision-making processes about performance targets and deciding about the strategic objectives and quality development targets at the organisational level. While in the process of acting according to norms, the different stakeholder groups (including the front-line employees, experts and students as well) are involved on a wider scale to the process. Furthermore, the community is also taken into account in each of the main organisational processes, but not through actual representation, rather by the legal, political and professional definitions concerning the changing social and economic needs and by the emphasis on social interaction in the processes.

This slight imbalance of stakeholder representation does not, however, influence the represented quality perspectives in the organisation to a great degree, especially when examining the organisational (performance/strategic/quality) targets in the long-run and when reforming the organisational strategy. As we can see, the quantitative performance targets aim to enhance co-operation and social responsibility, the strategic and quality targets aim at both productivity and responsibility and finally, the legal aspect (besides enhancing the values of productivity and efficiency) put a great emphasis on the free university education and interaction with society. It can also be concluded, that the processes are showing an orientation towards the future and support progressiveness with the changing environment and social and economic circumstances.

At the same time, the financial situation and the increasing need of productive and efficient working processes can still put pressure on the organisation. In the latter case, the private-sector values can negatively affect the public values and the main university targets of representing academic freedom, collaboration and commitment, which entail the common perspectives for the different stakeholders concerning the quality of higher education.

Concerning the application of managerial tools, it can be summed up that apart from systems and material tools (such as money), the central managerial tools applied during the management and operations management of the University of Vaasa, include several

cases, where human action and interaction are important means of managing the quality of the organisational functions. The main tool of involving stakeholders in the organisation's operations is enabling a two-sided communication with the different stakeholder groups. The various forms of cooperation have a great role in implementing the values of communality and collaboration. Also the value of commitment to high-quality research and education support the quality and impressiveness of the societal interaction of the organisation. Finally, the competitive financial model of the higher education aims at the productivity and efficiency of processes and services, but it can negatively influence the value of academic freedom as argued above, especially concerning the new research- and study fields.

Finally, concerning the outcome of organisational processes and operations, the quality assessment with the mean of external audits involves the organisational stakeholders to the evaluation on a wide scale. Maintaining collaboration with the different stakeholder groups is a central aspect during the evaluation. With the external quality assessments of ranking and accreditation, the organisation aims at assuring, maintaining and developing the quality of its operations and services, at the same time, the methods can require resources from the organisation and it often places the organisation into a competition with other educational organisations (or even units within the same organisation). The challenge is to change this competition into cooperation, not only within the organisation (by applying best practice within the different faculties), but also within the regional, national and international collaboration networks.

## 6. CONCLUSIONS

### 6.1. Main findings

This study investigated the issue of developing quality in higher education management, focusing specifically on the process of social interaction, which is a basic task as well as a legal obligation of the higher education institutions. The research presented the case of the University of Vaasa from the Finnish higher education sector. The Finnish case wanted to highlight a form of autonomous quality management based on the principle of partnership among the organisational participants, as stated by Staranova et al. (2004). Furthermore, the quality system of the University of Vaasa was selected to represent the general case of the publicly funded universities in the Finnish higher education, based on the accessibility and relevance of the research material.

The main theoretical challenge of quality management in the higher education is to develop common quality perspectives of the different organisational stakeholders, who are involved in the organisational processes and operations. Developing common quality perspectives can be challenging because of the individual judgements and practices as well as subjective views of the organisational stakeholders. In the case of higher education, the definition of quality should be based on academic freedom and on the collaboration and commitment of its internal and external stakeholders towards a strong quality culture, which, ideally, could lead to the transformative quality model of higher education and to the continuous quality development of the higher education processes and operations.

The “how-question” of managing and developing the quality of the organisational processes requires managerial know-how and the commitment of the whole organisation towards quality. Access to power, especially from the citizen’s perspective with the least power and information, is one of the challenges, which needs to be overcome by the organisational and political management. Involving stakeholders into the decision-making process is one step towards overcoming the challenge and implementing good governance. Gaster (1999) states that the common quality perspectives of the organisa-

tional stakeholders should be involved in the quality policy of the organisation and these should also be implemented during the organisational processes, when applying different managerial tools in the process of quality management. Lastly, involving the stakeholders in the evaluation stage of quality is essential, because their feedback provides vital information to the organisation concerning necessary development areas.

The main task of this study has been to examine three questions based on the previously discussed research problems; the ways of involving the diverse quality perspectives in the quality policy of the higher education institution, the managerial tools of enabling the implementation of the diverse quality perspectives in the process of quality management in the university and lastly, the quality development of service outcomes with the involvement of the different organisational stakeholders in the quality evaluation process of the University of Vaasa. The research follows a qualitative research design, in which the research methodology is documentary analysis. The central managerial tool in the process of quality assurance at the University of Vaasa is documentation, hence the method of documentary analysis is suitable for the empirical analysis.

Based on the empirical analysis, the findings show that a positive way of involving the various organisational stakeholders in the process of designing quality policy and defining quality targets is to create a quality work group with representative members of the different stakeholder groups. Furthermore, acting according to norms and being committed to quality in the daily work tasks supports collaboration and the process of developing common quality perspectives. The finding affirmed the theory of enabling collaboration among the organisational stakeholders. As has been argued by Gaster (1999), Díez (2004) and Bovaird et al. (2009a) above all, top-down managerial decision-making should be replaced by bottom-up approach and stakeholders' involvement in the organisational decision-making processes on each organisational level should be supported.

An ever growing challenge is, however, the financial restriction of the organisation, which causes a results-based and competitive operation of higher education, as also the findings of this study show. As has been argued by Kelly (2005) among others, financial success and internal performance of the service providers, however, are only parts

of the managerial values, which should define the quality of service delivery. Therefore, to maintain the central value of academic freedom in the higher education, the freedom of research and new growing research fields need to be constantly reflected on and a transformative learning process should be enabled both by the organisation's strategy and policy outcome, which is the next conclusion of this study.

Concerning the second research problem, the use of managerial tools was examined during the process of societal interaction of the higher education with the surrounding community and its external stakeholders. In the frame of social interaction, the university aims at fulfilling the needs of the surrounding society and the labour market, which, in the long run, intends to develop the quality of life.

The empirical findings pointed out the importance of communication as a central direction tool in communicating functions and interacting with the various groups of organisational stakeholders. The finding confirmed the importance of an open organisational atmosphere, in which free flow of communication and bottom-up initiations are empowered, stated by Holkeri et al. (1996), Sundquist (2004) and Øvretveit (2005) above all. Two-sided communication between the organisation and its stakeholders as well as media are important tools in the process of quality assurance (Sundquist 2004). We can conclude that communication also has a vital role in enabling collaboration among the stakeholders, as it offers a platform where different needs can meet and evolve into synergy.

A new perspective, which was brought to attention by this study, is the managerial tool of supporting human interaction and collegial decision-making (e.g. via the university jury). This tool also contributes to the creation of communal organisational atmosphere, where problems relating to quality can be solved together with the collaboration of internal and external stakeholders. The material tool, money, which is applied in the quality assurance in the form of merit pay, aims to influence only a specific group of internal organisational stakeholders, rather than directing all stakeholder groups to the commitment of maintaining high quality of the working processes. Therefore, sustaining open communication, communality and continuous managerial support is more significant to

the commitment and collaboration of the internal and external stakeholders in the organisational processes. In addition, maintaining the value of academic freedom, despite of the competitive financial pattern of the higher education, can further enable transformative learning of the organisation.

The third research problem concerns the development of short-term outputs and long-term outcomes of organisational processes with the involvement of organisational stakeholders. This occurs in the final phases of the cycle of quality management; quality assessment (called also as quality evaluation). In the phase of quality assessment, the organisation can reflect on its development needs and it can evaluate (and if necessary, eliminate) useless managerial tools.

The empirical analysis highlighted that the elaboration of the quality of organisational outputs and outcomes occurs with the application of the various internal and external quality assessment methods at the University of Vaasa. The most efficient internal quality evaluation method is the feedback system, which involves the various stakeholder groups of the organisation. Involving stakeholders and collecting their feedbacks are inevitable in the evaluation phase of quality management, because it not only aims at meeting expectations and improving satisfaction concerning quality outcome of services and processes stated by Stewart et al. (1992), but it can also enable an organisational learning process (Rieper et al. 1998), as the theory shows. In the specific case of the university, we can conclude that the feedback system needs to be further improved in order to provide relevant feedback to the organisation.

Furthermore, concerning the external quality assessment methods, we can also conclude that the external audit is the most efficient assessment method in involving organisational stakeholders. Namely, a central aspect during the external audit is to examine, how the organisation maintains the value of collaboration with its external and internal stakeholder groups. Also the ministerial review was found efficient in examining the role of the university in the national strategy concerning its democratic responsibility of meeting the social and economic needs of the surrounding community.

On a final note, we can conclude that meeting the social and economic needs of the surrounding society through the provision of high-quality processes and services enables the development of quality of life. The higher education can become a leader in the successful quality development of public services and organisational processes by maintaining an open organisational atmosphere and academic freedom as well as enabling the commitment and collaboration of its various stakeholder groups in order to reach the common targets of high-quality social interaction. Together with the private values of productivity and efficiency, the public service values of democratic participation, social responsibility, collaboration and commitment should be continuously maintained in the quality management of higher education. If quality management is a common mission of the various organisational stakeholders, high quality organisational outputs and development of long-term quality outcomes can be enabled in collaboration.

## 6.2. Future research and discussion

Because this research was elaborating the quality management of the higher education at the holistic level of the organisation's management and operations management processes, the specific diversities within the different organisational units and faculties remained unexplored. The empirical findings highlighted a specific example concerning the best practice of a study field, which can be challenging to apply to another study programme, because of the autonomy of organisational units in their decision-making processes and the different nature and needs of the various study fields. Further research still needs to be carried out in order to elaborate possible managerial solutions for this problem.

Future research should not only focus on the micro level of the organisation, but it shall also elaborate the best practices of quality management from the national- or even from the international perspectives. The national benchmarking of quality management in the higher education can contribute to the implementation of national strategy regarding high quality education, research and social interaction with the surrounding society, which belongs to the lawful obligation of the higher education, contributing to the quali-

ty of life. On the other hand, a comparative international research setting could provide a cultural insight on the diverse aspects of quality management and further scenarios to overcome challenges.

As the present study elaborated the challenges relating to the access of power, the other problems of financial limitations and means becoming ends in the process of quality management should be examined in future research, as well. The ever growing competition due to the limited resources, which the public organisations (including the sector of higher education) face on a daily base, should not become an obstacle to the quality management of the organisations. Future research is needed to explore further managerial tools, which are applied as means in the continuous process of quality development (rather than becoming ends), and which involve the diverse organisational stakeholders in the managerial processes, as this study argued.

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## APPENDICES

### APPENDIX 1. Organisational structure of the University of Vaasa

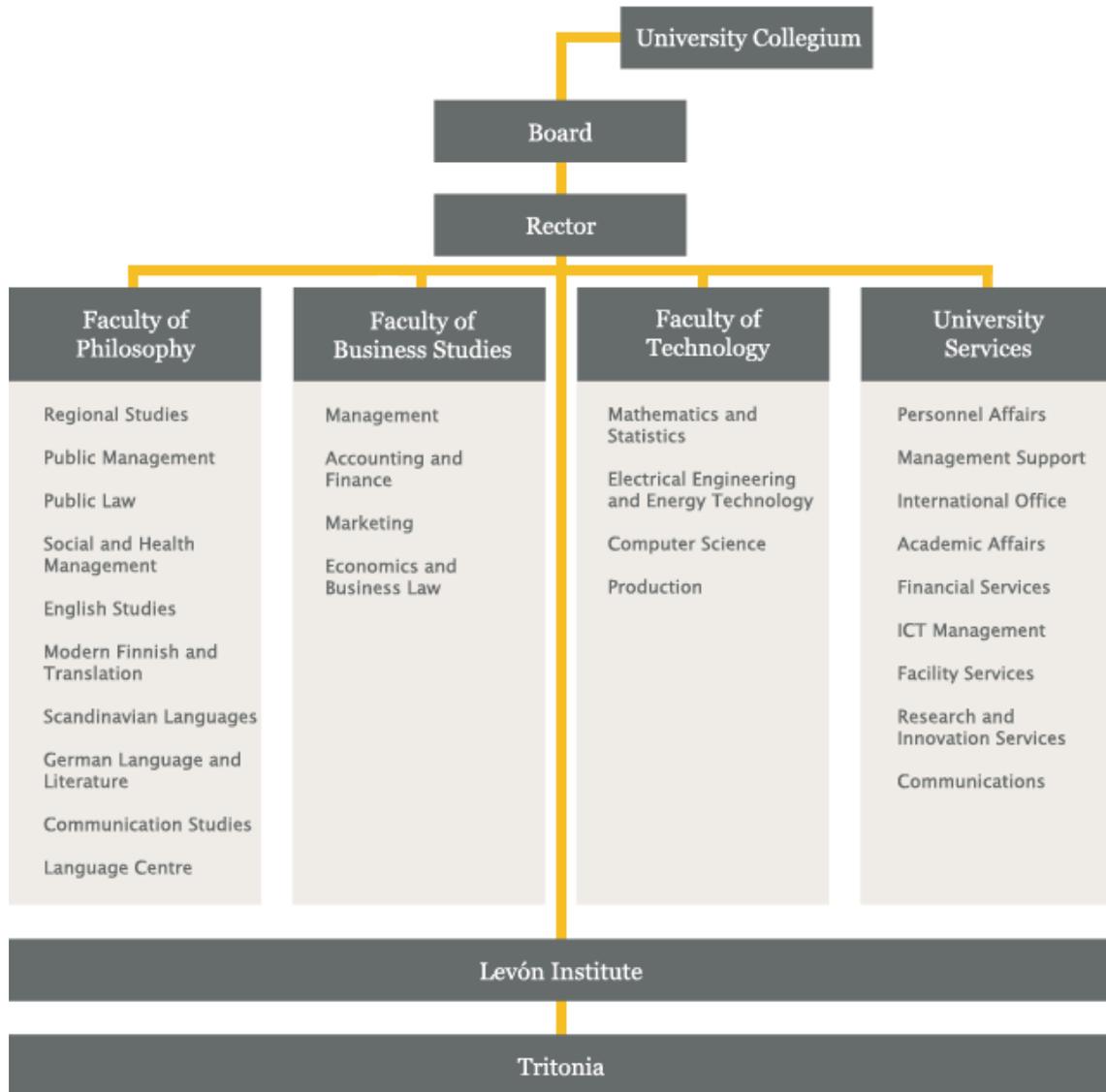


Figure 4. Organisation (University of Vaasa 2014c).

## APPENDIX 2. The systems of management and operations management

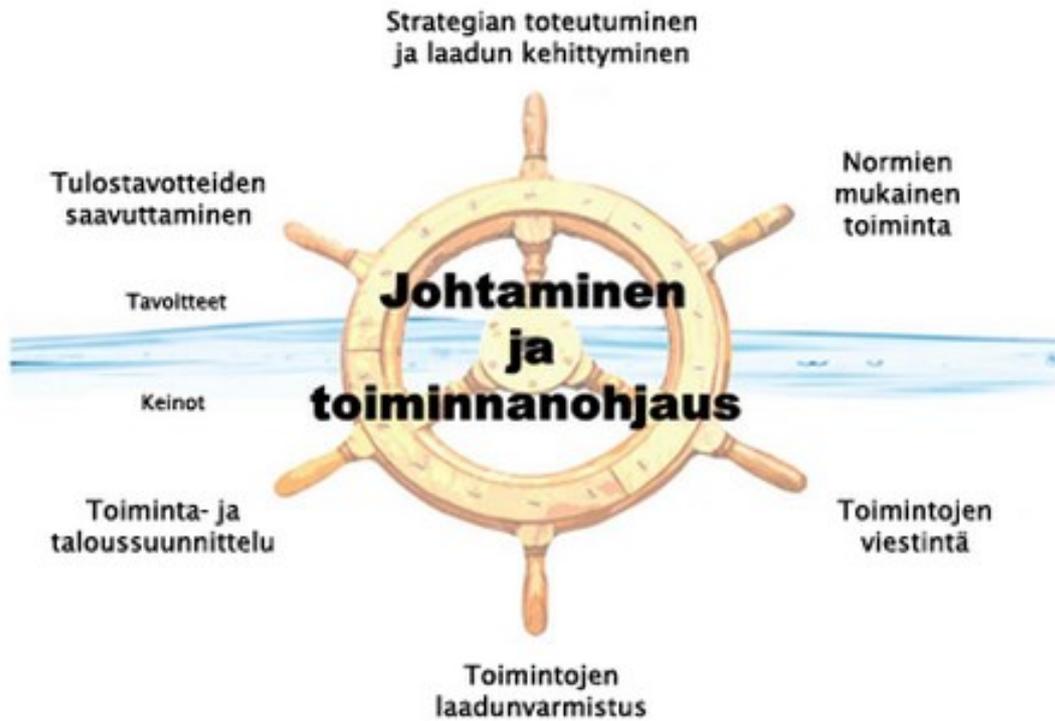


Figure 5. The wheel of management 'Ruori' at the University of Vaasa (University of Vaasa 2014g).