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From professional bureaucracy to competitive bureaucracy – redefining universities' organization principles, performance measurement criteria, and reason for being

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Abstract

Purpose – This purpose of this study is to understand how the spread of audit culture and the related public sector reforms have affected Finnish universities' organization principles, performance measurement (PM) criteria and ultimately their reason for being.

Design/methodology/approach – Applying extensive qualitative data by combining interview data with document materials, this study takes a longitudinal perspective toward the changing Finnish higher education field.

Findings – The analysis suggests the reforms have altered universities' administrative structures, planning and control systems, coordination mechanisms and the role of staff units, as well as the allocation of power and thus challenged their reason for being. Power has become concentrated into the hands of formal managers, while operational core professionals have been distanced from decision making. Efficiency in terms of financial and performance indicators has become a coordinating principle of university organizations, and PM practices are used to steer the work of professionals. Because of the reforms, universities have moved away from the ideal type of professional bureaucracy and begun resembling the new, emerging ideal type of competitive bureaucracy.

Originality/value – This study builds on rich, real-life, longitudinal empirical material and details a chronological description of the changes in Finland's university sector. Moreover, it illustrates how the spread of audit culture and the related legislative changes have transformed the ideal type of university organization and challenged universities' reason for being. These changes entail significant consequences regarding universities as organizations and their role in society.

Keywords Universities, Performance measurement, Audit culture, Higher education reforms, Organizational design, Ideal type, Archetype, Hybridization

Paper type Research paper

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Introduction

Universities in Western countries are operating in the crossfire of numerous pressures. They are faced with increasing international competition for funding, status, students and staff (de Boer *et al.*, 2007; Välimaa, 2012) and pressures to increase their efficiency and accountability (Hood, 1995; van Gestel and Teelken, 2006; Upping and Oliver, 2012; Akbar *et al.*, 2015; Komutputipong and Keerasuntonpong, 2019). Because of these pressures, various managerial methods and models aimed at making organizations more accountable, transparent and manageable have been brought to universities, thus constituting a trend labeled in academia as "audit culture" or even "tyranny of numbers" (Brenneis *et al.*, 2005).

Audit culture (Shore and Wright, 2015; Power, 2003) has spread the use of financial accounting technologies to universities and brought in new systems of measuring and ranking individuals and organizations. This takes place even to the extent that quantification and statistics serve as instruments of governance and power (Agyemang and Broadbent, 2015; Shore and Wright, 2015). Accountability and transparency are at the center of audit culture, indicating that universities have had to develop more intricately detailed ways to measure and report the efficiency and quality of operations to account for how their money is spent (Tourish *et al.*, 2017). Therefore, universities have increasingly adopted various performance measurement (PM) practices to monitor their efficiency, effectiveness and equity to improve rational decision-making (Johnsen and Vakkuri, 2006; Gordon and Fischer, 2008).

Performance-oriented public sector reforms and their adoption in universities have been the focus of many studies (Hood, 1995; van Gestel and Teelken, 2006; Upping and Oliver, 2012; Akbar *et al.*, 2015). These studies have covered, for instance, changes concerning PM practices (ter Bogt and Scapens, 2012; Teelken, 2015), accounting and finance in higher education (HE) institutions (Edwards *et al.*, 1999; Torres, 2004; Upping and Oliver, 2012; Hammerschmid *et al.*, 2013), scholarly identity and ethos (Ylijoki and Ursin, 2013; Kallio *et al.*, 2016) and conceptions of quality in scholarly work (Lomas and Ursin, 2009; Kallio *et al.*, 2017). The aforementioned perspectives are important for understanding changing academia and academic work; however, an important yet often forgotten aspect of these recent changes is their influence on the organizational configurations of HE institutions.

Organizational configuration is the concept according to which organizations tend to align among elements of structure, strategy and environment (Miller, 1990). There are five ideal type[1] configurations for different types of organizations (Mintzberg, 1979, 1980; 1983; Miller, 1990), including professional bureaucracy possessing universities and hospitals as its manifestations. Because professional and bureaucratic principles of control tend to conflict, professional bureaucracies have been found to show features that distinguish them from other organizational configurations such as professionals' high autonomy and participation in the management of the organization (von Nordenflycht, 2010).

To complement the extant literature on public sector reforms (de Boer *et al.*, 2007; Parker, 2011; ter Bogt and Scapens, 2012; Boitier and Rivière, 2013; Christopher and Leung, 2014) and audit culture (Brenneis *et al.*, 2005; Craig *et al.*, 2014; Enders, 2013; Tourish *et al.*, 2017) in academia, this study looks at their implications specifically from the perspective of organizational configuration – an organization's structure, management and organizational design as well as its *raison d'être* ("reason for being"). Thus, this study takes the notion of professional bureaucracy – as presented in Mintzberg's (1979, 1980, 1983) classic organizational configurations – as a point of departure as it aims to offer a theoretical understanding of how audit culture and the related public sector reforms have affected universities as organizations. More specifically, this study's purpose is to understand how

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the spread of audit culture and the related public sector reforms have affected Finnish universities' organization principles, PM criteria, and ultimately their reason for being.

Following Mintzberg (1979, 1980, 1983), who presents his own university as an example, this paper uses Finnish public universities as its empirical research subject. Finland's HE system is unique from many Western countries because all universities in Finland are public and act under a common funding scheme (Kallio *et al.*, 2017). Applying longitudinal data, this study focuses particularly on the effects of both the new Universities Act of 2010 and the parallel reformed funding scheme to understand the changes. Specifically, this study will analyze changes in the administrative structure, planning and control systems, coordination mechanisms, allocation of power and the reason for being of Finnish universities. The organizational changes are analyzed from the perspective of the ideal type of professional bureaucracy (Mintzberg, 1979) to understand how macro-level changes have resulted in changes in the university organization and, based on our analysis, are changing the ideal type of the university organization. This study contributes to the understanding of the implications of audit culture and public sector legislative reforms on universities as professional organizations as it discusses how university organizations are transforming from professional bureaucracies into competitive bureaucracies, challenging the predominant perception of universities and their reason for being and thus changing their status and role in society.

Theoretical background

Organizational configuration of professional bureaucracy

The organization of professionals has been studied for more than 50 years (Hinings, 2016). According to Powell *et al.* (1999), from the 1960s through the 1990s, researchers reached an understanding regarding the essential characteristics of an ideal type of professional organization, which is called professional bureaucracy.

According to the literature on organizational configurations, an organization comprises five basic parts: the strategic apex, middle line, operating core, technostructure and support staff (Mintzberg, 1979). Additionally, five ideal types of organizational configurations exist: the simple structure, machine bureaucracy, professional bureaucracy, divisionalized form and adhocracy (Miller, 1990). Each of these ideal configurations tend to favor one of the five basic parts and possess their own distinct coordination mechanisms (Mintzberg, 1979, 1980, 1983). In addition to sharing coordination mechanisms and certain structural features, each organizational configuration is permeated with meanings, values, beliefs and preferences (Brock, 2006; Jollands *et al.*, 2015).

In professional bureaucracies, the organization's central component is its operating core. The operating core's decentralized work is coordinated via the standardization of skills, involving years of education and indoctrination for each new professional. Direct bureaucratic forms of control are minimal, and the organization relies on its trust in professionals' skills and willingness to operate in the organization's best interest (Brock, 2006; Enders, 2013; Craig *et al.*, 2014). While professionals working in professional bureaucracies' operating cores can make decisions concerning their practice, they tend to possess a great deal of autonomy, power and a clear conception of how the organization should be run more generally (Mintzberg, 1979; von Nordenflycht, 2010). This type of professional organization can be perceived as an inverse pyramid in which administrators are located beneath and serve professionals in the hierarchy (Figure 1).

The professional bureaucracy ideal type is a flat structure with a large operating core (bottom of Figure 1), a thin middle line (center) and a tiny technostructure (center to left). There exists a scarce need for a technostructure because professionals' work is very

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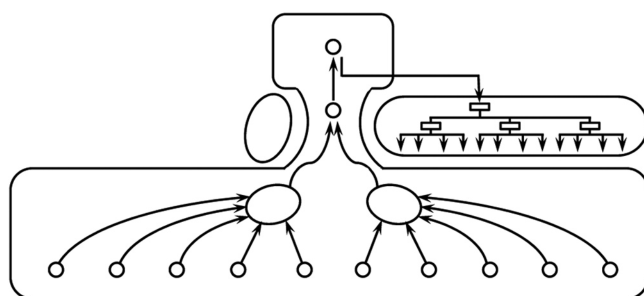
complex to be designed and coordinated through work processes or outputs. Similarly, the middle line is thin, and as such, there exists little need for direct supervision because coordination takes place via the standardization of skills, while the professionals themselves and their associations monitor the work (Brock, 2006; Enders, 2013). Shared values and "clan control" ensure the professionals' quality of work (Ouchi, 1980; Brock, 2006). Moreover, the strategic apex is relatively small, and its role is limited to tasks such as resolving conflicts and acting as an external liaison. Only the operating core and support staff (center to right) are completely developed, and a considerable number of support staff members are required to guarantee that professionals' work remains undisturbed. It is essential that professionals collectively control the organization's middle line and ensure it is staffed with "their own." For this purpose, professionals would be unable to control matters such as resource allocation, employment, payroll and promotions (Mintzberg, 1979, 1983; Brock, 2006).

Above all, a professional bureaucracy is a configuration for a complex and stable environment, and complex and dynamic environments tend to favor adhocracy (Mintzberg, 1979, 1980; 1983). While adhocracy is possible for a knowledge-intensive work, it is poorly suited to mature and large public organizations (such as hospitals and universities) in which the core work is based on processes rather than projects. However, the shift in universities' organizational environment to an increasingly international, competitive and dynamic one (Czarniawska and Genell, 2002; Modell, 2005; de Boer *et al.*, 2007; ter Bogt and Scapens, 2012; Tienari, 2012; Boitier and Rivière, 2013; Brown, 2013; Craig *et al.*, 2014) creates obvious pressure for universities to renew their structures and systems, thus explaining their current movement away from the professional bureaucracy ideal type.

Generally, researchers interested in professional organizations have primarily focused on for-profit organizations, especially law and accounting firms (Cooper *et al.*, 1996; Hinings *et al.*, 1999; Pinnington and Morris, 2003; von Nordenflycht, 2010). Their interest has been service firms owned, staffed and run by professionals (Hinings, 2016), and the "post-Mintzbergian" discourse related to professional organizations has rarely touched public organizations in general or universities in particular (Kirkpatrick and Ackroyd, 2003). Moreover, although the ideal type theorization has received criticism for being too functionalistic and ignorant of agency (Kirkpatrick and Ackroyd, 2003; Ackroyd and Muzio, 2007), it is still a useful theoretical framework for analyzing both the intraorganizational and external forces that induce cohesion or constrain variety in organizations (Miller, 1990). While professional bureaucracies are becoming more complex and less distinctive as organizations, they still show continuity and internal consistency in many aspects, thus making it important to understand the development of professional bureaucracy



Source: Mintzberg (1979, p. 361)

Figure 1. Management hierarchies in the classic professional bureaucracy

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(Brock, 2006). Focusing on the organizational configuration of professional bureaucracies allows an analysis of not only structures and systems but also the values, meanings and beliefs infused into the configuration, which offers a "holistic" perspective to the changing landscape of professional bureaucracies (Brock, 2006). Therefore, in understanding the implications of audit culture and related reforms for the university sector, the ideal type of professional bureaucracy provides an integrative framework for analyzing and summarizing the changes occurring in university organizations and their implications for organizations themselves and society. Before going deeper into empirical analysis and consequent theoretical discussion, the concepts of audit culture and PM will be discussed.

Audit culture and performance measurement

Audit culture (Shore, 2008; Shore and Wright, 2015) refers to the use of financial accounting technologies and principles brought to spheres far from the world of financial accounting, such as the HE sector, that become a central focus for organizing (Tourish *et al.*, 2017). The central values of audit culture are transparency and accountability, from which the managerial techniques and pervasive calculative practices derive their legitimacy (Power, 2003; Shore, 2008; Parker, 2011; Shore and Wright, 2015; Luke *et al.*, 2013). In universities, this means an increasing focus on outcome-based assessments of the efficiency and quality of operations (Shore, 2008; Tourish *et al.*, 2017).

In practice, audit culture in universities is manifested through the use of league tables (Parker, 2014; Tourish *et al.*, 2017; Czarniawska, 2019), journal rankings (Mingers and Willmott, 2013; Tourish and Willmott, 2015), research assessment exercises (Northcott and Linacre, 2010; Clarke and Knights, 2015; Pidd and Broadbent, 2015), teaching quality reviews (Gebreiter and Hidayah, 2019) and PM (Modell, 2003, 2005), which has resulted in the introduction of detailed performance targets in research and teaching activities, student enrollment and graduation, and international faculty. In terms of research activities, the targets are often related to published journal articles, their outlets and citations and receiving external funding.

PM has been introduced to most Western universities to provide a regulatory framework, a framework for standards and a framework of values. The regulatory framework is implemented via laws and procedures, the standards framework via objectives and indicators, whereas the value framework is enacted in the mission statements of HE institutions. To improve university management, PM defines the areas of responsibility, conditions of resource allocation and finally performance indicators (Boitier and Rivière, 2013).

The pervasive use of PM and its indicators in the HE field has raised criticism, much of which is derived from the fact that the roots of modern-day PM lie in industrial production, and the use of PM instruments in knowledge-intensive organizations is deemed as problematic. The perceived problems derive from the difficulties of defining and measuring "performance" outside of for-profit contexts (Gordon and Fischer, 2008; Luke *et al.*, 2013; Payer-Langthaler and Hiebl, 2013), the incompleteness of PM systems in terms of reliability, accuracy, precision, integrity and comprehensiveness (Jordan and Messner, 2012; Islam *et al.*, 2018), as well as the difficulties of measuring academic work because of its nature (Kallio and Kallio, 2014). Many researchers have also found university PM problematic in terms of its consequences (Czarniawska and Genell, 2002; Sousa *et al.*, 2010; Parker, 2011; Kallio *et al.*, 2016; Kallio *et al.*, 2017). Among others, Craig *et al.* (2014, p. 2) have pointed out that the "[...]' mania for constant assessment' [...] attempts to construct a vocabulary of knowledge that legitimizes managerial power at the expense of more traditional and collegial visions of a university." In his study on universities, PM and surveillance,

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Lorenz (2012) goes as far as to parallel university PM with state communism. Taking a less extreme position, Kallio and Kallio (2014) report that the PM system currently applied in Finland has created conflicting goals and has had unintended consequences such as sub-optimization and free-riding. They conclude by stating that PM is probably not the best way to manage universities.

Despite the concerns voiced against audit culture (Craig *et al.*, 2014; Nelson and Saunder, 2016; Tourish *et al.*, 2017) and PM (Modell, 2003, 2005; Kallio and Kallio, 2014; Kallio *et al.*, 2016) in universities, HE institutions have increasingly adopted different PM practices and undergone administrative and legislative reforms aimed at making the organizations more transparent and efficient (Craig *et al.*, 2014).

Data and data analysis

This study uses two types of primary data:

(1) documentary material related to the implementation and evaluation of the effects of the Finnish Universities Act (558/2009); and

(2) thematic interviews held with university management and administrative personnel.

The documentary material comprises four parts: law texts, two official impact evaluation reports[2], statements produced by professional associations and other interest groups and studies published in trade journals and periodicals. The documentary material is used to describe the outcomes of the Universities Act and to chronologically follow its development. To thoroughly understand the legislative change and a parallel reform of the universities' funding scheme, which will be explicated more in the following section, another data source was considered necessary. Therefore, 41 semi-structured qualitative interviews were conducted. This interview data comprises two types of expert interviews. The first interview type is longitudinal, and these interviews were conducted with administrative managers[3] from three Finnish universities and their 12 respective schools. Administrative managers participate in developing the schools' administrative systems and are typically in charge of collecting data related to PM. Thus, they can be considered experts in the schools' general administration and PM-related initiatives. The administrative managers were interviewed in two cycles. In 2012, twelve such individuals were interviewed, during which time they were asked questions related to the implementation of the Universities Act in general and the specific PM practices adopted. In 2016, the same administrative managers were interviewed again to gain a specific understanding of how those PM practices had been entrenched and further developed[4].

The second type of interview can be labeled as 'elite' (Dexter, 1970). Accordingly, in 2017, 18 university upper managers and leaders from four different universities were interviewed. The interviewees' titles included dean, HR manager, vice-rector, board member and board vice-chairman. The interviewees were asked about the ways PM, exercised by the Finnish Ministry of Education and Culture (MEC), affected the universities they were representing.

The documentary material and the 41 interviews produced longitudinal data that made it possible to develop a chronological description and a thorough understanding of the effects of the renewed Universities Act and the adopted PM practices on the universities as organizations. A qualitative content analysis was performed on the data (Hsieh and Shannon, 2005); during the first round of analysis, the aim was to form an overview of the changes within and their effects on the Finnish universities. During the analysis, the focus was on the manifest content; when possible, the data was used to find "facts" (i.e. obvious and visible content) concerning changes in universities' administrative structures and

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operational logics. In those cases wherein manifest content was unavailable, the focus shifted to latent content, which means interpretation was necessary (Graneheim and Lundman, 2004). During the second round of data analysis, the objective was to reflect the current organization principles, PM criteria and operating logics of Finnish universities compared to the ideal type of professional bureaucracy (see the Background section above). The purpose of the analysis was to understand how the legislative and financial reforms as manifestations of the spread of audit culture in society – along with the shift from a stable to an increasingly dynamic organizational environment – have affected universities as organizations. In the following sections, we will explain the essential changes that have taken place in Finnish universities because of these reforms.

Empirical context – changes in Finnish universities

Unlike many Western countries, all Finnish universities are public by law and are highly dependent on state funding. Coercive isomorphism has thus traditionally had a strong hold on these institutions (Townley, 1997). Finnish universities are traditionally highly similar in their operational logics, systems and processes and for long largely exemplified the ideal type of professional bureaucracy. However, similar to many Western Countries, Finnish universities have been influenced by the spread of audit culture, thus emphasizing efficiency and effectiveness. During the early 1990s, two parallel events – the introduction of New Public Management to the Finnish public sector[5] (Kallio *et al.*, 2016) and the "globalization shock" of the hard economic recession and collapse of exports to Russia (Välimaa, 2012) – initiated a sequence (Thornton and Ocasio, 2008) that reached its climax two decades later with the adoption of the new Universities Act of 2010 (Välimaa, 2012). The adoption of the new legislation, in turn, resulted in a new university funding scheme, with highly detailed auditing of the activities and output of Finnish universities, which can be seen as manifestations of the spread of the audit culture.

An essential objective of the Universities Act, which came into effect in 2010, was to improve the ability of Finnish universities to adapt to changes in the increasingly dynamic organizational environment. It was believed that providing greater autonomy would allow universities to profile themselves through strategic planning (de Boer *et al.*, 2007; Antonowicz and Jongbloed, 2015), which hints that the state intended for universities to become less alike. The essential purposes of the Universities Act can be summarized as follows:

- To detach universities from the state organization;
- To change their status into independent legal personalities under either public law or the Foundations Act[6]; and
- To guarantee that they have "the same operating preconditions that universities with the highest levels of international success have" (Owal Group, 2016, p. 156).

Although one essential purpose of the Universities Act was to detach universities from the state organization, they have nevertheless remained under public rule. Thus, the state operates as an institutional gatekeeper (Hinings *et al.*, 1999) by deciding the establishment, abolishment and merging of universities, while the MEC remains responsible for both defining universities' educational tasks and the general development of the entire university system (de Boer *et al.*, 2007; Juppo, 2011; Niinikoski *et al.*, 2012).

The interest in the ability of Finnish universities to succeed in international competition reflects increasing globalization (Brock, 2006; Van de Valle and van Delft, 2015). In the early 2000s, concern had arisen among politicians and the general public that, unlike Finnish

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primary schools – which were deemed world-class in the Programme for International Student Assessment (PISA) rankings – Finnish universities were performing rather modestly in the newly established international university rankings (Välimaa, 2012). At that time, the largest and oldest university in Finland, the University of Helsinki, was exclusively placed among the top 100 universities in the different league tables, while most of the other universities were ranked below the top 300.

The worry about universities' positions in the rankings reflects a broader concern regarding their efficiency and effectiveness brought about by the spread of audit culture (Kirkpatrick and Ackroyd, 2003). Therefore, the state and ministries introduced a series of reforms intended to improve the universities' efficiency and effectiveness (Figure 2). These reforms included the adoption of a performance-related pay system for university personnel in 2006 and a series of funding scheme revisions aimed at increasing universities' quantitative output (the upper half of Figure 2).

The 1998 and 2010 funding reforms were pivotal because they changed the previous funding logics. Previously, only a marginal amount of state funding had been based on performance. In the 1998 reform, this was reversed and state funding was almost exclusively based on performance indicators (at that time focusing on the number of master and doctoral degrees granted). The quantitatively oriented funding scheme was revised in both 2001 and 2007 and was then completely renewed in 2010, which fundamentally changed the operation of Finnish universities. In line with the trajectory of audit culture, detailed performance criteria and a ranking system were introduced to the Finnish universities' funding system, with quantification and excellence criteria at its core. The universities submitted their annual report of achievement of objectives in the form of statistical reporting each year (Kallio and Kallio, 2014) and public funding was allocated via success in terms of the prevailing performance indicators (Kallio *et al.*, 2017). The negotiations between each university and the MEC determine the detailed objectives of and the consequential amounts of financing for each university. Following the 2010 reform, state funding officially included both quantitative and qualitative elements, although it has been suggested that the new quality measurement merely indicated the implementation of increasingly nuanced quantitative measurements (Kallio *et al.*, 2017).

The funding and pay scheme changes can be perceived as a series of state-led reforms aimed at increasing accountability and transparency in the universities in the spirit of audit culture (cf. Grossi and Steccolini, 2014). However, these reforms were deemed insufficient,

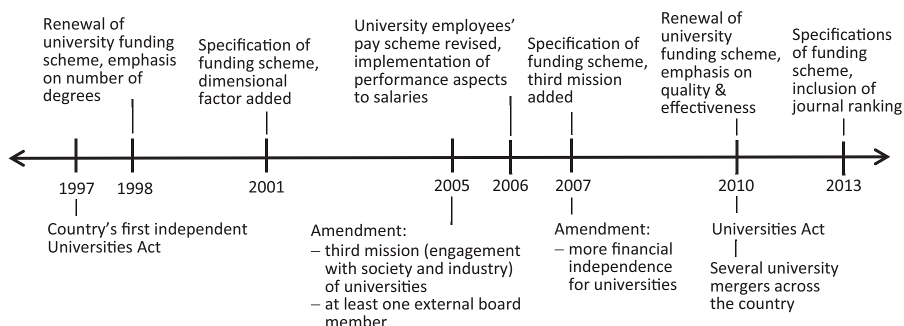

Figure 2.
Essential higher education policy and funding scheme revisions in Finland (modified from Kallio *et al.*, 2016)

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and there was a rather wide consensus among the political elite that the desired goals were best guaranteed by providing universities with more independence (Owal Group, 2016). These concerns permitted politicians to first revise the old legislation and second, in 2009, enact a completely new legislation. The essential HE policy reforms are illustrated in the lower half of Figure 2.

The HE policy reforms involved several state-led university mergers that were – at least among the political elite and ministry officials – believed to increase universities' efficiency and ability to internationally compete (Kitchener, 2002; de Boer *et al.*, 2007; Czarniawska, 2019) . Because of the mergers, the overall number of Finnish universities dropped from 20 to 14 between 2010 and 2012. A top-down orientation was characteristic of these mergers and other major reforms described in Figure 2 because the governments and ministries involved actively applied coercive mechanisms. Although its opinion was officially heard, the Finnish academic profession was almost entirely excluded from the process of formulating the reforms (Foster and Wilding, 2000; Kirkpatrick and Ackroyd, 2003; Chandler, 2008).

The following sections will analyze the implications of the reforms on Finnish universities. More specifically, we examine the changes in the administrative structure, planning and control systems, the role of staff units, coordination mechanisms and the reallocation of power of universities and discuss their implications for the reason for being of universities.

Changes in administration, performance measurement practices, coordination mechanisms and the reallocation of power within Finnish universities

From professional to managerial administration – changes in administrative structure

One of the central changes in Finnish universities has taken place in the university administration, which has moved from the traditional, professional bottom-up rule to the managerial top-down rule. To illustrate this change, Appendix[7] provides a comparison of the old and new administrative structures alongside the change in their internal "flows" of power from bottom-up to top-down.

Prior to the Universities Act, formal managers in universities were elected based on the bottom-up tripartite principle by university personnel: professors, other personnel and student association representatives. Managers thus operated on the mandate of these organs' members when working as heads of the different councils and the board, which resembled the classic bottom-up rule of professionals described by Mintzberg (1979, p. 363) as follows:

> [T]he professional [has] two choices: to do the administrative work himself, in which case he has less time to practice his profession, or to leave it to administrators, in which case he must surrender some of his power over decision-making [. . .]. But that, it should be stressed, is not laissez-faire power: the professional administrator keeps his power only as long as the professionals perceive him to be serving their interests effectively.

Following the implementation of the Universities Act, formal managers have typically been selected in a top-down manner and are becoming increasingly able to make independent decisions, indicating that the councils they chair have become advisory boards rather than democratic decision-making organs as suggested by an interviewee:

> [W]e have come to this, that managers are selected top-down. It is a major change to the way that things were back in the last millennium and somewhat at the beginning of this [millennium] as well. It used to be so that the head of the department was more or less the personnel's advocate [. . .] and now the line organization eventually reflects the will of the board or the rector. The

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paragon here is pretty much the private sector and as such this is a major change (Vice-rector, translated from Finnish).

The professionals' traditional bottom-up rule has vanished, and formal managers now operate on the mandate of their superiors (de Boer *et al.*, 2007; Välimaa, 2012). This also applies to the rector whose role has become increasingly similar to that of a company CEO (Townley, 1997; Parker, 2002; Juppo, 2011; Niinikoski *et al.*, 2012; Czarniawska, 2019). By replacing the traditional bottom-up rule with the top-down rule, the Universities Act distanced professionals from universities' decision making at all levels. The hierarchical management system replaced the old democratic arrangements (de Boer *et al.*, 2007) – a fact that was confirmed by the final impact evaluation report:

> The evaluation results indicate that the legislative reform triggered a significant structural and cultural change in the way universities are led [. . .]. While an increasingly leader-centric system has made decision making more efficient, the university community feels they have less involvement in it. The Universities Act reform can thus be seen to have aggravated differences of opinion between leadership and staff [i.e., personnel] (Owal Group, 2016, p. 156).

On the same day that the final evaluation report became public, the Finnish Union of University Professors and the Finnish Union of University Researchers and Teachers published a joint statement entitled "*Amend the law on universities – enhance the ability of employees to influence*" [The Ministry of Education and Culture (MEC), 2016, translated from Finnish]. The statement demanded actions that would improve the ability of university personnel to participate in their organizations' decision making; however, the statement did not have the intended effect, and the new leader-centered system is still functioning.

Adoption of macro-level performance measurement principles into micro-level administration – changes in planning and control systems

One of the essential purposes of the new Universities Act was to enhance universities' autonomy by giving them more leeway in their internal administration. The MEC's new funding scheme and its PM principles were meant to exclusively take effect between the ministry and the universities (i.e. on the macro level). However, as suggested by numerous interviewees, the adoption of the MEC's PM principles had a direct effect on the universities' internal administration:

> [W]ell, we have eight departments in our school, and we, of course, aim to pay attention to the indicators through our output-based funding scheme. Especially here within the school, [the indicators] are, in a way, directly based on the performance indicators of the Ministry of Education and Culture (Administrative manager, translated from Finnish).

> This is very much a matter of the Ministry of Education and Culture so that the "closeness" of universities and the Ministry has considerably changed [. . .]. There is a kind of autonomy but in many senses we are dependent on the [financial] steering of the Ministry, and the role of the board and the rector vis-à-vis the Ministry is essential. And, at the end, this is what it's all about: the financial pressure – which originates from above – colliding with the world of creative scholars who write and study; this causes conflict (Dean, translated from Finnish).

Consequently, as universities remained heavily reliant on public funding, they – as well as individual schools – actively integrated the MEC's PM principles into their internal

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administration, thus implementing the system in practice at the micro level (Owal Group, 2016; Kallio *et al.*, 2017) as has been suggested by an interviewee:

> [The legislative reform in 2010 has affected universities] Greatly. Greatly, but in many ways. Awareness of the importance of outputs has grown, and awareness of what the outputs need to be is more specific than before. Even before we knew we needed to produce a certain number of degrees and we had other measures, but now [the measures have] become more detailed and influence an individual's work more directly (Administrative manager, translated from Finnish).

> [How does the funding scheme affect universities?] Well, it kind of shows in everything. To continue operating, we have to think of how we perform according to the funding scheme. It should take place on the state level and between universities, but it has also been applied inside our university and our internal indicators follow the funding scheme. And it also shows in the results that this is a continuous race in all universities to avoid weakening our position (Administrative manager, translated from Finnish).

The outcome, as suggested by Kallio *et al.* (2017, p. 295) is that, "even though this was not the original intention, the PM principles of the MEC affect the everyday work of thousands of university employees in Finland."

Evaluations of the effects of the new Universities Act have found the MEC's oversight to be substantial and suggest that it even possesses characteristics of micromanagement (Niinikoski *et al.*, 2012; Owal Group, 2016). Consequently, while the state's explicit purpose for the reforms was to increase universities' independence, it has, in practice, provided a new, stringent method and criteria for steering universities, university administration and individual scholars alike (Kallio *et al.*, 2017).

Coordination mechanisms and the role of staff units

The Universities Act and universities' adoption of PM additionally ignited changes in the coordination mechanisms applied within university organizations. While universities have traditionally applied the standardization of skills, which entails self-steering based on trust (Enders, 2013), this standardization has been accompanied by direct supervision, the standardization of outputs and financial incentives based on performance and output. The systematization of the monitoring of finance and operations has become a central part of management control in universities even to the extent that can be considered as a form of bureaucratization (Owal Group, 2016).

These coordination mechanisms have somewhat replaced the self-steering that was previously largely applied in numerous tasks (Brock *et al.*, 1999) as has been illustrated in the following quotes:

> We talk about academic freedom here a lot. But before you could research what you wanted, now you need to research a subject from which you can produce output (Administrative manager, translated from Finnish).

> The reform of the administrative structures contains new ways to manage and steer the academic work in universities. They are a central part of the universities' coordination mechanisms that is based on an idea of financial autonomy. Its central ideas are economic efficiency, effectiveness and strategicness. Content, creativity and academic insights are not among the main objectives of this kind of thinking (Owal Group, 2016, p. 127, translated from Finnish).

> The idea [of the legislative reform] was that universities get more autonomy, but since the basic funding is still a significant part of university funding, the Ministry directs our operations through that. And now that the budget is tight, it directs even more. They require us to profile,

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etc., so that we cannot make our own decisions of how we want to operate (Administrative manager, translated from Finnish).

Efficiency – namely economic efficiency – and productivity became universities' core coordinating principles while a systematic monitoring of the operation and outputs became a central part of university management (Owal Group, 2016). Because of the changes in coordination mechanisms, the technostructure's role has significantly expanded. Its role is essential in defining work standards and targets, in addition to monitoring the results of core professionals' operations as has been illustrated by the following example:

I see that, in the everyday work, there is a lot of [feedback] from our research development committee, educational development committee, and quality development committee [and they] are there to [. . .] both to give a good example and to push the academics to work harder on their goals (Administrative manager, translated from Finnish).

The changes in coordination mechanisms related to the Universities Act are further supported by changes in the PM criteria used within universities. In regard to the internal PM criteria, the most notable change is universities' adoption of judgmental PM practices at the micro level (ter Bogt and Scapens, 2012; Kallio and Kallio, 2014; Kallio *et al.*, 2016; Kallio *et al.*, 2017) as has been discussed in the previous section. The interviews with administrative managers indicate that, while most schools had recently started developing their own PM systems in 2012 (during the first round of interviews), all schools had implemented these systems by 2016, thus indicating that all 12 studied schools measured their professionals' yearly output at least in terms of the number of publications produced. Certain schools had already developed or were actively developing measurements for teaching and engaging with society and industry (the third mission) outputs. Moreover, while performance aspects had already been added to university personnel's salaries in 2005 via a nationwide pay scheme reform, some schools had implemented other financial incentives for professionals such as special bonuses for publishing in highly ranked journals (Powell *et al.*, 1999; Andersen and Pallesen, 2008). As exemplified by an Administrative manager:

In the field of business administration, we have similar [monetary incentive systems], meaning that, for a refereed international journal article with the impact factor over one [. . .] you get 1500 euros [. . .] (translated from Finnish).

For external evaluation criteria, universities have traditionally trusted peer evaluation, which is similar to the evaluation of individual scholars. Professional associations' norms have traditionally played a significant role in the external evaluation of knowledge-intensive organizations (Mintzberg, 1979). While peer review continues to play a major role in external evaluation, the PM systems developed by funders (especially the MEC), international university rankings, and, in certain fields, accreditations have become increasingly important (Ahrens and Khalifa, 2015; Alvesson *et al.*, 2017):

We have defined goals for research activities [. . .] and we look at how our employees line up in the light of the accreditation. For us, those are important [factors], so that we have centralized systems from which we get reliable, up-to-date information fast (Administrative manager, translated from Finnish).

The above quote exemplifies how the accreditation requirements have been implemented as coordination mechanisms used by the universities' technostructures to monitor the academic activities. The monitoring takes place based on direct supervision and the standardization of outputs.

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The reallocation of power – vertical and horizontal decentralization

Prior to the Universities Act, power was dispersed among professionals; now, power is concentrated at the strategic apex (Hinings *et al.*, 1999), which further vertically decentralizes some power to the middle line such as deans or department heads. The traditional collegial decision-making model has therefore been at least partially replaced by the hierarchical decision-making model (Hinings *et al.*, 1999; de Boer *et al.*, 2007), as illustrated in Appendix.

In addition to the changes in the university administration, the technostructure's role has considerably intensified because of reforms, being now in charge of defining work standards and targets and monitoring performance. The information produced by the technostructure is needed not merely by formal managers but also for the strategic planning and operations of the middle line and strategic apex. According to the final impact report, while bureaucracy has decreased in some parts of university management, the number and extent of issues to report and monitor has increased, resulting in too much reporting with too many details (Owal Group, 2016). In a similar vein, Kallio *et al.* (2016), who studied Finnish academics with a large survey sample, reported that new PM systems implemented in universities not only increase bureaucracy in the university but also make the reporting of activities seem time-consuming, irrelevant and "alien to academic work" (p. 699).

Meanwhile the technostructure's importance and size has increased, the role of support staff has reversed. Consequently, professionals are increasingly forced to execute tasks previously delegated to support staff (cf. Ackroyd and Muzio, 2007). In many cases, professionals' time is consumed by secondary tasks such as travel invoicing and exam supervision. This condition has become evident through a bulletin sent out by The Finnish Union of University Professors (2016); quoting its chair Kaarle Hämeri:

> The universities have gone too far with reductions of support staff. Administrative work does not disappear – it just piles on the desks of professors and other teaching and research staff, which is not a sensible use of resources (Finnish Union for University Professors, 2016, translated from Finnish).

Because these tasks could easily be executed by support staff rather than high-priced professionals (Mintzberg, 1980), a great deal of criticism has been voiced concerning the lack of support staff and decision-makers' inability to see the expenses caused by this misuse of resources (Kallio *et al.*, 2016).

The reallocation of power from the professionals to the strategic apex, middle line and technostructure is a major change that has diminished the professionals' power and potential for influencing many organizational issues – even on their own work. This was referred to, for example, as follows:

> If we are autonomous, then we should be truly autonomous. But it is easier said than done because the power of deans has increased, the power of rectors has increased, the power of the boards of universities is huge, so a normal university employee's ability [to influence his or her work] is limited (Dean, translated from Finnish).

The changes that have taken place in the Finnish university system have challenged the way universities were traditionally administered and coordinated and changed both the external and internal PM criteria. The changes have challenged the idea of universities as classic examples of professional bureaucracies, which will be discussed in the next section.

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Moving from the professional bureaucracy to the competitive bureaucracy and the reason for universities' being

The abovementioned legislative and financial reforms that reflect the spread of audit culture imposed numerous major changes on Finnish universities' administrative structures, planning and control systems, coordination mechanisms and power allocation. Even if the majority of the operating core professionals seem to prefer the old way (Kallio *et al.*, 2016; Owal Group, 2016), the coercive state-led changes have altered university organizations such that they are no longer inverted pyramids led bottom-up by professionals (Figure 1). Rather, one might claim that Finnish universities are increasingly resembling an organizational design that Mintzberg (1979) labelled a "machine bureaucracy." Machine bureaucracies, similar to insurance agencies and factories, are pyramid-like organizations that lean on the formalization of behavior. While the possibility has been discussed by various scholars that a knowledge-intensive organization would become the machine bureaucracy ideal type, it is suggested that complex hybrid forms may become increasingly common among knowledge-intensive organizations (Kärreman *et al.*, 2003; Karjalainen *et al.*, 2013; Grossi *et al.*, 2017); this is also the direction in which this study's analysis of the empirical data hints.

Accordingly, rather than machine bureaucracy, this study's data suggests Finnish universities are adopting elements of different organization types because they move away from the professional bureaucracy type toward what might be called the "competitive bureaucracy." Table I summarizes some of the essential differences between the classic professional bureaucracy and the emerging competitive bureaucracy in the context of Finnish universities.

From the perspective of organizational configuration, the most significant shifts from the professional bureaucracy to the competitive bureaucracy as observed in the case of Finnish universities can be summarized as follows:

- Managerial rule replaces collegialism, especially in formal decision making; the flow of power has changed from bottom-up to top-down;
- Judgmental PM practices and financial incentives are used to steer professionals' work outputs;
- Efficiency is a coordinating principle; direct supervision and the indirect standardization of outputs are added as coordination mechanisms; and
- A concentrated power structure allocates a considerable amount of power from the operating core to the strategic apex and middle line; the role and importance of support staff decrease and of the technostructure increase.

These essential changes manifest themselves in various ways, and Finnish universities are currently positioned somewhere between these ideal types. Importantly, between the two university ideal types exist many similarities that are not meant to change (Kitchener, 1999). The standardization of skills remains essential and cannot be replaced by direct supervision and/or the standardization of outputs (at least not fully). The operating core is still a key part of the organization, and its professionals possess formal and especially informal power to define their own work. Finally, both the professional and competitive ideal types are highly complex and formal but are simultaneously decentralized similar to bureaucracies (Hatch, 1997). Consequently, although the importance of the strategic apex, middle line and technostructure has increased, universities ultimately remain bureaucratic organizations. Accordingly, vertical decentralization is necessary because the operating core's knowledge-intensive work cannot be entirely coordinated by direct supervision or the standardization

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Table I.
Essential differences between the old and emerging ideal type in Finnish universities

Basic organizing elements	Professional bureaucracy	Competitive bureaucracy
Administrative structure	Democratic administrative (bottom-up) structure for professionals, managerialistic (top-down) administrative structure for staff Collegial decision-making among professionals Administrators expected to protect professionals' autonomy	Managerial administrative (top-down) structure for both professionals and staff Hierarchical decision-making, limited collegial decision-making among professionals Administrators expected to implement strategy and control systems Number of managers increased, management increasingly a full-time task
Planning and control systems	Few ex ante planning and control systems The nature of PM is developmental Professionals control recruitment and promotions and the middle line enforces them External evaluation criteria rest on peer evaluation and professional associations' norms	Increasing amount of ex post control systems used to define, for example, resource allocation between schools and units The nature of PM is judgmental PM taken to individual level, financial incentives to professionals Middle line controls recruitment and promotions Active strategic planning and extra funding for strategic focus areas External evaluation criteria rest on peer evaluation, funders "PM" criteria, and international rankings
Staff units	Technostructure has few tasks, such as the controller Support staff's key task is to enable undisturbed work of professionals by providing services to them	Technostructure's task is to support strategic apex in planning, to define goals and protocols, to monitor and measure the outputs and performance of operating core Support staff's key task is to enable the operation of managers and professionals, many of the previous tasks transferred directly to operating core professionals
Coordination mechanisms	Standardization of skills	Standardization of skills Direct supervision Indirect standardization of outputs
Vertical and horizontal decentralization	Dispersed power and decentralized decision-making Power delegated to organs coordinated by professionals	Concentrated power and centralized decision-making Power delegated down the line to organs coordinated by formal managers Limited horizontal decentralization to technostructure

of work processes without systems becoming excessively heavy and thus ultimately inefficient (Hatch, 1997; Pollitt, 2013). Despite these similarities, the two ideal types possess essential differences regarding their very basic organizing elements. Table II summarizes the essential elements of the two ideal types.

Universities' principles of organizing and their PM criteria have rapidly and dramatically changed, moving the university organizations away from the ideal type of professional

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bureaucracy and thus challenging the very *reason for being* of university organizations. Depending on the perspective, one may describe the current situation in Finnish universities as either a "competitive commitment" because some members of the organization favor the old model while others favor the new (Greenwood and Hinings, 1996) or "institutional complexity" because multiple institutional logics co-exist (Greenwood *et al.*, 2011; Schäffer *et al.*, 2015). Regardless of the terminology used, it is evident that competing values and beliefs regarding universities' reason for being internally pull universities in different directions as has been suggested by a Dean:

> [The effect of PM imposed by the ministry on universities] is very much quantitative and we operate numbers and figures ahead. It is about the economics of scale, which is not fair to all fields of science. For instance, languages have different needs, more contact teaching, smaller groups, and no mass lectures. The problem of this kind of standardization and equalization is that Excel sheets coordinate us rather than what would be best for each field of science (translated from Finnish).

Several interviewees perceived the situation as a cultural change within the universities:

> Well, I came here a bit earlier, when the universities were still part of the state organization. So, I also saw the old time. And, if you look at [the current situation] from that perspective, then the year 2010 – when the universities were forced to renew – was also the moment when I realized that there would be a continuous change. While working in the industry, I was involved in several change processes for a long time, and you get used to that; but I saw that people [the faculty] around here didn't want to accept that culture. I claim that whatever your tasks include after 2010, it has been a continuous change, and I don't see it as a bad thing (Dean, translated from Finnish).

In a similar vein, the documentary material perceived the reforms as a cultural change, e.g. the final impact report states:

> The professional autonomy in traditional universities has been high. The academic community has strongly regulated the university, its goals, and their implementation. The point of departure for the university management has been the open bottom-up rule of the academic community on research, teaching, and education. The new Universities Act has partially shattered this mode of thought, meaning a major cultural change in universities (Owal Group, 2016, p. 76, translated from Finnish).

Some might even claim that the reforms discussed above reflect a revolution rather than change in the Finnish university field. The revolution – or cultural change, depending upon perspective – reflects a change in universities' reason for being, which explicitly becomes

Essential elements of organizing	Professional bureaucracy	Competitive bureaucracy
Reason for being/ operating logics	Collaborative public service provision Professional logic	Competitive public service provision Managerial logic
Principles of organizing	Professional autonomy Collegial decision-making	Strategic management Managerial decision-making
Performance measurement criteria	Quality determined internally collegially and externally by peer evaluation and professional associations' norms	Quality determined internally by PM systems developed by technostructure and externally by peer evaluation and PM developed by funders

Table II. Summary of the differences between universities reflecting the ideal types of professional bureaucracy and competitive bureaucracy

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visible in the following quote from a Dean who perceived the changes in the Finnish university system as a worrisome development:

> We're talking about academic freedom and we're talking about the change of academic culture [. . .] We're going to the direction of performance management, which suits certain fields better than others [. . .]. I understand that the universities need to profile themselves; it is necessary because of financial reasons, but the idea of freedom of thought and the conception of what the university is all about is perhaps the biggest rupture. What is university? What is education? Where are the universities going? [. . .]. The idea of university in a global digitalized world – it's a bit lost (Dean, translated from Finnish).

Many university employees share the Dean's concern, as shown in the statement entitled "For a free and critical university," wherein professors and other scholars representing the University of Helsinki (later signed by numerous other scholars from different Finnish universities) describe the new Universities Act as being "the worst and most hostile act toward science within the period of the Finnish independence" (Ahonen, *et al.*, 2011, p. 11, translated from Finnish).

Our analysis thus indicates that universities' previous reason for being has vanished and it is not entirely clear what the new reason might be. Similar to the structures, coordinating principles and PM criteria discussed above and summarized in Table II, Finnish universities' reason for being is currently somewhere between the two ideal types. The situation is recognized by the final impact evaluation report (Owal Group, 2016), which states that "[s]chools are torn by managerial and collegial forces, [and currently both the] traditions and new ways live side by side" (Owal Group, 2016, p. 123, translated from Finnish). Moreover, several interviewees recognized the fact that universities are divided by contradicting ideals as has been illustrated by the following quote:

> [T]o what extent a university has the courage to be a university, how much a university adapts and how much the universities need to adapt to the surrounding world. This is a matter of principle, such as [. . .] to what extent a university exists for science itself. It [the science as such] should be really valuable [. . .]. This is a part of the identity discussion: what it means to be a university and what it means to work in a university (Dean, translated from Finnish).

The changing reason for being of universities can be seen as a hybridization of the ideal type of university organization. While a change or hybridization of university organizations is a likely implication of the changing HE landscape (Czarniawska and Genell, 2002; Tienari, 2012), it has dramatic implications concerning not only the way universities operate and are run but also the values and beliefs reflected by and in them (Brock, 2006; Jollands *et al.*, 2015). As highlighted by the Dean above, universities are faced with a serious discussion of whether they should be driven by the values of science and scholarly autonomy (Henkel, 2005; Karran, 2009; Herbert and Tienari, 2013; Kallio *et al.*, 2016) or by the values of efficiency, accountability and transparency that reflect the spirit of audit culture (Power, 2003; Shore, 2008; Parker, 2011; Shore and Wright, 2015). In the era of audit culture, keeping with the traditional reason for being of universities is difficult, which is also reflected in the following quote:

> It takes courage from a university to be authentically a university, taking into consideration that [universities have] the service mission, the cultural mission as well as the education mission, which are not totally transferable into monetary terms (Dean, translated from Finnish).

As the Dean points out, the universities have other tasks than to succeed in the Ministry's PM and in competition with other universities (Välimaa, 2012). Those tasks are hard to measure in financial terms, which makes it easy to downplay them in everyday operation

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and in long-range planning. Therefore, the spread of audit culture and the related reforms have ignited a need for a serious rethinking of the tasks, role and reason for universities' being. It is difficult to assess whether university organizations are still moving closer to the ideal type of competitive bureaucracy in the near future, and especially whether universities resembling the new, emerging competitive bureaucracy ideal type (Table II) can successfully carry on the tasks that cannot be translated into financial terms such as to "promote free research and scientific and artistic sophistication" as is still stated as the purpose of universities according to the Finnish Universities Act (558/2009).

Discussion

It is often considered that universities are among the most long-lived institutions to have maintained their constituting elements (Kristensen *et al.*, 2011). However, the recent financial and legislative public sector reforms reflecting the spirit of audit culture have drastically changed universities as organizations. In this study, implications of the recent reforms on Finnish universities were analyzed from the perspective of the administrative structures, planning and control systems, staff units, coordination mechanisms and reallocation of power. The analysis suggests that Finnish universities no longer represent the professional bureaucracy ideal type, but are rather moving toward the emerging competitive bureaucracy ideal type. The shift has taken place via the changes in the principles of organizing and PM criteria, thus challenging the ultimate reason for being of universities. In some cases, a university may still more closely resemble the professional bureaucracy ideal type, whereas the situation more closely resembles the emerging competitive bureaucracy ideal type in others. It seems that professional bureaucracy ideals can be found especially in operating core professionals' conceptions and informal decision-making practices (Kallio and Kallio, 2014; Kallio *et al.*, 2016); thus, many professionals aim to maintain the old institution (Lawrence *et al.*, 2013). In contrast, the emerging competitive bureaucracy ideal type specifically manifests in formal PM criteria and structures and, increasingly – based on the findings of this study – in the conception of upper management and administrative staff. Nevertheless, the importance of the operating core professionals' conceptions should not be underestimated (Reay and Hinings, 2009); it has been suggested that, in professional organizations, "the persistence of values, ideas and practices" may last "even when the formal structures and processes seem to change, and even when there may be incoherence" (Cooper *et al.*, 1996, p. 624).

More specifically, the current Finnish universities are hybrid forms of the two ideal types, being pulled in different directions. Moreover, this study's findings confirm that the spread of audit culture and public sector reforms have challenged the universities' reason for being, which has been suggested by some researchers (Kristensen *et al.*, 2011). For instance, Välimaa (2012, p. 117) argues that the previous "national universities" of Finland have been turned into "corporate universities" that "are no longer open public spheres but corporations that try to survive in the competition with other universities" (Parker, 2002; Kristensen *et al.*, 2011; Parker, 2011). Because scholars have discussed the transformation of universities' operational logic from traditional, professional logic to new business- or market-oriented logic for at least the past two decades (Townley, 1997; Pettersen, 2015), the change seems both evident and irreversible.

Although the changes discussed in this paper primarily seem internal to universities, they affect universities' roles in society (Collini, 2012; Alvesson *et al.*, 2017). Ample evidence exists that a type of change similar to that described in this study is taking place in both HE and other public sector organizations throughout the West (Kristensen *et al.*, 2011; Parker, 2011). What is new, however, is the international trend (Simpson and Powell, 1999) in which

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countries – including many in Europe – are actively reforming their HE systems to succeed in international competition and thus implicitly mimic the American and, more widely, the Anglo-American HE systems that have proven superior – at least in university league tables (Marginson, 2012). Given the results of international comparisons (Owal Group, 2016), other recent policy reports (Öquist and Benner, 2012; Antonowicz and Jongbloed, 2015) and scholarly studies (de Boer *et al.*, 2007; Chandler, 2008; Kristensen *et al.*, 2011; ter Bogt and Scapens, 2012; Teelken, 2015), it seems justified to claim that the emergence of hybrid forms exhibiting characteristics of both the classic professional bureaucracy ideal type and the emerging competitive bureaucracy ideal type is not merely a phenomenon of Finnish HE.

Conclusions

This study aimed to understand how the spread of audit culture and the related public sector reforms have affected universities as examples of the professional bureaucracy ideal type. By applying extensive longitudinal empirical data, this study examines the changes in the principles of organizing and PM criteria within Finnish universities, ultimately affecting the reason for being of universities. The analysis details how Finnish universities no longer represent the professional bureaucracy ideal type, but are rather transitioning toward the competitive bureaucracy ideal type.

The abovementioned analysis suggests major shifts in all the major aspects discussed – the administration, PM criteria, coordination mechanisms, the allocation of power and ultimately universities' reason for being. Consequently, although the classic professional bureaucracy ideal type until quite recently remained a good match with the real-life Finnish universities, this is no longer the case. While the historical conception of Finnish universities perceived them as collaborative organizations that possessed an important role as national cultural organizations, they are now being increasingly perceived as competitive organizations that possess a critical role in national economic competitiveness (Kristensen *et al.*, 2011; Välimaa, 2012). It has thus become essential that public universities succeed when competing with similar types of organizations both nationally and internationally (de Boer *et al.*, 2007; Välimaa, 2012). On the other hand, competing individual universities must succeed in university rankings, accreditations and the like (Ahrens and Khalifa, 2015; Alvesson *et al.*, 2017; Czarniawska, 2019), thus making audits a regular aspect of universities' contemporary culture (Brenneis *et al.*, 2005). The emerging competitive bureaucracy ideal type aims to accomplish its goals by, among other functions, adopting strategic planning and implementing PM as a means of both external and internal evaluation and resource allocation. Decision making is leader-centric and takes place in a top-down manner, and power has been re-allocated from the professionals to other parts of the organization. The technostructure's importance and size has expanded, while the role of support staff has decreased, forcing academics to execute tasks previously taken care by the support staff. Simultaneously, the changes have challenged the universities' reason for being, thereby changing their status and role in society. However, at the moment, the competing values and beliefs live side by side, and the universities are thus internally pulled in different directions and consequently rendered more hybrid than they previously were (Gebreiter and Hidayah, 2019; Grossi *et al.*, 2020).

Notes

1. Mintzberg employs the term "pure type," which is a synonym for the Weberian "ideal type" (Mintzberg, 1979, p. 304). Later on, Mintzberg's organizational configuration of professional bureaucracy was labelled an "archetype" (Brock, 2006). Then, after the formerly lively discourse

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on archetypes lost its momentum – mainly due to the fierce criticism of its functionalist orientation (Ackroyd and Muzio, 2007) – scholars interested in professional organizations started operating with the concepts of "institutional logics" (Bjerregaard, 2011) and, later, "institutional work" (Styhre and Remneland-Wikhamn, 2016). All the abovementioned concepts and the scholarly discourses related to those concepts are useful for understanding professional organizations; the shift from one concept to another can be perceived not only as a natural evolution of the social sciences, but also as a matter of fashion (Ahonen and Kallio, 2009; Czarniawska, 2019; Hinings, 2016). This study employs the term "ideal type" because it is a widely accepted concept and does not carry as many connotations as do some other previously-mentioned concepts.

2. The evaluation reports were published by the MEC in 2012 (Niinikoski *et al.*, 2012: interim impact report) and 2016 (Owal Group, 2016: final impact report). Both reports are based on extensive empirical data, and both survey and interview the perceptions of university personnel (ranging from rectors to deans to the operating core personnel), universities' board members, students, workplace stewards, and ministries' upper civil servants as well as representatives from professional associations, foundations funding scholarly work, and numerous other interest groups.
3. Administrative managers in Finnish universities are members of the administrative staff, meaning they are not considered academic workers. The administrative managers are responsible for executing the PM systems but usually do not develop the systems as such.
4. In 2016, one of the original interviewees was unfortunately unavailable for a follow-up interview.
5. For a longer historical perspective on New Public Management in Finland, see Yliaska (2015) and in Scandinavia, see Lapsley and Knutsson (2017).
6. The Universities Act permitted universities to choose whether they would follow public law or the Foundations Act, and merely two of the fourteen universities chose the latter. This study thus focuses on universities that operate under public law. Although clear differences certainly exist between the administrative structures of the universities functioning under public law and the universities that adopted the Foundations Act, the general conclusions this study makes concerning the changes in the ideal type also apply to universities that adopted the Foundations Act.
7. The Appendix as well as Tables 1 and 2 are constructed based on the Universities Act, the interviews, two impact evaluation reports, and the consequential analysis of the data of this study. Differences may occur in how the organs of individual universities operate or are formed (Owal Group, 2016). However, since this study's purpose is not to evaluate the differences in individual universities' organs, these differences are considered secondary.

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Appendix

Decision making organs	Prior to the Universities Act	After the Universities Act
University collegium (strategic apex)	Did not exist; instead, there was an organ called the "election collegium" Consists of board members and faculty councils Elects the rector	Membership consists of three groups: professors, other personnel, and students Essential tasks: elects the external members of the board and approves the financial statements
Board (strategic apex)	Members elected bottom-up Membership consists of three groups: professors, other personnel, and students Maximum of one third can be external members (outside the university); after 2007 amendment, at least one external member was mandatory Rector elected by the election collegium Rector acts as the chairman of the board	The board elects the rector, who acts as referendary of the board Membership consists of four groups: external members, professors, other personnel, and students Internal members elected bottom-up Minimum of 40 per cent must be external members An external member acts as the chairman of the board
School council (middle line)	Members of the school council elected bottom-up Membership consists of three groups: professors, other personnel, and students School council elects the dean Dean acts as the chairman of the council Decision-making is based on majority	Dean is nominated directly by the rector or by the board based on the rector's nomination (typically after hearing from school council) Dean acts as the chairman of the council Election of the members defined in universities' respective rules of procedure Membership consists of three groups: professors, other personnel, and students Dean is able to make independent decisions, and members of the council thus act as an "advisory board"
Department council (operating core)	Members of the department council elected bottom-up Membership consists of three groups: professors, other personnel, and students Department council elects the head of department Head of department works as the chair of the council Decision-making is based on majority	Either the dean or rector appoints the heads of departments top-down (in some cases, after hearing from personnel and students) The head of the department acts as the chairman of the department council Election of the members of the department council defined in universities' respective rules of procedure The head of department is typically able to make independent decisions, and members of the council thus act as an "advisory board"

Table AI.
Formal decision-making at different levels

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