

# **Resilient region, resilient regional higher education institution?**

**Insights from Kuressaare, Estonia  
and South Ostrobothnia, Finland**

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# Background

# Aim and motivation

- The paper investigates the organisational **resilience of peripheral regional higher educational institutions (RHEIs)**
  - Located in the peripheries of Estonia and Finland and focusses on two case studies:
    - Tallinn University of Technology (TTÜ), Centre for Blue Economy (former Kuressaare College), Estonia
    - University Consortium of Seinäjoki (UCS), Finland.
- **Point of departure:** RHEIs as organisations need to be resilient in two respects:
  - they are exposed to changes in the higher education system, and
  - they are impacted by the changes in their location region that is a part of a larger economic and administrative system.
- The aim is to examine especially **the relationship between the organisational resilience** (e.g. Burnard & Bhamra 2011) of RHEIs and the **resilience of their regions** (e.g. Martin 2012)

# Data & method

- Standard case methodology with multiple data sources, such as...
  - 1.Desk research of policy documents, statistics and published surveys.
  - 2.Data provided by the RHEI representatives.
  - 3.Semi-structured interviews with regional stakeholders and RHEI leaders.
  - 4.Action research; being involved in policy processes related to RHEIs.

# Theoretical background

# Dimensions of resilience

- Resilience of a system can be understood as its...
  - capability to resist unforeseen external (negative) shocks
  - capability to recover from external (negative) shocks
  - capability to re-orientate after external shock
  - capability to renew itself in order to avoid (negative) shocks
  - capability to take advantage of external shocks
  - etc.
- To conclude, resilience is about system's ability to adapt itself to the changing external environment, especially in the case of sudden changes.

# Resilient organisation?

*“Resilience is the emergent property of organisational systems that relates to the inherent and **adaptive qualities and capabilities** that enable an organisations adaptive capacity during turbulent periods. The mechanisms of organisational resilience thereby strive to improve an organisation’ **situational awareness, reduce organisational vulnerabilities** to systemic risk environments and restore efficacy following the events of a disruption.”*

# Resilient region?

## Dimensions of regional resilience:

- Resistance: Degree of sensitivity or depth of reaction of regional economy to a recessionary shock.
- Recovery: Speed and degree of recovery of regional economy from a recessionary shock.
- Re-orientation: Extent of re-orientation and adaptation of regional economy in response to recessionary shock.
- Renewal: Extent to which regional economy renews its growth path: resumption of pre-recession path or hysteretic shift to new growth trend.

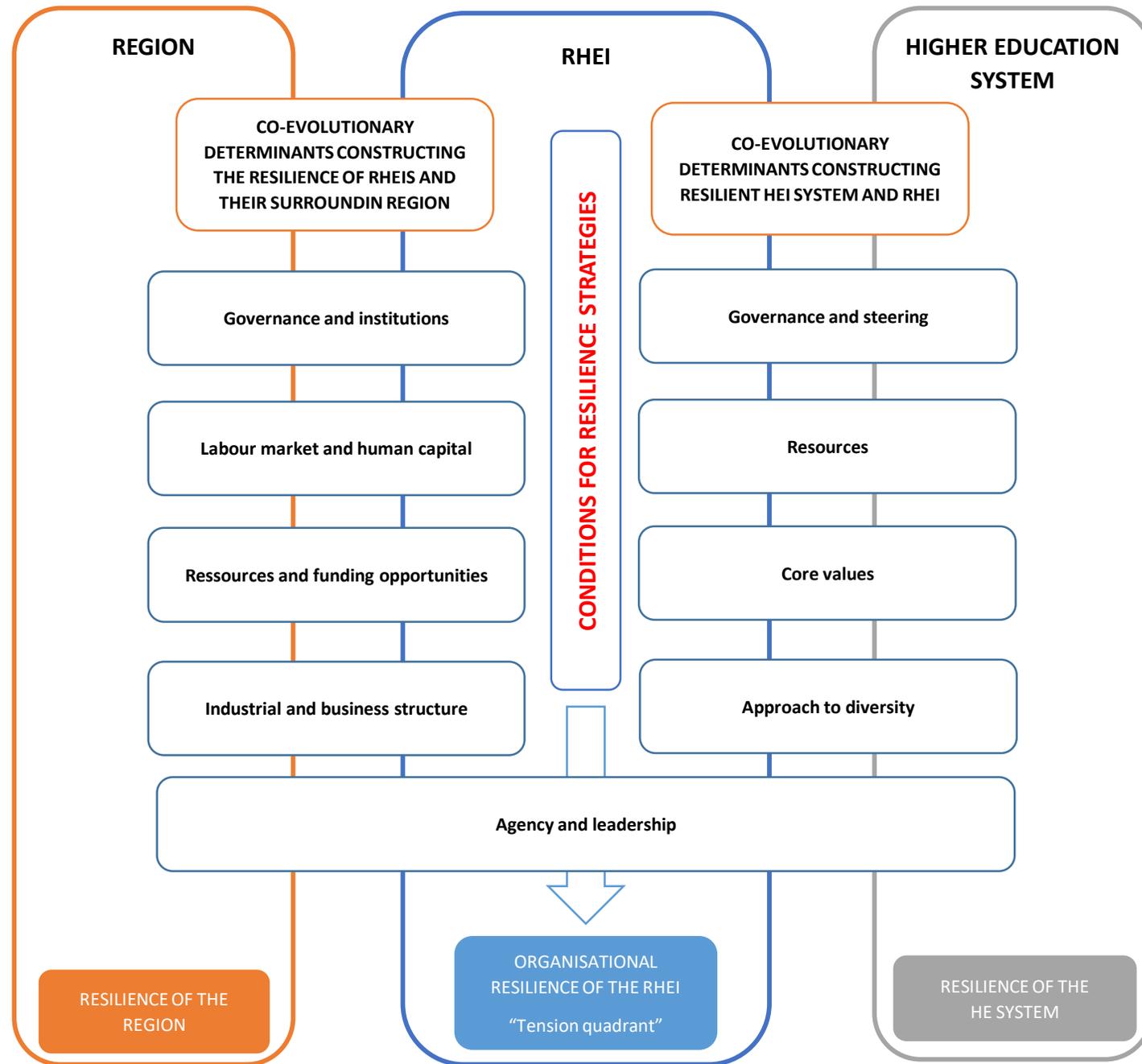
## Determinants of regional resilience (resilience capacities):

1. industrial and business structure,
2. labour market conditions,
3. financial arrangements
4. agency / decision making and
5. governance arrangements

# Resilient HES and HEIs?

HES is *“an emergent, self-organizational, and dynamic complex system where the relations among the actors or agents are characterized as nonlinear, with the relations among system elements and with other systems being co-evolutionary”*.

|  | Strategic Actor                                 | Resilient Actor   |
|--|---|---|
| Strategic interface (internal and external dynamics) | Reduce/manage complexity (plan, steer, improve) | Cherish complexity (emergence, self-organization, co-evolution) |
| Core value   | Efficiency                                      | Adaptability/robustness   |
| Use of resources                                     | Maximize resources                              | Allow slack   |
| Approach to internal diversity                       | Rationalize (streamline and standardize)        | Support requisite variety                                       |
| Locus of control and unit interdependencies          | Tight coupling (hierarchy)                      | Loose coupling (networks)                                       |
| Preferred modus operandi                             | Exploitation (specialization)                   | Exploration (diversification)                                   |
| Positional objective                                 | Winning (being the best overall)                | Thriving (adaption to niche and excelling there)                |



# Resilient region, resilient RHEI?

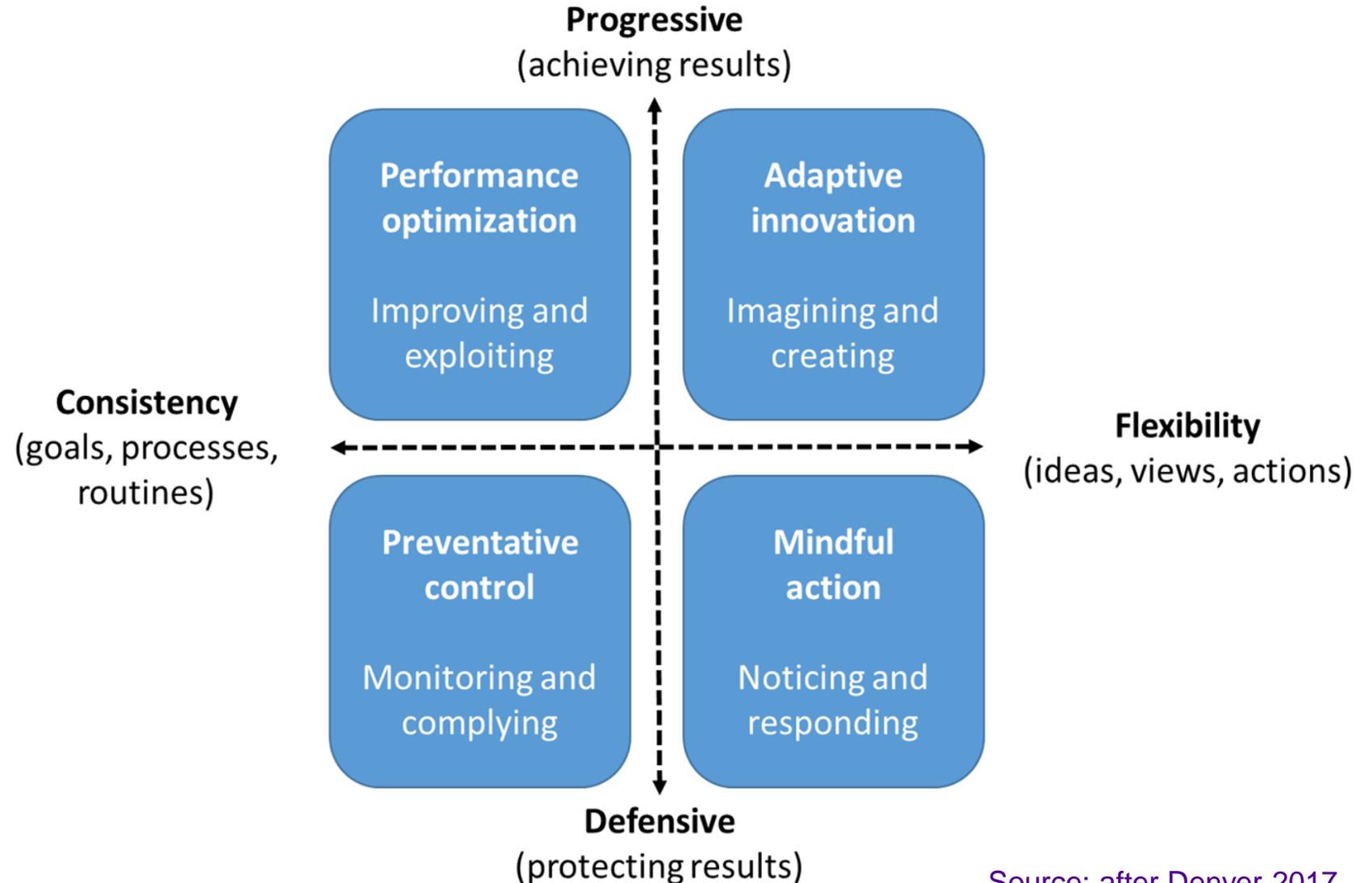
- **Governance and institutions:** Good relationships between the RHEI and the regional governmental institutions is important for the both parties, as they can support each other. → Danger of lock-in.
- **Labour market and human capital:** Increasing human capital mainly by educational activities is one of the key task of RHEIs. In this respect, the connection to region's labour market and resilience is quite obvious.
- **Resources and funding opportunities:** Regional public or private actors (e.g. municipalities and companies) can provide funding for the RHEI alongside the university or state funding. RHEIs are not using only regional resources, but they have also competences to attract national and international research funding to the region.
- **Industrial and business structure:** The structure, specialisation and diversification of the regional industry are a basis for economic success and resilience. If the industrial structure of the region and the competence fields of the RHEI match each other this can provide considerable benefits for both. → Danger of lock-in.
- **Agency and leadership:** Regional actors may have positive attitude towards RHEI and capabilities to lobby, make decisions and mobilize resources. RHEI can provide insightful people who can generate institutional change in the region and provide their global knowledge networks.

# Resilient RHEIs, resilient HES?

- **Governance and steering:** Very hierarchical governance and steering mechanisms reduce the flexibility of both the individual HEIs and the whole HES. Correspondingly, looser, networked and more dialogical governance and steering mechanisms can contribute to the resilience of individual RHEIs and the whole HES.
- **Resources:** HES is based on certain funding principles and schemes that are set by the central government. HEIs are modifying their activities to optimize their funding. Presumably, this harmonizes the HEIs' activities and reduces the diversity within the whole HES. This is potentially detrimental for the resilience of the whole system.
- **Core values:** Core values are naturally manifested in governance and steering practices, but it is still important to recognize the core values. For some organisations the core value may be efficiency or excellence, whereas for some organisations the core value can be adaptability or robustness. The core values of individual HEIs and the whole HES can be quite different.
- **Approach to diversity:** Diversity helps an individual RHEI to adapt itself to changing and usually complex environment. However, there is a natural balance between diversity and the use of resources.
- **Agency and leadership:** RHEIs have usually only quite limited possibilities to affect the whole HES system. However, the agency and leadership are important also in the national-local interaction.

# Organisational resilience: Actual strategies

The co-evolutionary determinants of resilience form the basis for the organisational resilience, BUT it is the **actual strategies, decisions, ways to act etc. that counts!**



# Case studies: Kuressaare and Seinäjoki

# Kuressaare, Estonia

- There was a **great boom** in establishing RHEIs in 1990s; since then the number of RHEIs has **declined drastically** due to stricter quality requirements and the demographic shift.
- There was **no national policy** to regulate the process of establishing RHEIs; the decisions were mainly born as a result of the agreement between **the local initiative** and the **universities**.
- **Kuressaare** is the county seat of Saaremaa island having 33000 inhabitants; Saaremaa **has specialised** in health tourism and **small craft building** with R&D capabilities.
- Saaremaa is **logistically** and **resource-wise** less well equipped as the mainland counties, but it is very entrepreneurial in many respects (e.g. “Schumpeterian entrepreneurs”, institutional entrepreneurs)
- **Kuressaare College** (currently “Centre for Blue Economy” by TUT) was established in 1999 as a result of **strong local demand and collaboration** in the field of small craft building. In addition, there was **strategic support** from the mother university and **capable local government** to support the college projects.
- The university activities have remained in Kuressaare despite several organisational changes; the story has been a **constant fight for survival, adapting and innovating**, when proving jointly with local stakeholders for both **national ministry** and **university headquarters** their need and perspective for future operations.

# Seinäjoki, Finland

- There are six (regional) **university consortiums** in Finland; started their operations in the beginning of 2000s in the regions, where notable university activities already existed, but which had no universities of their own. **University Consortium of Seinäjoki (UCS)** was established in 2004.
- They are mentioned in the Universities Act, but they do not have a formal position in the legislation. University consortiums (UC) are results of the **national policy** aiming at strengthening universities' impact to the regional development.
- **Seinäjoki** is the central city of the region South Ostrobothnia. Seinäjoki has some 62500 inhabitants and it is one of the fastest growing cities in Finland. South Ostrobothnia is of the leading regions in the **agriculture, food production and related industries**.
- The functional heart of UCS is the **Epanet network**. The core of Epanet network is composed of fixed-term research professors, who gather externally funded research groups around them.
- Epanet model is based on paying attention to several **co-evolutionary determinants** between RHEI and its locational region.
- In order to sustain, UCS has paid attention both on the high quality of **scientific outputs** and new innovative **ways to collaborate** with the regional stakeholders.

# Conclusion and discussion

# Conclusion and discussion

- **Regional higher education institutions (RHEI)** like university colleges and university centres **are acting between their locational regions and the higher education system (HES)**. RHEIs need to be aware of the **co-evolutionary determinants** which are binding them together with both the locational region and the HES.
- The resilience of RHEIs and region and RHEIs and the HES develops **in co-evolutionary manner**. Naturally, the RHEIs can contribute to the resilience of the whole HES only marginally but the proactive action is critical for their long-term sustainability.
- RHEIs need to be **progressive and flexible in their operations to stay resilient**. Both Estonian and Finnish RHEIs and their partner networks have existed for about 15 years, they are still young institutions whose position in the HES is not completely solid. Their position calls for flexible and proactive organisational strategy and behaviour.
- The organisational resilience of RHEIs is a matter of **agency and leadership** which takes place both in the regional context and within the HES. The actual organisational resilience is based on **concrete actions** and **behavioural patterns**.

# Thank you!

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