Benchmarking — An appropriate tool for decision-making and improving or just another hype?

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In higher education in Flanders the signals are obvious: benchmarking will eventually become one of the criteria for Quality Assurance (QA). This has triggered Higher Education Institutions (HEIs) to initiate a benchmarking exercise as part of the KONDOR project. KONDOR stands for '*Een Kwaliteitssysteem inzake ONDerwijs Ontwikkelen en Realiseren*' (develop and realise a quality system for education). This project was carried out by HEIs that are members of the KU Leuven Association, which unites the University of Leuven with eleven university colleges. The Association financed the KONDOR project with a special fund for educational development. This project began in September 2010 and was completed in August 2012. A working group supported the benchmarking exercise.[3]

A definition of benchmarking

Benchmarking is a concept with many definitions and an equal variety of possible approaches (Epper, 1999, pp. 24-31; HESA, 2010, pp. 7-9; Jackson & Lund, 2000, pp. 6; Schofield, 1998, pp. 11-12). From the beginning, the working group decided against metric, informal and competitive benchmarking. It had to be more than that.

Literature provides us with some useful definitions. The most interesting among them have elements in common. They state that benchmarking has to be a voluntary and internal process (in contradiction with ranking). Furthermore they indicate that benchmarking is about collaborating and comparing: the final goal has to be to learn from each other and to improve the process.

In the end, the working group chose the definition used by the European centre for Strategic Management of Universities (ESMU, 2008, p. 35).

> The voluntary process of self-evaluation and self-improvement through the systematic and collaborative comparison of practice and performance with similar organisations.

This definition has been developed by and for HEIs and contains everything we consider essential to benchmarking. In addition, the approach described in the ESMU *Practical guide* and *Handbook* turned out to be very useful and became the basis of our approach (ESMU, 2008; ESMU, 2010).

At the beginning of the benchmarking exercise, a short survey demonstrated that the HEIs involved had limited experience and expertise with benchmarking. Therefore the first aim of the exercise was building expertise. The exercise had to be designed in such a way that it would and could involve quality managers. This was accomplished by selecting a benchmarking theme within the domain of quality assurance. In 2009, a gathering of quality managers from the association highlighted issues that everybody was still struggling with. One of these issues was selected to be the theme for the benchmarking exercise: 'How to effectively handle results of surveys and performance indicators.' Choosing this theme had some important advantages:

- it was of interest to quality managers;
- it was strategically important in the light of QA and accreditation;
- everybody was looking for answers one way or another.

However, there were also considerable disadvantages. We will return to them later.

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3 The benchmarking project was supported by a working group. Members of this group were: Hilde Sels, Thomas More University College, leader of the benchmarking project; Nine Hooge, Leuven University College, project researcher; Kurt De Wit, University of Leuven; Reinoud Vandervelden, Limburg Catholic University College; Kim Waeytens, Leuven University College

Getting ready for the exercise: call for participants and code of conduct

In May 2011, a call for participants was launched. We did a presentation in which we informed quality managers about the purpose and the commitment we expected from participants. The working group decided to perform the benchmarking at programme level, and not HEI level. Every participant had to have two representatives, a quality manager and someone involved in the programme. Participation in the exercise required attendance at every meeting, performing preparatory work in-between meetings and being prepared to deliver all relevant information. We planned five day-long meetings; one in October, November, December, March and May. These requirements were strict and raised questions: is it necessary to have five meetings; is it necessary to have two representatives when everybody is complaining about lack of time and work pressure? Nevertheless, the call for participants turned out to be a huge success. Nineteen programmes from eight HEIs wanted to participate. This led to the challenge of managing such a big group. Would it be possible to perform the benchmarking exercise with so many participants?

At the start of the exercise, participants were asked to sign a code of conduct to ensure that everybody was aware of the conditions. It also created a "safe" environment where participants could exchange information without any risk of it being misused by other participants or by the project leader. All parties agreed upon the text of this code of conduct.

The five stages of the exercise

Stage one: definition of the theme

The exercise was performed in five stages with each stage concluding in a one-day meeting. In the first stage, participants were asked to think about the theme and the process of handling results of surveys and performance indicators in order to divide the general theme into smaller subthemes.

During the concluding meeting this information was put together and discussed. The group decided to benchmark three subthemes: effective analysis and interpretation of results; development of an action plan; and closing the circle, i.e. guaranteeing that in the process of handling results there is also a systematic evaluation and a link to the strategic plan. Once the subthemes were agreed upon, the participants worked together in three groups to make a long list of possible indicators. These indicators can be quantitative or qualitative and have to contain elements that give a good indication of the level of quality.

Stage two and three: definition of the indicators and benchmarks

Definition of the indicators

In stage two and three the group tried to develop a relevant set of indicators regarding handling results of surveys and performance indicators. Firstly, participants had to agree on narrowing down the long list they had made in stage one to have the final list of indicators. In doing so they had to take into account some criteria for these indicators.

They should be:

- relevant
- defined in a proper way
- specific enough without being too specific
- able to indicate relative performance levels and to be used to compare the participants' organisations
- realistic and the organisation should have a possible impact on them.

Besides all this, the complete set should be a mix of qualitative and quantitative indicators and it should be able to provide a complete view of the performance of the organisation in the chosen subject.

This part of the exercise was hard. Many questions were raised and answers proved hard to find.

Questions raised during stage two and three

According to ESMU, the set of indicators should contain qualitative and quantitative indicators. In the long list there were some attempts to introduce a quantitative indicator, but these were soon removed from the short list as they were not relevant. For example, one of the quantitative indicators in the long list was "the number of surveys that lead to actions for improvement". But what is the relevance? What does this tell you? In the end we did use some ratios, e.g. the percentage of surveys for which there is a communication plan.

ESMU advises to consider the complete value chain. In our project however there was a clear focus on the process, not on input, output or outcome. This was partly due to the fact that the project had to be completed within a year and therefore the scope had to be limited.

The group of participants consisted of quality managers on the one hand, and people from a programme on the other. This mix was most certainly an asset, but sometimes the dialogue between the two groups became difficult because they were not always speaking the same language.

Participants were having difficulties finding the appropriate level of specification for the indicators. If an indicator is too specific, it will not be applicable in every situation; if it is not specific enough, people will not recognise their organisation in it. There is no easy answer to this question; for example one of the indicators covered the analysis and interpretation of survey results. Depending on the organisational structure of the HEI this analysis and interpretation is performed at a central level or at the level of faculties. This, of course, had an impact on the definition of this indicator.

At this stage, it became clear that it would have been interesting to attract an external expert to guide the group through this difficult task. Unfortunately, this was impossible.

The selected indicators

Nevertheless the group reached a consensus within due time.

For analysis and interpretation the consensus indicators were: professional level of the analysis team, the process of analysing and interpreting, communication of the results to stakeholders.

For developing an action plan they were: the availability of decision criteria and targets, formulation of goals, the action plan itself.

For closing the circle, these indicators were: evaluation and adjustment of the tools used to measure, effectiveness of actions for improvement, link between actions and strategic goals of the programme.

Elaboration of the benchmarks

However, defining the appropriate indicators was just part of the task. The next step was to elaborate them further. For every indicator there should be a description of four levels of performance: basic, standard, good and excellent. The excellent level was the benchmark: the best possible performance. The standard level was what one might consider the normal level of performance. With that in mind the basic level would be less than satisfactory.

As an example, these are the descriptions of the four performance levels for the indicator "communication of results to the stakeholders":

- basic: the programme informs stakeholders occasionally about results of surveys;
- standard: in less than half of the surveys the programme communicates the survey results and actions taken to the stakeholders;

- good: in more than half of the surveys the programme communicates the survey results and actions taken to the stakeholders;
- excellent: the programme always communicates the survey results and action taken to the stakeholders.

Again, this task really took a considerable amount of time and because of time constraints and the size of the group it was not possible to finish this task with the group as a whole. Therefore, during the third meeting it was decided that the working group who prepared and coordinated the benchmarking exercise would make the last adjustments themselves.

Based on these indicators the working group also prepared scoring cards. These were meant for the participants to be used to score their programme, in other words, to decide the level of performance of the programme for each and every indicator.

1	2	3	4
There is no communication plan available. The programme decides on an ad hoc basis about communication.	There is a communication plan for less than half of the surveys performed.	There is a communication plan for more than half of the surveys performed.	There is a communication plan for all the surveys performed.
	The communication plan contains information about who's responsible for communication as well as a schedule for the survey results. Furthermore the communication plan contains information about at least one of these three aspects: • What will be communicated • How results will be communicated • To whom results will be communicated	The communication plan contains information about who's responsible for communication as well as a schedule for the survey results. Furthermore the communication plan contains information about at least two of these three aspects: • What will be communicated • How results will be communicated • To whom results will be communicated	The communication plan is comprehensive and contains information about all these aspects: • Who's responsible for communication • Timing • What will be communicated • When communication should be done • How results will be communicated • To whom results will be communicated
…			

Figure 1:
Example of an indicator card: communication of the results towards the stakeholders

Stage four: benchmarking

In between the third and fourth meeting, every participant had to compare their own practice with the levels of the indicators: they had to do some self-evaluation and scoring. The project leader who was present at the moment of the final scoring guided them in this process. Participants also indicated their ambition, i.e. the level they wanted to reach in the future. Finally they made a list of strengths and points of improvement. During the fourth meeting, the results of the scoring were presented. There were some remarkable similarities, e.g. concerning the effective communication of survey results to stakeholders; or the use of procedures for analysis and interpretation of the results of surveys. This resulted in low average scores for these indicators. On the other hand, for some indicators most participants showed good practices which resulted in high average scores for these indicators. For a third group of indicators there was more discrepancy between the scores of the participants.

During this meeting, participants also presented what they believed to be their best practice and there was enough room for discussion and asking questions.

Figure 2:
The positioning card. The blue line starts at the minimum score of the programme for this indicator and ends at the maximum score. The cross indicates the average score of the programme. The orange indicates the ambition level of the programme for this indicator.

Subtheme XXXX	Performance level				What's good? What could be improved?
Indicators	**1**	**2**	**3**	**4**	
Indicator 1		X	▮		
Indicator 2					
Indicator 3					

Stage five: development of an action plan

In the final stage participants had to develop an action plan based on the results of the benchmarking. Although we did not ask them to hand over this action plan, we know that they developed some very specific actions for improvement.

During the scoring stage, everybody had to indicate their ambition for every indicator and the intended actions linked with it. Some of them appeared to be very popular: starting to work on elaborated targets and cutting edges for every survey and performance indicator; effective communication to all stakeholders; development of a procedure for analysis and interpretation.

In the last meeting, some of the participants talked about their experiences or presented a more in-depth best practice.

Lessons learned

The benchmarking exercise was initiated in order to build experience in benchmarking itself. One of the first lessons learnt is that it's necessary to have someone with benchmarking experience to support and advise the group. It is also a good idea to involve someone who is an expert in the domain of the subject being benchmarked.

Nineteen programmes participated in this exercise. Every participant had two representatives. The size of the group forced us to adapt the working methods in order to guarantee real involvement of everyone.

The group consisted of a mixture of quality managers and programme coordinators. These different backgrounds sometimes caused friction in the dialogue between the two groups.

Especially during the stage of developing the set of indicators, the group needed guidance to find the right balance concerning the level of specificity and to formulate the benchmarks and the other levels of performance.

Although a good mixture of qualitative and quantitative indicators is important, it is not always possible to reach this balance. In the case of this project, it turned out to be almost impossible to define relevant quantitative indicators.

What was good?

The mixture between quality managers and programme coordinators was a challenge, but it was also perceived as an asset and led to increased mutual respect and better understanding. Participants indicated that they really learned a lot from each other.

The stage of developing the indicators plays a very important role for the participants to get better insight into the processes in relation to the theme being benchmarked. This might be the hardest stage in the exercise, but it is also the most important one to make sure the exercise is a success. Participants testified that in the end the indicators were relevant and provided a good image of the organisational processes. The use of the scoring cards really helped the programmes to get an insight into where they stand.

Participants testified that they were already working on an action plan. In fact, one of the participants acknowledged at the moment of the scoring that they had already taken measures based on what they had learned during the exercise. This had a positive impact on their scores.

The benchmarking process is very demanding, but it ensures that people really reflect on the subject: where are we now, what do we want to achieve, which aspects are involved?

Challenges

Benchmarking does not replace common sense: it is impossible to just implement good practices from others into your organisation. You will have to adapt whatever lessons learned to the specific context of your HEI.

The rationale for the benchmarking must be very clear from the start. Benchmarking can be initiated for several reasons: accountability, optimising processes, quality improvement. In this paper focus was on the latter. Confidentiality is an absolute condition for a quality-driven benchmarking exercise. If participants cannot rely on the group and be sure that their information is kept safe and confidential, they will be reluctant to be as open as is necessary for a successful benchmarking exercise. Furthermore there are possible side-effects of benchmarking, including window dressing amongst others. These can be avoided if there is strict confidentiality.

Benchmarking is not a ranking tool: benchmarking is an internal governance tool; ranking is a marketing tool (Gaetghens, 2012, p. 12).

Benchmarking is not a goal in itself, it is just another instrument. Organisations should carefully consider the pros and cons before they participate in benchmarking. They should also carefully consider the best approach to benchmarking, given the theme selected. The approach described in this paper will not always turn out to be the most efficient one. In 2010 Östling presented a completely different approach at EQAF (Östling, 2010).

Every step in the process is important and deserves equal attention. Due to circumstances, heavy workload and organisational changes, there might be pressure to skip certain steps. This can cause the exercise to become a failure.

Sense and nonsense of benchmarking

If an organisation just wants to learn from another organisation, benchmarking is too demanding a process. There are other techniques available that allow exchange of experiences and good practices. Benchmarking involves a lot more than just learning from each other.

It is a systematic, formal, analytical and continuous process. The aim is to formulate challenging, but realistic goals; to develop an action plan; and to identify good practices, organisational deficiencies and priorities for the future. Therefore benchmarking is a tool for decision-making. It leads to networking, collaboration and mutual respect; it leads to better performance; it leads to better understanding of processes and how to improve them; and it leads to the introduction of good practices.

Benchmarking should always lead to action. In a quality-driven exercise the action plan is aimed at improvement. Because of the confidential character of a quality-driven exercise it is not possible to use the results of the exercise for accountability reasons or external quality assessments. Nonetheless it will be possible to indicate that certain actions for improvement are based on the results of benchmarking.

Benchmarking is a very expensive and demanding tool. Therefore, it should be used only for strategically important issues. Then again, it should only be used if there is a real intention to learn and improve.

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