



What's in a Word?

Measuring Institutional Performance Through Benchmarks or Rankings?

Workshop, Halong City
February 27– March 1, 2008
Introduction

Leon Cremonini
Don Westerheijden
Roelien van Empel

Productivity vs. Efficiency

- Productivity: a rank-free indicator of the rate at which inputs are translated into outputs.
- Efficiency: the relative position of one unit's productivity relative to a number of others

A unit evaluated by itself may be regarded by some as quite productive but, when compared to other like units, be very inefficient! Benchmarking can be thought of as a useful way to handle the differences between the two

What is “Benchmarking”?

- ❑ “Identifying the best in class”: a technique for identifying measurable successes of others and applying them to one’s own organization
 - ❑ The formal and structured process of searching for those practices which lead to excellent performance,
 - ❑ A process that enables comparison of inputs, processes or outputs between units over time (INQAAHE Glossary)
 - ❑ The observation and exchange of information about “best practices”, their adaptation to meet the needs of one’s own organization, and the implementation of the amended practices.’ (Meade, 1997)
 - ❑ Benchmarking is a learning process to allow one unit to identify their comparative strengths and weaknesses
-

Why Benchmarking in Higher Education?

- To help HEIs develop a SWOT analysis
 - Benchmarking provides organizations with an external standard for measuring the quality and cost of their intra-organizational activities
- To help HEIs self-improvement
 - Benchmarking allows organizations to compare themselves with others, to identify where opportunities for improvement may reside
- To see how well an HEI is performing in the HE sector as a whole
 - For most purposes, it is preferable to compare the institution's indicator to its benchmark, rather than to the sector average.
- To encourage organizations to adopt best practices

Categories of Benchmarking Exercises

- ❑ Internal benchmarking
 - Comparisons are made against another division within one's own organization
 - ❑ Public information
 - Publicly available data about another organization is used
 - ❑ Sector benchmarking
 - (A) benchmarking partner(s) in the same sector is (are) selected and the comparison extends to information known only within the organizations
 - ❑ Generic benchmarking
 - Comparisons of processes and practices regardless of the industry or field of the partner
 - ❑ Best practice benchmarking
 - The interested party compares itself to a unit believed to be best in the area to be benchmarked
-

Possible Methods for Benchmarking (1)

☐ Gold standards

- A model is created based on idealized best practice and then used as the basis to assess institutions on the extent to which they fit that model

☐ Activity-based benchmarking

- Certain activities, which are either typical or representative of the range of institutional provision, are analyzed and compared with similar activities in other selected institutions
-

Possible Methods for Benchmarking (2)

☐ Vertical benchmarking

- Quantifies the costs, workloads, productivity and performance of a defined functional area
 - ☐ Benchmarks can be in many forms, qualitative (e.g. successful practices) or quantitative (e.g. ratios).
 - ☐ They can be expressed as Practices or Statements or Specification of outcomes all of which may overlap
 - ☐ In particular, benchmarks can be either Practices or Metrics where metrics are the quantified effect of implementing the practices

☐ Horizontal benchmarking

- Analyzes the cost, workloads, productivity, and performance of a single process that cuts across one or more functional areas

Both horizontal and vertical benchmarks are useful diagnostic tools in identifying and prioritizing opportunities to improve an administrative process or function

☐ Use of publicly available comparative performance indicators

Cautionary Notes on Benchmarking

- ❑ One must be careful that the development and implementation of performance measures for the purpose of benchmarking in higher education does not undermine the very responsiveness and quality that they may be intended to enhance (Meek L. et. al., 2005)
 - ❑ The possible restrictive nature of the focus on current practices and standards, and the temptation for organisations to be followers rather than leaders (Meade P. H., 1997)
 - ❑ Practices cannot be “copy-pasted”
-

“Benchmarking” Step-by-Step

Step 1

Select and define the process(es) to be studied, identify how the process(es) will be measured (i.e., which performance indicators will be used), and decide which other institutions (departments) to measure against

Step 2

Collect data using primary and/or secondary research about the colleges, universities, or other organizations being studied

Step 3

Analyze the data, produce findings and develop recommendations. Identify differences or gaps in performance between the institutions being benchmarked to help identify the process enablers that equip the leaders in their high performance

Step 4

Adapt these enablers for improvement

Benchmarking vs. Rankings

- Audience
 - Rankings have several audiences (students, society, policy makers, etc.); Benchmarking is mainly an exercise for institutional self-diagnosis and self-improvement
 - Who conducts the exercise?
 - Rankings are done by external parties
 - Benchmarking is done internally
 - Benchmark as the result of a particular (internal) ranking (see step 1)
 - The decision-making units to be compared in an analysis must be as similar to one another as is feasibly possible. If not, differences that an analysis attributes to performance may in fact be the result of unaccounted for differences in decision making unit's organizational, financial or other structures
 - Towards being in the top-ranked institutions
 - Because benchmarking leads to self-improvement, it is the best starting point for institutions to enter the world-rankings
-

Example

You're next for accreditation and you are worried about your student facilities.

Do (a benchmarking exercise):

- ☐ Take a (public) report of one or more accredited HEI(s)
- ☐ Look into the section on facilities
- ☐ Choose the report with most appraisal for facilities
- ☐ Look at practices that led this outcome
- ☐ Compare your situation to these practices
- ☐ Make a plan for a process of self-improvement (if needed)

Don't (use rankings as THE solution to your problem):

- ☐ Look for international rankings and pick the Vietnamese HEIs in the list assuming that they are the best in all aspects
-