Issakainen Susanna

Development of higher education institution’s organization and competence from the education export viewpoint
Case: Laurea University of Applied Sciences
The objective of the study was to find out the success factors for higher education institution’s organization to start a successful export of its education. The research question was “How should a university of applied sciences’ organization be prepared and developed for starting a successful education export?” The study was commissioned by Laurea University of Applied Sciences.

Data for this study was collected in focus group discussions. Discussion participants were members of the faculty and staff and the top management of the case company. Other sources of information were the official documentation of Laurea University of Applied Sciences and governmental education organizations.

The subject is discussed with the framework of change management and leadership. The role of the management as a role model is essential.

The final result of this thesis was that the development of the entire organization is beneficial also from the viewpoint of the education export. There needs to be a clear vision of the international activities which is not entirely steered by collecting the tuition fees. Based on the findings there is a checklist for the top management how to proceed with the development of the organization.

The results can be applied to other higher education institutions.

Keywords: education export, export of education, higher education institution, university of applied sciences, higher education
Table of contents

PART 1: Introduction

1 Introduction and research methodology ............................................................... 5
  1.1 Background ............................................................................................ 5
  1.2 Introduction to the case .......................................................................... 6
  1.3 Research problem ................................................................................. 7
  1.4 Objectives .............................................................................................. 8
  1.5 Delimitations .......................................................................................... 8
  1.6 Literature review .................................................................................... 8
  1.7 Research methodology .......................................................................... 8

PART 2: Literature review

2 Education export ........................................................................................ 10
  2.1 Background .......................................................................................... 10
  2.2 Previous research of the subject .......................................................... 12

3 Organizational and competence development ........................................... 13
  3.1 Organizational culture .......................................................................... 13
  3.2 Leadership and management of change .............................................. 16
  3.3 Knowledge management and development ......................................... 19
  3.4 Lean culture ......................................................................................... 21
  3.5 Learning organization .......................................................................... 25

PART 3: Empirical part

4 Current situation in the case company ....................................................... 27
  4.1 Strategy and development projects ..................................................... 27
    4.1.1 Education export to profitable growth -project............................... 28
    4.1.2 Competence2020 -project ............................................................ 29
    4.1.3 LeanLaurea -project ...................................................................... 29
  4.2 Other guidelines ................................................................................... 30
  4.3 Previous experiences of education export in Laurea ........................... 31
  4.4 International degree programmes in Laurea ........................................ 32

5 Research methodology .............................................................................. 33
  5.1 Focus group discussions ..................................................................... 34
    5.1.1 Collection of data ........................................................................... 34
    5.1.2 Analysis of the data ....................................................................... 36
  5.2 Other sources of information ............................................................... 37
    5.2.1 Collection the data ......................................................................... 37
    5.2.2 Analysis the data ........................................................................... 37

6 Findings ..................................................................................................... 38
  6.1 Organizational development ................................................................ 38
    6.1.1 General issues ............................................................................... 38
PART 1: Introduction

1 Introduction and research methodology

1.1 Background

John Francis “Jack” Welch, the former CEO of General Electric, has said that the core of his management and leadership philosophy is:

“If the rate of change on outside exceeds the rate of change on the inside, the end is near.”

This idea is applied from natural sciences, and it can be applied to every organization. In this master’s thesis, this statement is put in the context where the university of applied sciences is preparing itself to a new situation where the pressure for change is coming from the outside.

The strategic governmental program of Prime Minister Juha Sipilä includes “increasing the internationality of education and research and remove barriers for education export.” (Ministry of Education and Culture 2016b). There are four action points in the program for this goal which include removing barriers from arranging contracted education and starting to collect tuition fees from the students outside the European Union and European Economic Area. In Finnish legislation, the Polytechnics Act has been updated to support this agenda. Higher education institutions can collect tuition fees starting from the beginning of the year 2017.

The subject of the thesis is extremely topical at the moment. The export of education or education export in higher education institutions is strongly emphasized by the government, and the subject is present in the higher education institutions’ strategies. There is very little previous research on the subject and therefore there is a need for this kind of study.
1.2 Introduction to the case

The purpose of this study is to be a constructive research to support Laurea University of Applied Sciences, its management and the faculty and staff, with its education export efforts and activities. The subject of the study is based on the strategy of Laurea University of Applied Sciences and this thesis discusses especially the role of the organizational culture and individual development in the starting phase of education export.

Laurea University of Applied Sciences is among the other higher education institutions in Finland starting to collect tuition fees from the students outside EU and EEA areas. This new situation demands preparation from the organization and its actors. This thesis is searching the success factors from the organization and giving practical suggestions for development from both organizational and staff development viewpoints.

It is notable that the author of this thesis is not an entirely neutral actor for the case organization during the research process but is involved in the operations of the focus of this case study. During the process of the research, the author was the Executive Director of the Student Union of Laurea University of Applied Sciences. According to the Polytechnics Act, the student union is a part of the community of university of applied sciences.

Avoiding too close connection with the focus of the study and maintaining the objectivity about the subject is held by following the principles of the research methods and scientific community. Also, the author of this thesis is aware of this connection and is taking this into account when analyzing the results and drawing conclusions. On the other hand, the familiarity with the company was helpful, providing access to sources of information that would have been unattainable for complete outsiders.
1.3 Research problem

Vilkka (2005, p. 21) writes that the research problem has to be precisely defined, the research needs to contain information that has not been said before, research has to be beneficial for others, and it needs to give enough basis for public discussion. In research, there is also a need for utilizing theoretical framework. In this research, the problem is found from the new actions and demands for higher education institutions, more specifically for universities of applied sciences.

From the very beginning, it was clear that the subject of the thesis would be related to organizational change. Beitler (2006 pp. 215) agrees with Cummings and Worley (2001) that in organizational change, there needs to be a dual focus: individual and organizational development.

The research question is defined as follows:

How should a university of applied sciences' organization be prepared and developed for starting a successful education export?

The supporting, more precise questions are

What is the best kind of organization model to execute successful education export?

and

What are the needs for competence development from the viewpoint of education export?

The main idea is to find the success factors from the current situation of the case organization and give ideas for developing those with the help of theoretical framework and an empirical study.

The first supporting question, “What is the best kind of organization model to execute successful education export” transformed to be more easily applied to everyday actions, the way of working. The results of this research give suggestions for minor changes in the organization which can enhance the success in the education export.
1.4 Objectives

The main objective of this study is to analyze the success factors for education export in a higher education institution. Beitler (2006) agrees with Cummings and Worley (2001) about the organizational change theory and practice: those must maintain both humanistic and efficiency approach.

The focus of this research is on practical organizational development issues, and the thesis is trying to find the answer of how staff and faculty competencies should be developed.

The results can be generalized to other higher education institutions in Finland.

1.5 Delimitations

This thesis does not discuss the issues of how to create specific education export products but rather the practicalities in preparing for education export. This means that for example market analysis and product development and design are limited to be outside the scope of the research.

1.6 Literature review

The literature review has three main subjects which are derived from the research questions. First, the review goes through the concept and framework of the education export and its development and background in Finland. This chapter 2 introduces to the subject and previous research about it. The second part of the review, chapter 3, defines organizational change by defining organization culture and change leadership and management. This chapter relies on classical views from e.g. Edgar Schein and Peters Drucker and Senge. The third chapter also binds together views about management development from the viewpoints of learning organization and knowledge development.

1.7 Research methodology

When doing research in the working life, the research is never fully free from the starting points of the company (Vilkka 2005). Also, the viewpoint and case itself come from the strategic principles of the case organization. The need for the
study comes from the needs of the case company, and the aim of the thesis is to supply the case company development solutions.

The research follows the fundamentals of Yin’s case study method, and it is a one-case study. The collection of data is done by focus group discussions as presented by Liamputtong (2009), reading official documentation considering the subject in hand and linking it to the previously done reports and research. The primary data collection method – focus group discussion – was chosen because it was seen to be the most suitable to engage the different actors of the organization to the development of education export activities.

The method is described more precisely in part 3 of this study.
PART 2: Literature review

2 Education export

2.1 Background

One of the strategic development projects of Laurea University of Applied Sciences is called *Education export to profitable growth*. Laurea University of Applied Sciences has a strategic alliance with Haaga-Helia and Metropolia Universities of Applied Sciences. One of the areas of the partnership is called *EduExcellence*, the goal of which is to create country’s best education export activities together. (Laurea 2016.) This background chapter defines the basis from the Ministry of Education and Culture’s perspective, which have led to goal setting of higher education institutions.

Ministry of Education and Culture in Finland (2016a) defines education export to be

“All the business, which is based on products or services designed from education, education system or knowledge transfer and from which foreign entity pays”.

This definition is also used in this study when discussing education export activities.

Ministry of Education and Culture published the Finnish education export strategy already in the year 2010. The aim of the strategy is that Finland would become one of the world’s leading education-based economies. The other goal is that the education and knowledge export will have a rapid growth comparing to overall export. (Ministry of Education and Culture 2010). At the moment the higher education institutions are quickly preparing themselves to the new situation where the legislation forces and on the other hand allows them to collect tuition fees from the students outside the European Union (EU) and the European Economic Area (EEA).

The target year for the previously mentioned growth in export of knowledge and education in the strategy was 2015. The legislation, which makes a collection of
tuition fees possible in larger scale, was approved only a year before that, so the
goal has not been reached. The strategic lines for education export are still valid.
There are eight actions or tools how the strategic goals should be reached:

“1. A well-working home market is a precondition for exports.
2. Exportation of educational know-how will strengthen other export fields.
3. Networking brings added value.
4. Goal-orientation is an important element in internationalisation.
5. Productivisation is a precondition for international marketing.
6. Only quality will bring success.
7. A cluster will speed up exportation.
8. Higher education institutions as engines of educational exportation.”

(Ministry of Education and Culture 2010).

There has been and somehow still is a debate, whether Finnish education
institutions should or should not start collecting tuition fees from the citizens
originating outside the EU/EEA area. In the case company, Laurea University of
Applied Sciences, the first application for degree programmes with tuition fees
started during the academic year 2016–2017.

There are many development and support programs by different actors which are
enhancing the education export activities in Finland. One of the programs is
Education Export Finland (EEF) which is one of the Finpro’s Team Finland’s
development programs. It started in the year 2015, and all the education
institutions can become members. The program’s website is optimistic by saying
that Finland has an exceptional opportunity to become a leading education export
country. The background could come from Finland’s great education system, and
its excellent reputation (Export Finland 2016).

The year 2016 was the first year in the roadmap for education export by the
Ministry of Education and Culture. The principle action points were: continuous
productization of the education services; strengthening networks and risk
funding; gathering together the public services; and tuition fees and other
experiments of the higher education institutions. (Ministry of Education and
Culture 2016a).

The Ministry of Education and Culture has created a roadmap for removing the
barriers of education export. The roadmap has been published in the year 2016,
and it consists of general lines and recognized obstacles and offers solutions for those. The roadmap and its attachments give a broad understanding of the subject of this thesis and are somewhat overlapping with it. (Ministry of Education and Culture 2016). The roadmap is used in developing the recommendations for the case.

2.2 Previous research of the subject

Education export is a hot topic at the moment. There are multiple studies about the education export in higher education institutions in Finland. Most of the studies that had dealt with education export have been written from the viewpoint of service design, which is a viewpoint that has been limited out from this study. In the literature, there were no significant studies to be found from the human resources viewpoint of education export, which is the focus of this thesis. Therefore a combination of the theories of different management literature disciplines are discussed in this chapter and conclusions and implications are presented for education export.

El Cheikh’s (2015) viewpoint is productization, the enablers, and barriers of internationalization. Kemppainen (2016) approached the subject from the viewpoint of service export and the role of partnerships. There are two UAS Master’s theses about education export from product design point of view. Immaisi (2014) studied Turku University of Applied Sciences’ and Huovinen (2011) Haaga-Helia University of Applied Sciences’ products. One UAS bachelor’s thesis (Kulju 2015) was about creating an education export strategy on a specific market.

There are some journals and article collections (e.g. Airola, 2014; Vanhanen et al. 2015) about the subject, and some of the articles were also used as sources of information for this study.
3 Organizational and competence development

Talented and motivated personnel is an essential success factor in organizations doing education export. The Ministry of Education and Culture’s (2016a) roadmap includes some action points for supporting the involvement of the faculty and staff and awarding them.

Laurea University of Applied Sciences’ strategy 2020 has a strong emphasis on the actors of the university of applied sciences’ community. Since the staff is claimed to be essential in also education export activities, it was considered to be the most relevant viewpoint of this thesis study. Furthermore, it can be claimed that as education export is a new area in higher education institutions, the involvement of the faculty and the staff is crucial in successful strategy implementation.

3.1 Organizational culture

“If we remember that culture is our learned solution to making sense of the world, to stabilizing it, and to avoiding the anxiety that comes with social chaos, then we have taken the first important step toward deeper cultural understanding.”

(Schein 2010).

It is often said that the organizational culture eats strategies as breakfast. It can mean that to introduce for example the new ways of work to the organization, there needs to be everyone involved. Cultural understanding is desirable for all of us, but it is necessary for leaders if they want to lead (Schein 2010). In this case, the university of applied sciences is starting and launching a new operation, education export, which has not been done before on this scale. There are underlying attitudes and characteristics in the culture which most likely have an effect in imprinting the idea of collecting fees from the student.
Edgar H. Schein formally defines “culture” as follows:

“The culture of a group can now be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.”

According to Schein (2010, p. 24), there are three levels of culture:

“1. Artifacts
visible and feelable structures and processes
observed behaviour
*Difficult to decipher

2. Espoused Beliefs and Values
Ideals, goals, values, aspirations
Ideologies
Rationalizations
*May or may not be congruent with behavior and other artifacts

3. Basic Underlying Assumptions
Unconscious, taken-for-granted beliefs and values
"Determine behavior, perception, thought and feeling."

The first level, artifacts, is easy to observe and hard to decode. Formal descriptions, organizational charts et cetera, are on this level. To get deeper understanding quickly from the organization, there is a need for interaction with insiders to analyze background for daily operating principles.

In Laurea University of Applied Sciences, there is, for example, an explicitly stated key project of the management group about the education export. The project is a part of the institution’s strategy, which was conducted together with the whole staff, students, and stakeholders. The strategy was decoded and visualized with a matrix that shows planned procedures and projects more clearly. This matrix is used as a tool for the management to guide the organization to accomplish strategic goals.

Espoused beliefs and values is a category, which sometimes gives a place for strategy and values to fall. These beliefs and values normally leave amounts of culture unexplained. Espoused beliefs and values are very abstract and can even be contradictory. Basic assumptions category needs to be more carefully understood to get a deeper understanding of the culture.
Third level - basic underlying assumptions - are those solutions that are taken for granted. The core of the culture is in basic assumptions. There is only little variation. Basic assumptions are usually tough to change. Culture as a collection of basic assumptions defines our targets of attention, ways to react emotionally, how to act in different situations. Culture also defines its member's identity. Interfering the culture creates anxiety and defensiveness, this is why there is a huge need for culture understanding in leadership.

Major change in the assumptions, in this case, is that for the first time the tuition fees can be collected on a larger scale. The equal treatment of students has to remain the same, whether the student is a paying customer or not. This problem is discussed in more detail in the results of the research. Also, bringing a business approach to degree education is a major change in the set of values.

Beitler (2006) simplifies the organizational culture as follows, disagreeing with Schein about the number of levels:

“The shared basic assumptions an organization teaches its new members about the correct way to behave, think and evaluate.”

There are three types of generic subcultures in organizations that can also be identified in the case company. These cultures are based on hierarchy and should be noted and managed. The first subculture of these three is the Operator Subculture. Characteristics of this group include that they assume for example that they are the critical resource, their experience is essential, and they trust management to give their proper resources to get their job done. The second identified subculture according to Schein (2010) is the Engineering/Design subculture. This group’s assumptions are for example that processes will handle things, and people might be interrupting those, and all the solutions must be justified with science. They also orientate towards useful products and outcomes. The equivalent for engineers in the organization based on expertise can be product designers or planning officers. The third culture group is The Executive Subculture. This group consists of the top management. Executives focus on finance and see themselves probably as lonely heroes. These powerful subcultures need to be understood when conducting an organizational change. (Schein 2010).
There are also occupational cultures and microcultures. Occupational culture is based on employees’ occupation and microculture forms inside for example to some unit of the company.

All these forms of culture create an organizational culture and will be taken into consideration when making a significant organizational change for example in structures or ways of work. (Schein 2010.)

Inside the company’s culture, there are macrocultures which affect the development of organizational culture. There is always a national and regional culture present, and those cannot be neglected. (Schein 2010).

The consensus is the key to the effectiveness, when, for instance, the goals, ways of measurement and strategies are agreed, the organization will work more efficiently. (Schein 2010.)

Laurea University of Applied Sciences has several geographically separate units. The aim is to create one common organizational culture from previously formed subcultures. With this differentiation, there is a need for leaders to find ways for coordination, alignment and/or integration of subcultures (Schein 2010). The leaders of the units are part of the top management so the execution of the policies should be integrated into units accurately.

3.2 Leadership and management of change

There are multiple books, articles, and theories written about management and leadership of change. The most fundamental one according to appreciated experts is Schein’s theory, and this chapter is based on his ideas.

Leaders play the most important role in change processes. Here in the case where a totally new action will be started, it is important to recognize leaders and powerful members of different groups. Leaders give the first push towards new action and generate groups to planning and executing the new measures. In this case, the most significant change is that the university of applied sciences is starting to collect tuition fees on a larger scale than before. This might cause some problems with equality of students when paying and non-paying students
are studying in the same group. The change, in this case, means that the staff needs to go along with the fees and not to treat students differently.

There are different ways how to embed the change into the organization. The charisma of the leader would be the easiest, but leaders with that high level of charisma are rare. Schein (2010) introduces twelve embedding mechanisms that can be applied to all organizations. These mechanisms are divided into primary embedding and secondary articulation and reinforcing mechanisms. Primary mechanisms are those daily actions what leaders do, and secondary are those more structural that support and reinforce primary actions. It is notable that the most important mechanisms are not those officially reported and communicated ones, but those, how leaders act on daily basis. The significance of example of behaviour is crucial. Many attempts of change have failed when the leaders have not used these mechanisms methodologically.

Embedding mechanisms by Schein (2010, p. 236)

“Primary Embedding Mechanisms

- What leaders pay attention to, measure and control on regular basis
- How leaders react to critical incidents and organizational crises
- How leaders allocate resources
- Deliberate role modeling, teaching, and coaching
- How leaders allocate rewards and status
- How leaders recruit, select, promote and excommunicate

Secondary Articulation and Reinforcement Mechanisms

- Organizational design and structure
- Organizational systems and procedures
- Rites and rituals of organization
- Design of physical space, facades and buildings
- Stories about important events and people
- Formal statements of organizational philosophy, creeds, and charters.”

One of the characteristics of the culture is that it evolves during times. The culture reacts to changes in the external environment and internal structure (Schein 2010). The change in the external environment, in this case, is the introduction of tuition fees in Finland by the Finnish government. The change creates a need for
change in the organizational culture of the institution as adapting to this situation is necessary. The change affects in many subcultures in the organization.

Schein (2010) has applied Kurt Lewin’s fundamental assumptions of change in a human system. The stages of learning or change have been divided into three stages:

1. Unfreezing: creating the motivation to change
2. Learning new concepts, a new meaning for old concepts, and new standards for judgement
3. Internalizing new concepts, meanings, and standards.

In the first stage, the most important procedure is to reduce the learning anxiety. The staff needs to feel that the change is possible for them and know the consequences of change entirely (Schein 2010). There are multiple ways of creating psychological safety. According to Schein (2010, pp. 305 - 307), the change leader should be able to adapt all of them. These tools are:

"1. A compelling positive vision
2. Formal training
3. Involvement of the leader
4. Informal training of relevant ‘family’ groups and teams
5. Practice fields, coaches, and feedback
6. Positive role models
7. Support groups in which learning problems can be aired and discussed
8. Systems and structures that are consistent with the new way of thinking and working."

In the change communication it is important that the change is not communicated as “cultural change” but as concrete terms what problem there is to be fixed with this new way of work. (Schein 2010, p. 314). Leanifying the communications can clarify the communication and that way help to improve the efficiency (Staats & Upton 2011). The lean philosophy is described more precisely in a later chapter.
3.3 Knowledge management and development

Organization’s immaterial capital consists of three factors: relationship capital, structure capital and human capital. Human capital – conducting from for example company’s culture, values, leadership, and development of knowledge – is the most important part of the immaterial capital. (Kilpinen 2009 pp. 26). The personnel of a company is a very valuable tool in the severe competition from the students, project funding, and relationships. It should be company’s priority number one to keep employees satisfied and willing to develop and keep knowledge in the house. Leaders should not see staff as a necessary evil. Also Pentti Sydänmaanlakka (2000, p. 234) emphasizes that good human resources management is one of the key characteristics of the intelligent organization.

Organizational knowledge is born in formal and informal situations, where people in an organization interact. An interesting term is a ba – a place where participating individuals share their views, build relationships and create new meanings. New knowledge creation needs ba’s to be connected, and the ideal way is to fade boundaries in the organization to have self-organizing teams. A Ba can be formal or informal and physical or virtual (Takeuchi 2013). The organization should give opportunities to self-organizing teams. The best innovations are not born in negation rooms.

Leaders should see themselves as those who make change possible – not as those who create the change or who – even worse – obstruct it. (Kilpinen 2009).

Tacit knowledge in organizations is a crucial and exciting issue. The tacit knowledge base is bigger than one might think and large amounts of for example previous experiences can vanish when people change. From organizations’ point of view, as much explicit knowledge should be internalized as possible and as much tacit knowledge to be documented to become explicit. (Sydänmaanlakka 2000). The following figure pictures how information becomes organization’s explicit knowledge:
The lean approach can help to make tacit knowledge explicit. It becomes articulated and visible. Creating systems and rules to guide communicative interactions can lead to effectiveness. It is important to make everything visible and make people to do something about it. Specifying the knowledge work is one way to make tacit knowledge explicit. The process for specifying has four steps:

1. *look for repeatable parts of the process and codify them*
2. *don't try to specify everything initially, if ever*
3. *use data to get buy-in and*
4. *keep studying the work that has been designated as tacit*.

(Staats & Upton 2011).

Work is learning, and the learning is working (Sydänmaanlakka 2000). Particularly in the organization where most of the employees are experts in education themselves, internalizing this is critical. Sydänmaanlakka has created a model which supports the individual learning to support team’s and whole organization’s learning. All working tasks can be seen as a possibility to learn and make better performance. One fundamental in the model is to plan actions and collect feedback, so it is consistent with the Deming’s wheel, which is the
cornerstone of case company’s quality system. The phases of the model (p. 77 - 78) are:

“1. planning: clarity of tasks and goals
2. actions and experiences: determine and rapid actions
3. evaluation: reflectiveness
4. understanding: synthesis
5. applying: testing in action
6. transit of learned: documentation and sharing
7. information system: data to organization’s systems
8. organizing: organization model and values to support this model”

The quality system audit of the Laurea University of Applied Sciences was conducted in the beginning of the year 2016. Laurea passed the audit and has a quality stamp which is valid for six years to come. In the evaluation it was said that Laurea has a vivid and interaction-based quality culture. (Finnish Education Evaluation Centre 2016.) The importance of quality system comes to be crucial when systemizing the processes.

3.4 Lean culture

“Is there any little adjustment that can make us a little bit more beautiful than we were yesterday?”

(Modig & Åhlström 2015)

LeanLaurea is one of the cutting edge projects in Laurea University of Applied Science’s strategy 2020. Adopting the new culture has been started in autumn 2016. The whole staff will get to know the principles of Kaizen-culture, and it fits well with the current quality system’s principles. There have been several workshops on different campuses to bring the information close to the staff.

There are multiple books also about the lean culture, and the principles presented here have been chosen in consideration to the case and the nature of knowledge-based work. There are many definitions of a lean culture, and this chapter collects together some core principles.

Niklas Modig and Pär Åhlström are authors of a book called “This is lean. Resolving the efficiency paradox”, the book is one of the bestseller management books in Sweden, and the examples from the book are often cited.
According to Modig and Åhlstöm, in lean philosophy, or kaizen-culture, there are two most important principles which are *jidoka*, which means continuous improvement, and *just-in-time*, which brings the attention from resource efficiency to flow efficiency. The focus is on the customer, not so much in the resources.

From the viewpoint of the staff, in flow efficiency, which is the goal in leanifying the processes, it is important that the flow unit is always handled by a resource, the member of the staff. If this works, the wasted time from the flow unit point of view is minimized. In knowledge work, many routine activities do not require lots of expertise – such as copying documents and arranging meetings – those could be possible starting points for efficiency actions. (Staats & Upton 2011).

The processes are in the center; they need to be understood to enable the continuous development. Processes should be evaluated and developed from the viewpoint of the flow unit, which in the concept of this case can mean for example student. All the phases of the process should add some value to the process. The efficiency increases when the waste is minimized (Modig & Åhlstöm 2015). In this working environment, this could be for example by lowering the hierarchy and giving the members of the staff clear roles and responsibilities in situations, which are closely attached to the work of staff member. This needs support from managers - workloads of knowledge workers tend to broaden, and managers should regularly assess the tasks and their importance (Staats & Upton 2011).

Staats and Upton (2011) state that to eliminate waste, it is important for an organization to start to care about the small things. There have been very simple but meaningful examples already about reducing waste in the processes of the case company. The ideas from the members of the community should be tried out bravely; it is almost always possible to return to the old way if the new did not turn out to be suitable.

Modig and Åhlström (2015) list three sources of inefficiency, which can be managed. This is interesting from the viewpoint of the knowledge worker and the organization because better efficiency means more time for development – at least if the organization values that more than short-term wins by reducing
resources. The three sources of inefficiency by Modig and Åhlström are here presented by possible examples from higher education institution.

- Long throughput times. The student waits for the answer to a question about the scholarship. The answer is delayed, and the student gets unhappy which has an effect on motivation. There are also indirect needs, which should be noticed in this work.
- Many flow units. The study course coordinator does not answer to e-mails from the students considering the course, thinking that it is easier to answer to all at once. This creates unwanted inventory. The time reserved for answers is not long enough. Some students did not get the answer on time and some not at all.
- Many restarts per flow unit. The student has a question, on which the teacher did not know the answer. The teacher tells the student to contact the program coordinator, who tells the student to contact the schedule planner. The student has to explain the question three times from the start. This creates frustration for the student and wastes time from the staff.

The solutions for these kinds of examples of the inefficiency are clear, but not always done when the organization has a resource efficiency mindset! By moving the focus to flow efficiency, the flow unit, in this case the student, flows through the organization (Modig & Åhlström 2015). The phases of processes rather accelerate the flow than slow it down.

Laurea University of Applied Sciences has created a quality culture, which is based on continuous development where the phases are plan, do, check and act. There is a figure about the quality cycle in chapter 4.2 of this study. Lean is based on the same principle. Modig and Åhlström (2015) present Womack and Jones’s (Lean Thinking, 1996) five principles, in which the focus is on implementation:

“1. Specify value from the standpoint of the end customer.
2. Identify the value stream and eliminate all steps that do not add value.
3. Make the remaining value-creating steps flow, so that the product flows smoothly toward the customer.”
4. When the flow is established, let the customer pull value upstream from the next upstream activity.

5. When steps 1 through 4 are complete, the process starts all over again and continues until a state of perfection is reached in which perfect value is created with no waste.”

In this case, the product is the degree, and the customer is the student. Staats and Upton (2011) give tips for following the principles of Toyota Production System, and one of the principles is to develop an organization to be a problem-solving engine. Authors bring the method to knowledge work as follows: the person who created a problem should be the one who is going to fix it. The person most likely knows or finds the solution best, and this gives the person a great opportunity to learn. Problems should also be solved as soon as possible and as close to the origin as possible. These rules ensure that the best possible information about the problem is available.

From the employee point of view, it is important that leanifying and its means are clearly defined. The means are divided values, principles, methods and tools. Values define how an organization should behave, principles how an organization should think, methods what an organization should do and tools what organization should have. These means are not general; the organization should find its own solutions to flow efficiency and not to entirely copy those from others. (Modig & Åhlström 2015). In higher education institution context, sharing best practices is recommendable, and the culture of sharing is today seen positively.

The communications can be a bottleneck in many cases. First, clear step on structuring the communication is to define who is communicating, what and when. It is also important to create a shared understanding of the subject in hand; individuals are always from different backgrounds so things can be seen differently. Clarifying the task or work releases resources from determining to problem-solving. (Staats & Upton 2011.)
3.5 Learning organization

Peter Senge (1990) defines the concept of a learning organization as follows:

“...organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.”

It is important to understand the whole course behind the learning process. That will be the way to be able to support the organization to learn. According to Pentti Sydänmaanlakka (2000), there are three stages: the whole organization, the team, and the individual employee. The process is somewhat overlapping, but all stages need separate attention.

Normal, basic processes of the learning organization are the management of performance, competencies and the knowledge. (Sydänmaanlakka 2000). Management of performance is done in individual level. The management of competencies is a strategy level process, and it can be done by defining the core competencies of the company. From core competencies will be developed competence needs for the teams and skills for the individuals. It seems like this management problem is well solved in higher education institutions at least in degree programmes. In some situations it could be better done in supporting and managing parts of the organization.

Leaders are also learners here in cultural change. The world is changing rapidly, and the leadership needs to stay in the rhythm. We know that the world will become more complex, and the culture can be seen as a stabilizer (Schein 2010). The future complexity is one more reason for leaders to know what they are doing when going towards changing the culture. There are certain identified characteristics for a learning organization. A higher education institution would probably be the best place where to apply these features (Schein 2010):

“1. Proactivity
2. Commitment to learning to learn
3. Positive assumptions about human nature (theory Y)
4. Belief that the environment can be managed
5. Commitment to truth through pragmatism and inquiry
6. Positive orientation toward the future
7. Commitment to full and open task-relevant communication
8. Commitment to cultural diversity.
9. Commitment to systemic thinking
10. Belief that the cultural analysis is a valid set of lenses for understanding and improving the world."
PART 3: Empirical part

4 Current situation in the case company

4.1 Strategy and development projects

Laurea University of Applied Sciences has as a strategy which reaches to the year 2020. The strategy was approved by the Board of Directors of Laurea University of Applied Sciences on 10 June 2015. The strategic goal is to

“be an international developer of well-being and competitiveness in the metropolitan area in 2020.”

(Laurea 2016b).

“Together we are stronger” is a promise for partners.

According to the strategy (Laurea 2016b), competitive advantage is reached with following success factors:

“a) redeeming the service promise
b) future work life and entrepreneur competence
c) solution-centric and ethical activity in the partnership networks and
d) cost-effective operations”

The service promise “We are here for you in Laurea” is a promise for students. It is conducted with students and alumni, and it includes four parts: flexibility in studies; getting guidance and feedback; future building with Laurea and working life; and supply of study supporting services. The realization of the promise is measured annually via survey for students. (Laurea 2016c).

The strategy is said to start from the people and to end to people. This is why it can be seen as knowledge-based strategy – people are definitely in the center of the strategy, the strategy is seen as a dynamic process, and there is also a social agenda. In knowledge-based strategy thinking the organization actively creates a future, not just passively react to it. (Takeuchi 2013.)
The strategy includes seven main themes which are presented in the following picture.

![Central themes of Laurea's strategy 2020 (Laurea 2016b).](image)

The implementation is done in three years within operational and financial plans. Plan of the strategy implementation is also illustrated with the strategy implementation matrix. This study supports the implementation of three out of ten strategic development projects. These three projects are *Education export to profitable growth*, *Competence2020* and *LeanLaurea*. These projects are presented in the following chapters.

### 4.1.1 Education export to profitable growth -project

The goal of the project is to create systemized, successful and profitable education export for Laurea. Systemizing the education export demands defining
the product portfolio and leading products along with laying down the terms for tuition fees, other pricing, selection process, target areas, creating a marketing strategy and starting marketing actions, and determining the operational principles of the education export actions. The project is part of the cooperative project EduExcellence. (Laurea2016e).

Ministry of Education and Culture gave a development obligation to collaborate for Laurea, Haaga-Helia and Metropolia Universities of Applied Sciences. One of the seven cooperation projects is called EduExcellence. Laurea gave a lookup for the development obligations on 19 February 2016 where EduExcellence is defined as follows: (Haaga-Helia, Laurea and Metropolia) Universities of Applied Sciences gather the competence to the firm center of excellence which is going to be the biggest education export actor on 2020. (---). There will be the joint unit for education export. (Laurea 2016d).

4.1.2 Competence2020 -project

The goal of the project is to represent the knowledge objectives of the staff of Laurea University of Applied Sciences. The method can be for example service design. The only way for the higher education institution community to succeed is to continuously develop competence and knowledge, both as an organization and an individual. When the knowledge objectives are recognized, they are compared to the current knowledge and the need for knowledge development is detected by gap-analysis. Knowledge in this broad context covers both substance and other skills and talents. The requirement for the knowledge management is also supporting HR-information systems. (Laurea 2016e).

4.1.3 LeanLaurea -project

Laurea’s strategy is put into practice in LeanLaurea -project in many areas and cross-sectionally. With the help of the project personnel’s knowledge about lean-thinking and -methods is increased. Primarily the results are seen internally when the time resource is released for core actions. That way the quality of actions and efficiency are improved. (Laurea 2016e)
4.2 Other guidelines

According to Laurea’s quality assurance audit report by Finnish Education Evaluation Centre, there is a vivid and dialogue-based quality culture in Laurea. Main processes are pictured in the QPR-system, and they are available for the whole staff. All the profit units of Laurea University of Applied Sciences create a yearly plan using a procedure of the operational and financial plans (OFP’s). The OFP’s help the organizational unit to fulfill the strategic goals, are a daily tool of leadership and management and integrate the quality system for daily work. (Finnish Education Evaluation Centre 2016b).

<table>
<thead>
<tr>
<th>NATIONAL AND INTERNATIONAL OPERATING ENVIRONMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement between the ministry of education and culture and Laurea UAS 2013–2016</td>
</tr>
<tr>
<td>Laurea2020-strategy</td>
</tr>
<tr>
<td>- strategic intent - values - profile</td>
</tr>
<tr>
<td>Operating and financial plans (OFPs) 2015–2017</td>
</tr>
<tr>
<td>- Laurea level OFPs</td>
</tr>
<tr>
<td>- profit centre OFPs</td>
</tr>
<tr>
<td>Curricula</td>
</tr>
<tr>
<td>Strategic management and operational management</td>
</tr>
<tr>
<td>Education</td>
</tr>
<tr>
<td>RDI</td>
</tr>
<tr>
<td>Regional development</td>
</tr>
<tr>
<td>Support services</td>
</tr>
<tr>
<td>Documents that guide the activities:</td>
</tr>
<tr>
<td>- Rules of Procedure</td>
</tr>
<tr>
<td>- Degree regulations</td>
</tr>
<tr>
<td>- Ethical Code of Conduct</td>
</tr>
<tr>
<td>- L&amp;D manual</td>
</tr>
<tr>
<td>- Project manual</td>
</tr>
<tr>
<td>Strategic development</td>
</tr>
<tr>
<td>Development of education</td>
</tr>
<tr>
<td>RDI Development</td>
</tr>
<tr>
<td>Development of regional development work</td>
</tr>
<tr>
<td>Development of support services</td>
</tr>
<tr>
<td>Quality system development</td>
</tr>
<tr>
<td>Concrete methods:</td>
</tr>
<tr>
<td>Pedagogical programme</td>
</tr>
<tr>
<td>Supervisor coaching</td>
</tr>
<tr>
<td>Development days and seminars</td>
</tr>
<tr>
<td>Development workbook</td>
</tr>
<tr>
<td>Development portfolio</td>
</tr>
<tr>
<td>PLAN</td>
</tr>
<tr>
<td>DO</td>
</tr>
<tr>
<td>ACT</td>
</tr>
<tr>
<td>CHECK</td>
</tr>
</tbody>
</table>

Figure 3: Laurea UAS quality management system (Laurea 2017a.)

Laurea University of Applied Sciences has created the Ethical Guidelines to support the daily work in Laurea community and cooperation. The guidelines were created as a part of Higher Education Community Programme on the academic year 2012-2013. The Ethical Guidelines include guidelines concerning individuals, community, leadership and tolerance and respecting diversity. (Laurea 2013).

There is a strong emphasis on safety and security in Laurea. The rules of order are also supporting the everyday work and help the community to interfere for
example on indiscreet behavior (Laurea 2016a). Indiscreet behavior can be for example behavior which does not follow the Ethical Guidelines, or it can be anything that does not feel right for some individual or group.

4.3 Previous experiences of education export in Laurea

Examples of the case company’s previous experiences of the education export, export of the degree programmes and other education, and collecting tuition fees are listed according to experiences of those who participated in the focus group discussions. The information is supported by documentation found from the intranet of the case company. The international work has been systemized, the insurances and other practicalities have been arranged for the staff.

Laurea was part of the trial of tuition fees with one of the master’s degree programmes, Service Innovation and Design. The trial took place during years 2010 to 2014, and it let the Finnish higher education institutions to collect tuition fees from students outside the European Union and European Economic Area. (Ministry of Education and Culture 2014.). There were a really small number of students who were chosen to trial programme and they studied in the same groups with other students. These students also applied for a scholarship for the studies, so no payments were actually collected from the studies.

There have been student recruitment events for example in Brazil and Denmark. Members of the staff have been there giving information of the education for the potential applicants. One of the organizers in this cooperation has been Finnish Network for International Programmes (FinnIPS) network.

Laurea is a member of European Facility Management Network (EuroFM) with around 30 other higher education institutions and research institutions. This partnership also includes some actions concerning the education export, for example, summer schools around the Europe. Laurea’s area of expertise has been service design.

Laurea has organized some double degree programmes, where an international student takes a degree both in Laurea and in a foreign partner university.
Centre for International Mobility (CIMO), which is now merged with Finnish National Board of Education, has been the Finnish organizer for the International Student Barometer. Laurea has been taking part in the survey.

4.4 International degree programmes in Laurea

At the moment development and resourcing of the international degree programmes is done on the same basis than in those programmes which are conducted in Finnish. In Leppävaara campus, where these international degree programmes are situated administratively, there is an English-language version of each degree programme that is conducted in Finnish.

Laurea University of Applied Sciences has been very attractive when measuring with the number of applicants, but the new situation with tuition fees creates a need for re-evaluation and possible renewal. There might be members of the organization who do not want to make changes because of the success, which is a source of pride (Schein 2010, p. 290).

There are at least two development groups inside the organization which concentrate on enhancing the education export and in the development of the degree programmes conducted in English. The first group is more general in nature, and the other deals mainly with marketing and communications. Preliminary results of this thesis has been presented to the second group on August 2016. Both groups gather together in-house experts of the subject. Development of the degree programmes has been a focus of interest also before the realization of the tuition fee requirement. There have been own development and evaluations together with partner universities of applied sciences.
5 Research methodology

According to Yin (2009, p. 18):

“A case study in an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context especially when the boundaries between phenomenon and context are not clearly evident.”

This research is a single-case study, and the principles of Yin’s case study method are used in the research. In research, the five components (questions, propositions, unit(s) of analysis, the logic linking the data to propositions and the criteria for interpreting the findings) should be included. (Yin 2009). The tests for construct validity, internal validity, external validity, and reliability are evaluated throughout the research (p. 41).

The research method is qualitative. Vilkka (2005, p. 126) refers to multiple sources, where it is said that the amount of the data is not relevant when doing qualitative research: what is relevant is that the data is good quality, and the analysis is done carefully. The three principles of data collection were followed (Yin 2009, pp.114–125). There are multiple sources of data used, the case study database was created, and the chain of evidence was maintained.

Beitler (2006, p. 65) discusses that when the aim is to do organizational change, it is important to collect data from different levels of the organization when planning a change. In this research, the primary data collection method is focus group discussions, and the secondary is organizations’ document review. As mentioned before, Laurea University of Applied Sciences’ strategy has been recently published, and the objective of this research is to support reaching some goals from it.

There are several analysis methods presented by Yin (2009), and he states that none of them is easy to use or can be used mechanically. The most important thing is that the analysis is done on high-quality level. The analysis should include all the evidence; should address if possible, all major rival interpretations and the most significant aspect and the researcher should use one’s own prior, expert knowledge. (Yin 2009, pp. 160–162)
There are two sources of evidence in this research. Primary data collection method is focus group discussion. Other sources are documentation and some archival records from the Laurea University of Applied Sciences and Ministry of Education and Culture and Finnish National Board of Education. The Finnish National Board of Education and The Centre for International Mobility merged on 1 January 2017, and the new name is The Finnish National Agency of Education.

5.1 Focus group discussions

5.1.1 Collection of data

The research questions and the nature of the topic justified the selection of the primary data collection method, focus groups.

The method is qualitative, contact to research subjects is done by focus group methodology. The little pre-discussion questionnaire was made to open up the research phenomena for participants and get a basis for the discussion. This method is used in some coaching processes of management groups where the time resource is usually limited (Heinonen 2016).

Selection of the method was made mainly to get the key players of the topic to come together and take part in the development. One feature in selection is the aim to get persons to engage in the process already at an early stage.

Participants for the focus groups were selected in cooperation with representatives of the case company. There are two focus groups in this study. The questionnaire was in Finnish and discussions were conducted in Finnish. The language choice was made following the recommendation of Liamputtong (2011), focus groups’ discussions should be carried out with the native language of the participants. In this case, all participants were fluent in Finnish, and it was the native language of the most.

The first group was formed by snowball sampling method (e.g. Liamputton 2011, p. 51) where the suggestions for possible participants came from other participants or other informants. The sampling helped to find those members of the staff of Laurea University of Applied Sciences who have been a part of education export activities or who have expertise which is supposed to be
supportive in the process of developing the subject of this thesis forward. The second group consisted of top management of the university of applied sciences. According to Liamputtong (2011), focus group discussions should involve 6 to 8 participants who have similar experiences or concerns (p. 3). The research was done in particular community, and the informants were chosen accordingly.

Both groups answered to the small questionnaire before the focus group discussion. The tool was Google Forms, which is a widely used questionnaire tool and is easily accessible from different devices, so the form is easy to fill with smartphone or tablet for example while commuting. Saving data to Google’s cloud service Google Drive is safe and data will not be given to outsiders, according to company’s Safe Harbour Certificate (Safe Harbor 2016). The questionnaire and the cover letter for the discussion are in Appendices 1 and 2. From thirteen informants, eight answered to the questionnaire. There were some problems with the firewalls and technology, and because of that, not all respondents were able to fill the form.

According to answers to the questionnaire and the research questions, themes for discussion were defined as follows, translated from Finnish. The headline is the main theme, and the list consists of supporting words which came up in the questionnaire:

1. Organization model to conduct education export (Organisaatiomalli koulutusviennin toteuttamiseksi)
   - Chargeability (Maksullisuus)
   - Digitalization (Digitalisaatio)
   - Quality, development of the degrees (Laatu, tutkintojen kehittäminen)
   - Leadership and management (Johtaminen)
   - Resource allocation (Resurssien ohjaaminen)
   - Cooperation (Yhteistyö)

2. Knowledge development of the staff (Henkilöstön osaamisen kehittäminen)
   - Current knowledge (Tämänhetkinen osaaminen)
   - Substance (Substanssi)
   - Language proficiency (Kielitaito)
   - Knowledge in internationality and cultures (Kansainvälisyys- ja kulttuuriosaaaminen)
   - Export and sales (Vienti ja myynti)
3. “Laurea-style” as a success factor (Laurealaisuus menestystekijänä)
   - Challenges (Haasteet)
   - Possibilities (Mahdollisuudet)
   - Next steps (Seuraavat askeleet)

These themes and supporting words were shown to informants during the discussion. The author of this thesis acted as a moderator and facilitator of the discussion. Both discussions were in negotiation rooms of Laurea University of Applied Sciences. Discussions were recorded by using iPhone’s Voice Recorder app, and the backup recording was made with a tablet, by using Android’s Voice Recorder Application. The quality of the sound was good with both devices.

According to Vilkka (2005) persons participating in discussions should not be seen just as informants. There needs to be something that they get from the discussion. In this case, the discussions seemed to be beneficial for both focus groups. In the first discussion, one participant wrote down probably all the ideas that arose from the discussion and some of them are put into action before the results of this research are published. The same thing happened in the other group.

5.1.2 Analysis of the data

Transcripts of the focus group discussions were done straight after the discussion. The transcript was done naturally in Finnish because of the language of the discussions.

The analysis was done by the basic model of the content analysis:

“1. Decide what is interesting in the data and STICK TO IT!
2a. Go through the data, separate and highlight things that are included in your interest.
2b. Leave everything else out of the research!
2c. Gather all the highlighted parts together and separate them from the other material.
3. Categorize the data.
4. Write a summary.”

(Translated from Sarajärvi and Tuomi 2009, p. 92).
The process of analyzing followed the following path:
1. Data grouping
2. Finding the data interesting from the viewpoint of the research
3. Separating the interesting data from the rest
4. Organizing and classifying the data under the topics of research questions
5. Writing the findings and reflecting them to other material and theory.

Focus group discussion transcripts were coded according to discussion themes which were: organizational development, development of the knowledge of personnel and way of working at Laurea University of Applied Sciences as a success factor. Different ideas and discussion points are presented in chapter 6.

5.2 Other sources of information

5.2.1 Collection the data

Other sources of evidence include a variety of documents. All the results arisen from the case company have been discussed in comparison to the Ministry of Education and Culture’s roadmap for the education export. The recognition of the obstacles for education export in the roadmap development work has been done in workshops at the end of the year 2015, so the findings and recommendations are very well supporting other data collection.

5.2.2 Analysis the data

The analysis of the data was done practically the same way than the analysis of the transcripts of the focus group discussion. The documentation material was read through and mirrored towards the research questions.
6 Findings

The findings include the information and opinions mainly risen from the focus group discussions completed with other sources of information. The recommendations are in chapter 7.

6.1 Organizational development

6.1.1 General issues

It is somewhat predictable that education export, in this case, fee-based degree programmes, will not bring large income at least in the beginning. Still, the international degree programmes are relevant from the viewpoint of the internationalization of the whole university of applied sciences.

Discussion about the goal of the entire international education in Laurea University of Applied Sciences should also be done, to find a clear vision and the desired results of providing international degree programmes. The lookup can include the evaluation of the degree programmes and all of them should be critically checked whether they fill the quality standards. The core product needs to be in good shape. Resources are not endless, so the offering platter has to be evaluated.

The roadmap for the education export (Ministry of Education and Culture 2016b) supports the principles of change management and the results of the focus group discussions. The commitment and dedication from the top management are crucial when thinking about strategic lines and putting those into action. The education export is remarkable international business, and success in it demands new and possibly long-term investments for example to marketing and product design. The roadmap also supports the idea of increasing flexibility of the work time usage of the teaching staff.

The roadmap also points out that the international competition does not support the current trend of experimental culture. The same observation came out in the discussions – when the students are promised to have some level of the service,
the promise needs to be fulfilled. The well-functioning home market could be a solution for developing and testing the new.

From the viewpoint both the provider and the customer, there is a need for a clear contract, where the responsibilities, duties and other issues such as the scholarship system are defined. The basic process is working, but issues like risk management and dealing with complaints are not entirely thought through.

The whole way of thinking should be turned from the organizational viewpoint to student viewpoint. This is supported by the strategy and the service promise: “We are here for you in Laurea”.

6.1.2 The staff

Laurea needs to ensure that there are right players on right places. Now the problem according to officials is that same people are required everywhere. The discussion groups expected that the paying students are going to demand more. There is a question whether new members of staff should be ones with high potential or already experienced professionals. About the service promise, it needs to be thought how the organization can provide the students those things they want and need and how the quality of services match to their expectations.

Those members of the staff who are part of any operation need to have enough resources for doing it. It is not enough to tell the person that you need to do something without giving the actual possibility for that. Education export should be seen as a normal part of everyday work tasks both by the employee and by the organization.

From the viewpoint of staff structure, it could be beneficial to build a multi-cultural environment. A dimensional environment can be a good platform for creating a strong sense of community.

From the viewpoints of staff involvement and resource allocations, the knowledge of the staff of Laurea should be taken into better use. Especially the knowledge in service design can be useful in the starting phase of the education export activities.
6.1.3 Developing degree-education

Both of the focus groups pointed out that the basic degree education should not suffer from the new situation where the tuition fees are collected. There is a risk that the emphasis is put on the new paying customers or programmes. The core funding for the university of applied sciences is still based on the results and actions in the basic education. The best result can be that the degree education is developed as a whole, not only from the need of those paying tuition fees.

When every academic year costs a lot of money for a student, there could be a will to graduate a lot sooner that the expected graduation would be. It is also said that Finnish structure and pressure in studies is not too demanding. There will be students who want to graduate sooner, and the system should be developed to be more flexible to support that. That system can be in all degree programmes, not only in the international ones with paying students. The system should include tutoring, mentoring, working life contacts and teachers.

There might be a demand for tailored degree programmes. One example from the discussion was that if a prince of Saudi Arabia wants to offer a business management programme, how it is possible to carry through following both: the needs of the buyer and boundary conditions of the Finnish regulations. Is the curriculum reasonable from the viewpoint of the purchaser is a question which needs revision.

Surprisingly the discussion participants did not find digitalization to be a big issue to be thought in Laurea University of Applied Sciences. The digitalization is seen necessary but not as a development issue for the staff for example. The reason is, unfortunately, unclear, it might be seen as a basic knowledge of the staff. The roadmap (Ministry of Education and Culture 2016b) suggests that the digitalization should be a part of all the programs and projects which aim to develop education. It is seen that Finland has been left behind in the development of digitality.

Digitalization was not a very hot topic in the discussion, but in the documentation it rose up often. For example, flexibility supported electronically carried out
services are already recognized in the development explanation to the Finnish Government.

Development of digitalization is seen as an opportunity to offer fee-based education both out- and inside Finland’s borders, especially in master’s degree education. On the other hand, when a student pays the fee, he or she might expect a full service face to face. When going digital, the manners should be carefully thought. There are lots of possibilities.

6.1.4 Ethical questions and the service promise

The ethical issues are very much present when talking about collecting tuition fees. Some actors even in the permanent faculty and staff see that somehow the paying customers are more valuable than the rest. Most of the answers included the idea that this is a possibility to develop the ethics, services and so on as a whole, not only in the programs with tuition fees. On the other hand, according to Ministry of Education and Culture’s roadmap (2016c), there are some special needs of those who pay tuition fees.

The service promise of Laurea needs to be carefully fulfilled every year. In the discussion came out the continuous need for fulfilling the promise: the student will decide annually if he or she wants to continue the studies and pay the tuition.

Laurea University of Applied Sciences has ethical guidelines, and the roadmap suggests developing a code of conduct -guide to ensure similar guidelines for the staff working with education export.

6.1.5 Marketing and communications

The competition of paying students is tough. The Ministry of Education and Culture has recognized this in the roadmap (2016b) and recommends that the evaluation of the programmes offered and fees collected should be done carefully.

The basic process from applying through supporting studies and to graduating is in good condition throughout the university of applied sciences. What needs to be considered more is how the marketing and communications work: what kind
of students it attracts? According to discussion groups, there has not been a clear marketing plan for these degree programmes. The target group should be defined more clearly within new situation with tuition fees. The lead needs to be defined from the viewpoints of different target groups.

The pedagogical model of Laurea, Learning by Developing, should be communicated clearly to the applicants. The model demands a lot of individual and group work and the hierarchy between the faculty and the students is lower than in more traditional models and some cultures.

In an international context, the certificates and awards are highly appreciated. These should be more present in marketing. Naturally, it needs to be checked that the actions still meet the awarded level.

There is still a lack of information in English, starting from the student intranet.

One of the informants called into question whether Laurea has needed products to compete in the international markets. The market analysis should be done carefully and possibly find a niche area where to succeed.

6.1.6 Cooperation and partnering

Cooperation is a key thing in the development and execution of education export. Even Finland as a whole might be too small for large scale education export projects, so Finnish players need to be open for new markets and partners. Finnish organizations are not represented enough in international consortiums (Ministry of Education and Culture 2016a). The cooperation and networking is one of the headlines in the obstacle and suggestion list of the roadmap. There are lots of similar findings as in the focus group discussions. Many of the obstacles detected in the roadmap workshops are naturally seen also in Laurea University of Applied Sciences.

Future Learning Finland is one of the key players in developing the cooperation. More locally in the Metropolitan area of Finland, there is EduExcellence, an organization which was created to support the education export development and collaboration of three universities of applied sciences. The student needs to find
Finland first, and Laurea needs to step out from the mass to be chosen by the applicant.

The supporting network for carrying out the student projects was brought out. Even though at the moment students are responsible for finding the projects and placements, there might be a need for more careful selection of the partners to fulfill the service promise and ensuring that the degree can be accomplished within the target schedule.

There are few questionnaires that can be used in evaluating the offering and possible partnerships. For example, the International Student Barometer conducted by CIMO – nowadays Finnish National Agency for Education.

One important supporter of the cooperation is the International Advisory Board (IAB) of Laurea. The IAB provides information from the international perspective, also tacit knowledge from the countries and universities that have collected tuition fees for a longer time. (Laurea 2017b)

6.2 Knowledge development of the personnel

In the discussions the members of the faculty and staff discussed what kind of competence requirements there are for those involved in the education export. Those employees, according to the participants, need to have a big set of skills, at least following among other things:

- language skills
- professional competence
- intercultural communication skills
- understanding the target group

Moreover, if these multi-talented are needed in the export, who will do the basic things? The knowledge development becomes important in order to be able to have more people to be involved in right and needed places.

There is a need for the knowledge mapping of the faculty and staff. The knowledge required for doing the education export among other operations has to be recognized.
At the moment the demand to do and to know other things among the core substance has led to a situation where it is impossible for the lecturer to specialize and be the best in a certain area. Too much generalization is not good, but on the other hand, students also need other skills from the lecturer besides the substance.

6.2.1 Pedagogical needs

Laurea’s operational and financial plan for years 2016–2018 (2016e) recognizes the development need for teaching staff from the viewpoint of the vision of Laurea. The need is in pedagogical competence, especially in digi-pedagogical needs, ensuring the consistent quality of education, enhancing the efficiency of education and planning the services of Laurea student-centrally and for the need of the Metropolitan area.

Standardizing the level of education, especially creating a standard level for LbD-model, should be done especially from the viewpoint of education export. The model needs to be crystal clear for all who use it, and it needs to be logically carried through throughout the organization.

6.2.2 Cultural and language knowledge

Naturally the teaching staff needs to have sufficient English skills. The level mentioned in the language programme of Laurea is Common European Framework (CEFR) C1, which means advanced level. (Finnish National Agency for Education 2017). The discussion group mentioned that also wide vocabulary and pronunciation are important for students and the brand. All the new staff members’ English skills have been evaluated during recruiting process. On the other hand, students need to realize that it is quite rare that there will be native level speakers in the working life either. Laurea already arranges a training for those who teach in English.

When talking about the customer experience, the cultural sensitiveness is a critical issue. Students should be supported to get acquainted with the Finnish culture, which requires the knowledge of their home culture from the staff. For
example the intensity of studies is said to be very different in Finland compared to other countries where the level of demand is much higher.

It is also important that the staff working in supporting services such as application and other student services have sufficient language skills and cultural awareness.

The internationalization at home could be emphasized more for example by taking immigrants more to planning and development. Also, the overall internationalization of the higher education institutions demands versatile structure of staff and students. This also includes the development of the alumni actions (Ministry of Education and Culture 2016b).

6.2.3 Guiding

The skills of managing multicultural groups comes handy for all managers and lecturers who are involved in the education export. Cultures can vary from national cultures to organizational subcultures, but the fundamentals are about the same. Cultural intelligence (Schein 2010, p. 388–389) is a concept, where the practitioner can understand, empathize and work with people from other cultures. Cultural intelligence is important for all the employees because in many situations it is not possible to choose the most culturally capable persons to the teams. Guidance and tutoring multicultural teams is a skill that is needed already, but it will be emphasized in the future.

The guiding is seen as a challenge not only in international degree programmes but with all groups. The importance of guiding and supporting the students from different backgrounds needs to be taken seriously.

6.2.4 Sales and marketing

The Ministry of Education and Culture recognizes (2016b) the lack of the business knowledge among educational staff as a challenge. The focus group discussion supports this recognition. Also, the lack of time of those having the needed knowledge is a problem.
Other marketing skills among the product design and productization are also seen central nationally and locally in the discussion. The development of new products and contents requires technical knowledge. Combining different knowledge areas can be challenging but rewarding.

Earlier the knowledge of Laurea has been exported free of charge and now the new way of thinking needs to be adopted.

6.3 Success factors of Laurea

One of the discussion themes with the focus groups was linked to the case environment: how the way of working can benefit the success in education export activities.

The focus groups think that Laurea’s pedagogical model Learning by Developing can be a competitive advantage, but it needs to be systemized. It is also notable that it is not unique according to one discussion participant, so that statement cannot be used in the communications. Foreign students coming from different cultures need to be well informed about the model. The discussion reveals that there is still also a need for systematizing the model to create a basic level which can be followed in all actions. One thing that should be kept in mind is that most likely the student will not choose the study place according to the pedagogical model but more because of the actions and the feeling that is entrancing.

The rules should be the same for everyone. Flexibility means that there are different ways to conduct studies, not that the schedule does not need to be obeyed. The whole situation can be seen as an extensive opportunity to develop the organization and its ways of working.

The location of Laurea gives a competitive advantage and can also be a success factor. There are global enterprises and businesses which want to go global. In the Metropolitan area, there are other higher education institutions, some of them are already strategic partners and can be partners also in the export of education.

The social life is very important part of the student life and could be better pictured and somewhat better arranged. Also, there is room for collaboration in the Metropolitan area. When paying tuition fees, the competitors are for example the
British universities where there are more campus-like living, lots of clubs and other activities.

Could it be that the primary success factor of Laurea is to fulfill the promises? The quality stamp has to be seen in everyday life at campuses for example as smoothly flowing processes. The student has to experience the quality level of the education and the supporting services as they were represented during the application process.
PART 4: Conclusions and recommendations

7 Development of successful education export

7.1 Organizational development

Management and leadership

Lean is a good philosophy also for knowledge work. It should be kept in mind that not all means can be straight away adapted to everyday life. Staats & Upton (2011) give few ideas for the voyage towards a lean organization. The first thing is to start small, few pilot projects and ideas arisen from the members of the staff can be a good start. The lessons learned and pitfalls need to be documented to ensure the continuous development, avoiding repeating the mistakes and on the other hand standardizing and sharing the good practices. The lean approach might not be applicable everywhere, but the organization should be looking for new, more efficient ways of working.

One idea coming from the discussions, the strategy and the service promise supported by the principles of lean philosophy is to actually put the student into a centre of all actions. The participants of the discussions pointed out that there still is thinking where the organizational matters come before the target – the student. Top management’s consistent and continuous commitment to the values and rules is important.

The role model given by leaders is essential in all change management actions. Especially those in the midlevel should train themselves and their subordinate staff. The continuous change in an organization, for example the organization model regenerating, can lead to a situation, where employees do not take the change initiatives very seriously. There are no instant wins, so the senior leaders should treat the program as persistent and be trailblazers themselves. (Staats & Upton 2011).

The key projects mentioned in this study are good concrete ways to bring the strategy to daily work.
Communications

In a changing organization, it is essential to have a clear understanding of communications. Suggestion for clarifying and standardizing the communications is to create a communications matrix, where the information flow is pictured the same way than in the strategy implementation matrix. For example Staats & Upton have good instructions for that. It is good to keep in mind that the communicating needs to be done in English also.

The certificates and awards are highly appreciated in the international context. The university of applied sciences could be more proud of those achievements and use them in the marketing. Naturally, the actions need to still be on that awarded level.

In the focus group discussions became apparent that the English communications should be improved. For example, the intranet for students does not have all the necessary information in English.

Service design and development of degree programmes

To make sure that the focus will remain in the right things it would be beneficial to make an evaluation of all the international degree programmes and activities. The strategic goal of Laurea University of Applied Sciences indicates that there is a demand for international activities, but which of the activities support the goal needs to be evaluated. At the moment the offering of the international degree programmes is not made carefully from the viewpoint of education export. Also, the English-language degree programmes play significant role in internationalization of the whole university of applied sciences.

From the viewpoint of the core or basic funding, not only the tuition fees should steer the development. A major part of the core funding from the Ministry of Education and Culture is still based on the core work, results and performance in the basic education. The most beneficial way to develop would be increasing the quality of the entire education!

There will be more demand for flexibility and individual schedules, so the structures should be trimmed to meet the expectations. Especially enhancing the
faster graduation should be taken into consideration. There might be some effect to the funding because of shorter study times though.

The roadmap for the education export by the Ministry of Education and Culture (2016a) mentions the service development to be one of the actions planned for the year 2017 among the start of tuition fee collection, deepening the cooperation and emphasizing some selected geographical areas. There is work already done for the tuition fee collection and cooperation deepening. The focus group discussion results also show that the product development is seen important by the employees. Future actions should include the productization of the degree programmes and the group for the development work could be found via the mapping of knowledge in Laurea. This mapping is done by the HR department of Laurea.

There have been some examples of buying a degree aimed education for a group. This might put pressure on tailoring the programmes. The tailoring should be planned to know how to meet the expectations of the possible ordered programme and demands from the Finnish regulations.

**Contracts and scholarships**

Creating a contract between the student and the higher education institution which takes all the possible duties and responsibilities into consideration must be done with the help of legal professionals. The contract gives structure and safety to the relationship. Especially the pedagogical model of Laurea should come clear to the students. The language needs to be carefully thought. The legislation is legally binding only in Finnish and Swedish; even if there is a translation available in English (Finnish Education Evaluation Centre 2015).

According to the Polytechnics Act, a university of applied sciences has to have a scholarship system to support those who are paying for their studies. The system needs to be created and evaluated; it can also become a competitive advantage in the rivalry of students.
Digitalization

Digitalization and the opportunities that it brings should be seen as a tool for different operations, it needs attention but should not be an end in itself. It brings lots of options for example guidance, service providing and cooperation – in the best case scenario helping to leanify processes. The organization should enhance the work with digital tools from the student perspective.

Standardizing

Following the existing guidelines, such as the service promise, can be a cornerstone for the way of working. Laurea has made a good work in quality development, and the project with the lean philosophy support the continuous development. When working with paying customers, there is a need for standard quality which is promised in the contract. There might not be too much room for experiments. One of the key elements of the kaizen-culture (lean) is to standardize. Before rushing into the new interesting thing, the organization should take time for stabilizing. In the big organization that might take time.

The Ethical Guidelines have to be followed. There can’t be a situation where the student is treated differently because of the price of the education. There needs to be a clear understanding of the staff that the students are equal.

Partnering and cooperation

When the potential applicant is making a decision where to apply, most likely first thing is choosing the country. In the global market, even the whole of Finland is rather small, so it is really important to partner up! Laurea needs to find the way to differentiate from other Finnish universities. There are multiple possibilities how to stand out from the crowd: it can be the results, employment, feeling, marketing, student activities…

Cooperation in the Metropolitan area is smart, and lots of important work has been done already. In the future, there will be a common education export organization which gathers together the forces of three universities of applied sciences. The work still happens in universities of applied sciences, and the work needs to be organized so that it is not something extra. There is also a great
chance to learn from the partners. The goal is in this case jointly owned, and the pressure comes from the outside.

The partner network for placements and student projects is already remarkable, but in the research process came out that the partnerships are not evaluated continuously. Evaluation is important to ensure the quality level that university of applied sciences itself can guarantee. The criteria for partnership should be done; partners are part of the experience the student faces while studying at the university of applied sciences. The partnership should be something that gives both parties added value and the partnership has to be something to reach for.

The International Advisory Board and the alumni network, especially international alumni, should be utilized. There is a denotative amount of knowledge of academically merited people and from those who know the university of applied sciences from their experience.

### 7.2 Competence development

The idea of a learning organization is in three levels as mentioned before: the organizational level, the team level, and the individual level. The organization has core competences, from those will be developed competence needs for the teams and skills for the individuals.

There are other factors that affect motivation and should be noticed also, at least involvement and resources.

The competence development should start with the mapping of the knowledge and skills in the organization. That will be done within the key project *Knowledge 2020*. At the same time, there should be built a shared understanding of core competencies, required knowledge and skills. With these actions the gaps will be found. Those gaps can be healed over either with training the staff or recruitment decisions.

**Staff involvement**

Schein’s (2010) theories about motivating the staff are pretty basic but essential: to be motivated to change, it is good to involve all the actors to different stages
of change and leaders need to be an example. There are lots of useful skills among the staff which are needed already in the planning of education export: service design, sales and cooperation to name a few.

The education export should be seen as a part of everyday actions, not some project. The resource allocation of the employees involved should be done sustainably to ensure the continuous development and welfare of employees. It would be good to have a chance for also informal meetings – a possibility for creating a ba.

**From tacit to explicit**

In learning organization where the development is continuous new information is born, and new lessons are learned all the time. To transit the learned to be part of organizational knowledge it is important to create a system to make tacit information explicit. The documentation system should be easy and efficient to use.

**Pedagogical model standardization**

There is a Learning by Developing -pedagogical model in use in the whole Laurea. The standard model and principles of the model have to be defined, applied and tested throughout the organization. The model has to be illustrated so that it is easy to communicate to the potential and present students as well as new members of the staff.

**Skills needed in education export**

In the focus group discussions and the road map for education export there are some recognized skills which are needed in the education export activities.

1. Guiding

Guiding skills are going to be in the significant role. The Learning by Developing model gives a challenge when the students come from different backgrounds. Teams are multicultural. There can also be those who want to graduate much sooner than in the usual schedule.
2. Substance

There can be higher level demands for the substance of certain subject for the lecturers. Can there be those who are growing to be good or is it safer to have already experienced professionals?

3. Language and cultural skills

Both language skills and cultural awareness need to be in sufficient level for the whole staff. Especially the faculty needs to be able to communicate the substance and guidance situations fluently.

4. Selling and marketing

Education export is after all business! All the employees are those who with their own actions sell the education. In addition, the organization needs those with a deeper understanding of the subject.
8 Summary: Managerial implications

“The sustainable growth of the education export can be done with complementary collaboration, continuous productization of knowledge services, references from the home market, functioning financing instruments of different knowledge areas. Especially operating in education market demands close partnership of public and private sector. There is a need for new reliable measurement tools to create a holistic view of the wholeness.”

(Ministry of Education and Culture, 2016c)

The managerial implications, the summary, is done to be a catechism, from which the management can check the suggestions easily. It is notable that most of these proposals also develop other operations of the organization.

Organizational

✓ Continue with leanifying the processes
✓ Actualize the phrase “student is in the centre of actions”
✓ As a leader, be a role model, constantly
✓ Create a communications matrix to support change communications
✓ Share the information about the success and achievements
✓ Remember to communicate in English
✓ Make a clear vision for international activities
✓ Develop the degree programmes as a whole, not only the tuition fees in mind
✓ Trim the structures to meet the demand
✓ Productize the desired degree programmes
✓ Make a tailoring plan for the degree programmes
✓ Define the duties and responsibilities in contracts
✓ Use digital possibilities as a value adding tool
✓ Standardize the ways of working
✓ Follow the Ethical Guidelines
✓ Make the university of applied sciences to step out from the crowd
✓ Take the advantage from the cooperation
✓ Create criteria for different level partnerships
✓ Utilize the International Advisory Board and alumni
Competence

✓ Define the core competencies, knowledge, and skills
✓ Make a mapping of the staffs knowledge and skills
✓ Fill the possible found knowledge gaps
✓ Use the knowledge of the staff and allocate resources smartly
✓ Give the members of the community to create ba’s
✓ Create an easy and efficient way to do documentation
✓ Standardize the pedagogical model
✓ Give the staff a chance to develop following skills: guiding, substance, language and culture skills, selling and marketing
9 Future research topics

During the research process, there were a big amount of fascinating topics which were ruled out from the research. Some of these are already discussed at the suggestions part of this theses, and all of them are somehow linked to the strategic research areas of Laurea University of Applied Sciences.

The following research topic could be a market analysis and service design. A possible method for the productization can be for example the business model canvas. The brand of the university of applied sciences can be made stronger by using the leadership and management as tools. That could be a beneficial topic to discuss. One future research can include creating a quality system to the education export joint project – finding the boundary surfaces and differences from the cooperation partners. Moreover, since Laurea is very safety and security orientated higher education institution, evaluating the different models of executing the education export activities from the risk management viewpoint would be interesting.
Figures

Figure 1, p. 20: Areas of knowledge and creation of knowledge in the organization (Sydänmaanlakka 2000).

Figure 2, p. 28: Central themes of Laurea’s strategy 2020 (Laurea 2016b).

Figure 3, p. 30: Laurea UAS quality management system (Laurea 2017a).
List of references


Modig, N. & Åhlstöm, P. 2015. This is lean. Stockholm: Rheoligica Publishing.


Appendices

Appendix 1: Preliminary questionnaire form

***

Kysymykset

Vastaa kysymyksiin oman tuntemuksen mukaisesti.

1. Asemasi Laurea-ammattikorkeakoulussa?
3. Mitä mahdollisuuksia näet Laurea-ammattikorkeakoulun toteuttamassa koulutusviennissä nyt ja tulevaisuudessa
   a. Organisaation näkökulmasta?
   b. Henkilöstön osaamisen näkökulmasta?
4. Mitä haasteita näet Laurea-ammattikorkeakoulun toteuttamassa koulutusviennissä
   a. Organisaation (esimerkiksi rakenne, kulttuuri, resurssit) näkökulmasta?
   b. Henkilöstön osaamisen näkökulmasta?
5. Mitä on mielestäsi laurealainen koulutusvienti?
6. Mitä menestystekijöitä laurealaisuus tuo koulutusvientiin?
7. Vapaa sana
Appendix 2: Cover letters of the research

Focus group 1:

Hei,

Tervetuloa fokusryhmään!

Tervetuloa mukaan valikoituun joukkoon, jotka pääsevät mukaan kehittämään Laurean koulutusvientitoiminnan organisoitumista. Teen Laurea-ammattikorkeakoululle toimeksinnosta opinnäytetytä otsikolla “Organizing education export in Laurea University of Applied Sciences”. Tutkimukseni tavoitteena on antaa ehdotus koulutusvientitoiminnan organisoitumiseksi organisaation ja henkilöstön kehittämisestä näkökulmista.


Koulutusvienti työssäni käsitellään maksullisen tutkinnon johtavan koulutuksen Suomessa ja ulkomailla, käytännössä tällä tarkoitetaan niitä englanninkielisiä degree-ohjelmia, joissa ei ole suomenkielentaidon vaatimusta.

***

Focus group 2:

Hei,

Tervetuloa mukaan valikoituun joukkoon, jotka pääsevät mukaan kehittämään Laurean koulutusvientitoiminnan organisoitumista. Teen Laurea-ammattikorkeakoululle toimeksinnosta opinnäytetyötä otsikolla “Organizing education export in Laurea University of Applied Sciences”. Tutkimukseni tavoitteena on antaa ehdotus koulutusvientitoiminnan organisoitumiseksi organisaation ja henkilöstön kehittämisestä näkökulmista.


Koulutusvienti työssäni käsitellään maksullisen tutkinnon johtavan koulutuksen Suomessa ja ulkomailla, käytännössä tällä tarkoitetaan niitä englanninkielisiä degree-ohjelmia, joissa ei ole suomenkielentaidon vaatimusta.
Appendix 3: List of dates and participants on the discussions

Focus group 1:

Time and place: 18 April 2016 at 10 am, Laurea University of Applied Sciences, Leppävaara Campus, negotiation room Beat Corner 2

Participants:

Facilitator
Head of Student Affairs
Senior Lecturer
Senior Lecturer
Director
Student Affairs Officer

Focus group 2:

Time and place: 25 April 2016 3.30 pm, Laurea University of Applied Sciences, Tikkurila Campus, negotiation room AB382.

Participants:

Facilitator
President
Vice-President
Vice-President
Director
Director, HR
Director