

External Research Funding in Finnish Universities and Universities of Applied Sciences: Factors Behind High-performers and Low-performers

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Research Domains

Higher Education policy (HEP)

Abstract

This study will analyse higher education policy regarding the generation of external research funding in Finnish higher education institutions. We will examine external funding statistics from both universities and universities of applied sciences between 2013 and 2023, and investigate potential internal and external factors influencing the generation of external funding. Theoretically, our study is grounded in resource dependence theory. The empirical data are drawn from the national statistical database. The statistical data is analysed using the SPSS software. Both descriptive statistics and the regression analysis will be utilised.

Full paper

Introduction

This study is currently under preparation as of the writing of this SRHE abstract proposal. In this paper, we will introduce the fundamental departure points, theoretical approach, empirical data, and preliminary ideas for data analysis. At the SRHE conference in December 2024, we will present a more detailed research setting and empirical results.

In the Finnish context, higher education is a public service, primarily financed through the state budget. For Finnish universities and UASs (Universities of Applied Sciences), governmental core funding is a significant source of revenue, accounting for 60% and 74% of their annual turnover, respectively, marking a substantial reliance as this funding comprises over half of their total turnover.

Public funding remains predominant, even in the area of external research funding. The performance-based state funding system operates in both sectors, offering substantial incentives for competitive external research funding. For universities, this is reflected in a 14% weight assigned to external research funding within their public funding formula, while the corresponding indicator for the UAS sector stands at 12%. Because of the public funding cuts in both sectors, particularly in the UAS sector, higher education institutions are required to seek external research funding. We refer to external research funding and RDI funding as external research funding.

The primary difference between traditional universities and UASs is that UASs focus on providing education for professions and businesses, as well as conducting applied research and development (RDI) activities that serve the needs of working life, businesses, and regional development, rather than basic research. UASs offer bachelor's and master's degrees but do not award doctoral degrees. Universities have prestige as science institutions based on their research and success in external research funding.

Both Finnish higher education sectors have set institutional strategic goals to increase the level of external research funding and have also specified action plans to promote the acquisition of such funding (Kohtamäki 2023; Kohtamäki & von Boguslawski 2024).

Preliminary research question

We set the following preliminary research question:

What factors are connected to the attainment of external research funding in Finnish universities and Finnish universities of applied sciences?

By external research funding, we refer to competitive research funding sources such as Research Council Finland, Business Finland, European Union funding instruments, and other public and private research funding sources.

Theoretical approach

Organisations depend on external environment, as highlighted by Pfeffer and Salancik (2003) in Resource Dependence Theory (RDT). A critical aspect of this connection is funding, which becomes especially crucial when it creates a dependency relationship. This dependency addresses the form of external control when resource providers possess power over organisations and their access, acquisition, or allocation of resources.

RDT posits that to mitigate the risks associated with dependence on a singular, critical funding source, organisations actively seek alternative funding mechanisms. This strategy aims managing environmental constraints and reducing vulnerability (Pfeffer & Salancik 2003; Powell & Powell, 2015). The theory underscores the importance of an organisation's adaptability to both internal and external pressures, suggesting that those more adaptable to deal with these challenges are more likely to thrive. In the competitive context of Finnish higher education funding, the dynamics of securing core funding operate on a zero-sum principle, emphasising the need to maintain or enhance funding levels. Moreover, in this core funding formula, one crucial component is the volume of competitive external research funding.

In line with RDT, the presence of external funding and a competitive operating environment necessitates navigating market forces such as student enrolment trends, external funding opportunities, and institutional reputation. These forces not only stimulate competition but, from the RDT perspective, potentially affect access to essential resources. This study aims to employ variables that capture the variances in the internal and external environments of HEIs, examining how these factors potentially influence their ability to secure and manage resources.

Data and analysis

The statistical funding data has been acquired from the national Vipunen database, which is maintained by the Ministry of Education and Culture. All Finnish higher education institutions are responsible for submitting their performance data and financial data to the Ministry.

We will use SPSS data software to run descriptive statistics and conduct regression analysis. The regression analysis will investigate the relationship between funding levels and external and internal factors, such as institutions' geographical location, size of institution (student numbers), staff with PhD degrees, and institutional study fields.

Findings

We will present statistical findings and interpretation of finding in the conference and extend discussion to the respective studies in the context of other European countries (e.g Teixeira et al. 2014).

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