

International Benchmarking in Higher Education



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Abstract

This article is devoted to benchmarking as one of the research and management tools which is undertaken through planning and review processes at various higher education institutions worldwide and is aimed at enhancing their outcome. However, most Ukrainian universities still have to explore this instrument for themselves and incorporate it into their market research, strategic planning and performance evaluation processes.

Keywords: higher education, benchmarking, strategic management.

Introduction

In the last few decades and especially in recent years, there has been increasing interest in research and management tools aimed at assuring and enhancing the quality and outcome of higher education institutions at both national and international levels. One of them is benchmarking,

a well-known and a widely used instrument in the commercial sector, which is now becoming more popular in the university governance process.

The original development of benchmarking in the private sector in the 1980s-1990s was caused by: greater international competitiveness; increasing recognition of the need to ensure productivity and performance that compares with the best in the field; the rise of interest in enhancing quality; and the rapid growth of information technology, which has made data collection and management possible. In recent decades benchmarking has proved to be an effective method for improving the quality and processes in an organization on the basis of identifying best practices and permanent learning process. Now, according to the last global survey on management tools and trends conducted by Bain & Company, benchmarking is one of five management tools used worldwide most often (another four from these five tools are: Strategic Planning, Customer Relationship Management, Employee Engagement Surveys and Balanced Scorecards)².

Competition in the higher education market forces universities around the globe to continuously improve all of their activities. Top universities in the world associated with the highest quality of education and research and traditionally headed by international ratings have to not just maintain their achievement and performance but to work proactively so as to ensure their high competitive position. For top universities and those aspiring to become world leaders the focus on innovation in all areas that provide them with significant and unique competitive advantages is extremely important. For universities that are just trying to reach international level, it may be beneficial to use benchmarking, a tool that is increasingly being applied in the corporate sector, but is still underestimated in the field of education.

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² Rigby, D., Bilodeau, B. (2013). Management Tools & Trends 2013. Bain & Company: p. 8-9. — Retrieved from: <http://www.bain.com/publications/business-insights/management-tools-and-trends.aspx>.

Definition, objectives and benefits of benchmarking applied in higher education

There are a variety of definitions of benchmarking. Thus, benchmarking can be seen as «a tool to assist organizations identify processes they need to change to be able to achieve specific strategic goals and objectives»¹; benchmarking is an evidence-based process, including comparisons with other institutions in order to enhance good practice². Benchmarking helps one to understand how leading companies work, improve business processes within a company or organization relatively quickly and at a lower cost and achieve the same or even sometimes better results in one's own organization.

For the same reasons institutions in the public sector, including higher education, have in many countries adopted benchmarking as a useful management tool in the last decade. Benchmarking allows a higher education institution to identify and monitor standards and performance in order to improve a university's outcomes, processes and practices; to discover new ideas for attaining the university's strategic goals as they are outlined in its strategic plan; to provide an evidence-based framework for change and improvement; to inform planning and goal-setting; to improve decision-making through referencing of comparative data; to bring an external focus to internal activities³. So, benchmarking is an important tool of evaluating institutional performance based on comparative analysis of institutional and external information in order to identify efficiencies and cost reductions and to target these to best effect.

With the aim of improving the use of benchmarking in higher education, the European Commission funded a project in 2006-2010 called «Benchmarking in European Higher Education»⁴. The authors of that study defined the term «benchmarking» in relation to higher education as «the voluntary process of self-evaluation and self-improvement through the systematic and collaborative comparison of practice and performance with similar organizations. This process allows institutions to identify strengths and weaknesses, and to learn how to adapt and improve organizational

processes in order to face growing competition»⁵. It means that benchmarking can be seen as «the process of finding best practices and of learning from others»⁶.

In the United States benchmarking in higher education was first introduced by the National Association of Managers in Higher Education. In Australia, as in many other countries, the development of benchmarking has been associated with the movement to improve the quality and the need to demonstrate the quality and efficiency of university operations⁷. Benchmarking approaches have been developed nationally, internationally, or in most universities with the support of consulting firms. In European countries, national approaches to benchmarking in the higher education sector were developed in the mid-1990s at the initiative of the national authority or by one or a group of universities, or by an independent body.

At the same time, international benchmarking used so far is rather limited. The European Benchmarking Programme ESMU⁸ is an example of a transnational comparative analysis that goes far beyond the simple comparison of data, focusing on the efficiency of the overall university management processes. Cooperative program works with a small group of higher education institutions towards identifying best practices⁹.

Despite the variety of foreign studies on methodological approaches and technologies to improve university management, benchmarking has not yet become a common research and strategic management tool in Ukrainian higher education. But the importance of implementing this instrument in their practice is growing constantly, when we take into account increased global competition on the education market.

Benchmarking equally involves two processes – evaluation and comparison. Benchmarking has usually involved taking a best product and a best marketing process used by direct competitors

¹ Hacker, M. E. & Kleiner, B. M. (2000). 12 steps to better benchmarking. *Industrial Management*, 42(2), pp. 20-23.

² Learning and Teaching Unit. (2012). Benchmarking. Retrieved from: <http://www.unisa.edu.au/academicdevelopment/quality/benchmark.asp>.

³ Benchmarking at the University of Adelaide. – Retrieved from: <http://www.adelaide.edu.au/learning/staff/benchmarking/>.

⁴ <http://education-benchmarking.org>.

⁵ A Practical Guide: Benchmarking in European Higher Education. (2008). European Centre for Strategic Management of Universities (ESMU), p. 50. Retrieved from: http://llp.iugaza.edu.ps/Files_Uploads/634956737013680415.pdf.

⁶ Benchmarking to improve efficiency. (2010). Status Report, p. 7. – Retrieved from: https://www.hesa.ac.uk/dox/Benchmarking_to_improve_efficiency_Nov2010.pdf.

⁷ Stella, A., Woodhouse, D. (2007). Benchmarking in Australian higher education: A thematic analysis of AUQA audit reports. Australian Universities Quality Agency. – Retrieved from: http://pandora.nla.gov.au/pan/127066/20110826-0004/www.auqa.edu.au/files/publications/benchmarking_final_text_website.pdf.

⁸ www.esmu.be.

⁹ A Practical Guide: Benchmarking in European Higher Education. (2008). European Centre for Strategic Management of Universities (ESMU), pp. 43-44. Retrieved from: http://llp.iugaza.edu.ps/Files_Uploads/634956737013680415.pdf

and/or organizations working in similar areas. The aim of benchmarking is to identify possible ways to improve the organization and its business process, products and practices. Benchmarking can be considered as a type of strategically-focused market research and as an alternative method of strategic planning and strategic analysis based not on achievements but on the performance and best practices of competitors. So, we can conclude that benchmarking combines these three components into a single system: strategy development, industry analysis and competitor analysis.

Types and process of benchmarking in universities

Classification by UNESCO-CEPES (2007) based on existing literature distinguish six types of benchmarking in the higher education sector¹:

- internal benchmarking (comparing similar programmes in different components of one higher education institution);
- external competitive benchmarking (comparing performance in key areas based on institutions viewed as competitors);
- functional benchmarking (comparing single processes);
- trans-institutional benchmarking (across multiple institutions);
- implicit benchmarking (quasi-benchmarking looking at the production and publication of data/performance indicators which can be useful for meaningful cross-institutional comparative analysis; these are not voluntary but result from market pressures or coordinating agencies);
- generic benchmarking (looking at basic practice process or service) and process-based benchmarking (looking at processes by which results are achieved).

The choice of particular type of benchmarking is defined by the objectives of a university, its needs and requirements of an environment, available resources and potential for development, as well as by a possibility to implement this tool in a strategic management mechanism so as to ensure its competitiveness.

According to the results of different studies, the use of benchmarking in a strategy planning system allows universities to continuously identify those particular qualities of the university, which are a source of key benefits, and those that need to be effectively changed. Thus, the tool shows the direction for development, improvement and correction of the main features and principles of the university in order to enhance its competitiveness.

¹ A Practical Guide: Benchmarking in European Higher Education. (2008). European Centre for Strategic Management of Universities (ESMU), p. 40. Retrieved from: http://lllp.iugaza.edu.ps/Files_Uploads/634956737013680415.pdf.

The application of benchmarking can provide the following benefits to universities²:

1. The ability to objectively analyze their strengths and weaknesses compared with others which are better.
2. Targeted studies and analyses of leading universities allow an institution determining strategic objectives for its own development to achieve leadership.
3. Generation of new ideas on learning as well as on marketing of education services.
4. Regular benchmarking helps track actions of competitors and act in a proactive manner.
5. Benchmarking complements the traditional approach to strategic planning «from achieved performances» and enables planning by analyzing competitors.

It is obvious that non-profit public institutions such as universities cannot use income or similar widely used in business key performance indicators (KPI) for determining their success. Other indicators can be used in higher education, such as: the percentage of students who did not complete the study; percentage of students who complete the training in time; student satisfaction; graduates satisfaction; employer satisfaction and others.

Performance in research and innovation can be defined based on: the number of publications; citation; number of patents; number of contracts, income etc. Similar lists of indicators could be developed for other areas of a university's activities. However, the data is often limited to the small amount of information that is broadly available, which greatly complicates an in-depth benchmarking analysis.

Regardless of whether national benchmarking of the higher education sector has been carried out, or benchmarking for individual schools has been conducted (within one or between several universities), benchmarking should always be used to identify the strengths and weaknesses of the institution and to define a set of targets and indicators for improvement. Successful benchmarking is based on a strong desire on the part of institutions to increase their organizational performance to become «a learning organization», which considers the processes in real time, looks for new practices and adopts new models of operations. Regardless of whether benchmarking is conducted at a university's structural unit level (faculty, department, institution etc.), or at

² Semenjuk, S. (2012). Rozvytok innovatsiynoho marketynhu na rynku osvitykh posluh. *Halyts'kyj ekonomichnyy visnyk*, 6(39), pp. 151-158. (Семенюк С. Розвиток інноваційного маркетингу на ринку освітніх послуг. // Галицький економічний вісник. — 2012. — №6(39). — с. 151-158.

the level of the whole institution, it can lead to significant results only when it used in a context of transformation and development.

Benchmarking requires a focus on change, investment in financial and human resources, involvement of top managers and associated staff in this process to produce and to implement powerful results. It is most valuable when it used on a regular, long-term basis and included in the university's strategy development process. It requires a clear and professional approach at all stages — from the development of an algorithm of analysis to clear identification of the processes of data collection and implementation of results. The main areas of benchmarking in higher education institutions are: strategic management and administration; services for students (career centers, campus services, accommodation, meals, conferences, etc.); research; teaching; property; finance; management; library and IT.

Benchmarking is one of the stages of strategic planning at foreign universities. It is worth mentioning the recommended process of benchmarking at the university, made on the basis of the two-year study within the auspices of the project «Benchmarking in European Higher Education», as funded by the European Commission (Fig. 1).

Evaluating the effectiveness of the university as a carrier and a provider of educational services is the basis for management decisions about the appropriateness and nature of the changes in the functioning and implementation of the educational process. Such an assessment should determine the key success factors and prospects of development of educational organizations, and identify and diagnose its problem areas, which should help specify a plan of strategic changes to improve competitiveness.

Identifying the problem areas allows weaknesses in the implementation of business processes to be determined. It is advisable to divide the weaknesses of a higher education institution into three groups:

- 1) weaknesses in the order of process fulfillment;
- 2) weaknesses related to lack of information and technical support processes;
- 3) weaknesses caused by organizational structure and staff of higher education institutions.

The identification of weaknesses is the basis for the search and analysis of possible ways of optimization. Such main ways are: to take operational measures to partially neutralize weaknesses, and develop a comprehensive program aimed at restructuring weaknesses.

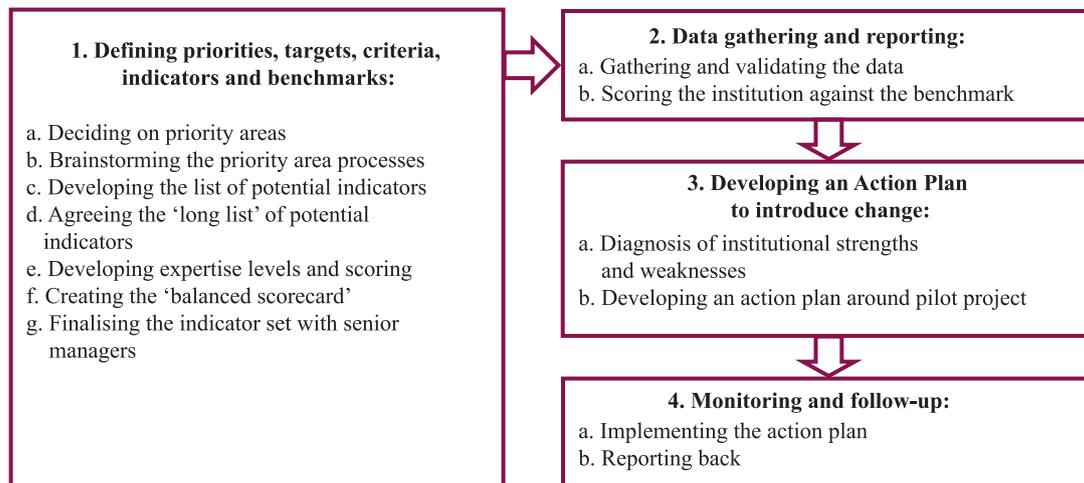


Figure 1. Stages and steps of a typical benchmarking process at a higher education institution

Source: compiled by author on the basis ⁽¹⁾

¹ A University Benchmarking Handbook: Benchmarking in European Higher Education. (2010). European Centre for Strategic Management of Universities (ESMU). — Retrieved from: https://www.che-consult.de/downloads/Handbook_Benchmarking_EBI_II.pdf.

In both cases, a university can work using innovative models and using the reference mechanism for improvement, accumulating the theoretical or practical experience of others.

Benchmarking focuses the whole strategic management system of the university on continuous improvement of its activities through improvement over current performance, mastery of best practices and achieving a leadership position in a particular field of operation. Improvement in application of this technology for the development and implementation of organizational competitiveness strategy facilitated entry of proprietary software products and technology for promoting and monitoring the implementation of this management tool.

Conclusion

Using the concepts of benchmarking in the management of competitiveness of university enables implementation of the best experience of operations, to improve quality and efficiency of educational services, to form a new notion of the educational process, to assess the professionalism of management, which ultimately leads to sustainable development of the institution and achieve the desired level of competitiveness. The impact of benchmarking depends on the proper selection of the improvements object, on determining a benchmark-organization and the usefulness of its experience for the university, on development of an implementation and maintenance system for such experience at one's own institution in conjunction with its strategic management system. Ukrainian universities seeking to improve their international position should use this tool more actively in the process of their strategic market research and strategic planning.

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