Chapter 13
Strategic Regional Networks in Higher Education

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ABSTRACT

The purpose of this study is to present a framework, which can be used to analyze the regional dimension of the institutional performance in higher education. This chapter combines strategic planning and corporate social responsibility reporting. The strategic planning of a higher education institution defines strategic objectives, which take into account educational policy, national and regional networked strategies, and the regional demand for labor. The evaluation of the external impact of an institution means that a general conceptual framework must describe the outreach and engagement of the institution with the region. The framework presented in this study includes the elements of the networked knowledge society, strategic management, global reporting initiative and quality assurance. The empirical part of this study is based on the network study of the Turku University of Applied Sciences. The framework can be used in decision making when an institution is invited to join local, national and international networks.

1. INTRODUCTION

The greater autonomy of higher education institutions has increased the importance of their accountability. Higher education institutions are no longer ivory towers, but active participants in their social networks. In this situation, institutional management is growing in importance, and this growth increases the role of management approaches and frameworks. Institutions must be able to plan their future, but at the same time they must be able to evaluate and report their performance which takes into account social responsibility and quality assurance.

This study utilizes two theoretical approaches to describe the regional dimension of higher education institutions: the Balanced Scorecard introduced by Kaplan and Norton (2001, 2004)
and the Global Reporting Initiative (GRI) (2009). Strategic planning can be extended to consider the networked and potential external partners in addition to internal stakeholders. The GRI framework provides the widely communicated protocol for sustainability reporting, along with guidelines explaining how social responsibility can be promoted and communicated using the set of core indicators.

Networks are important elements of human capital when it is necessary to increase the institutional impact on a region (Coleman, 1988). Most of the best higher education institutions, like companies, are serious regional actors, that are sensitive both to local and global circumstances. The creation of human capital creation can factor into the strategic planning of a higher education institution just as it does in business.

The empirical part of the chapter is based on the study of the Turku University of Applied Sciences (TUAS). The institution collaborated with partners in social networks with the help of the corporate social responsibility report in order to support regional development. Collaboration with the partners and stakeholders is one of the themes of the strategic plan and of the regional development of the institution (Kettunen, 2004a, b, 2006, 2008). Regional development has been embedded in education and applied research and development and it is linked with the institution’s other strategic objectives.

In keeping with its theme of social responsibility, the institution is focusing its activities on the needs of the region. The strategic plans are implemented using the Balanced Scorecard and the management information system that has been tailored to the institution (Kettunen & Kantola, 2005). The institution collaborates with many outstanding global and local partners. The external impact is described in the region and customer perspectives of the Balanced Scorecard and the measures with target values are annually set to maximize the external impact (Kettunen & Luoto, 2008, 278).

This chapter is organized as follows. First, the study introduces strategic planning and the Balanced Scorecard. Then the Global Responsibility Reporting (GRI) framework is introduced in the context of higher education. Thereafter the general framework of networked collaboration and regional development is presented. The empirical part of the study presents the strategic networks of the TUAS combined with quality assurance. Finally, the results of the study are summarized and discussed in the concluding section.

2. STRATEGIC PLANNING

Strategic planning entails a holistic view of the organization and its future with a clearly articulated mission, vision, strategic choices and values. The purpose of the strategy process is to produce a strategic plan and objectives. The overall strategic or the functional strategic plans may describe how an institution will support regional development in the future. The purpose of an institution is to adapt the financial and human resources to the changing environment, markets and customers to meet the expectation of stakeholders (Johnson & Scholes, 2002; Steiss, 2003). Higher education institutions are moving from the traditional public orientation to the more market oriented approach which emphasizes the engagement in its environment, outreach, and regional development (Kettunen & Kantola, 2006).

The TUAS uses the Balanced Scorecard, introduced by Kaplan and Norton (2001, 2004) for strategic planning. The Balanced Scorecard is also used to communicate and implement the strategic plan. The perspectives of the Balanced Scorecard and the strategic objectives of the TUAS are following:

- **Region and customer perspective**: regional development and customer satisfaction
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