

# ENGAGING WITH LEADERS IN HIGHER EDUCATION

## What Can Performance Measurement and Key Performance Indicators Do For Higher Education Institutions? a UK Perspective

- 1** Reasons for the growth of performance measurement in higher education (HE).
- 2** Issues in adopting performance measurement in HE.
- 3** The purposes of performance measurement in HE.
- 4** Examples and issues in applying key performance indicators to higher education institutions.
- 5** The role of the governing body (trustees) in using KPIs to measure institutional performance.
- 6** Questions.

- 1. Changes in relationships between HE and the state: the growth of accountability.**
- 2. Growth in public funding brings with it the need to demonstrate value for money.**
- 3. Adoption of managerialism in HE.**
- 4. Competitive pressures on institutions - both national and global.**
- 5. UK: government agenda to 'modernise' the public sector.**
- 6. England: the consequences of student fees.**

1. How to measure performance – the need for key performance indicators (KPIs).
2. Types of KPI: input; process; output; outcome.
3. Whose KPIs: staff; management; governing body (trustees); government or funding bodies?
4. Ensuring robust and reliable data over time.
5. Publicity given to existing comparative data worries institutions (the 'league table' issue).
6. Danger of unintended consequences in using KPIs.

- 1. Accountability: usually regulatory or funding bodies monitoring compliance.**
- 2. Centrally driven performance enhancement eg the research assessment exercise in the UK.**
- 3. Institutionally driven performance enhancement. KPIs will vary in order to measure institutional priorities and an institution's position in the national and international higher education 'market place'. Starting to be widely used in the UK.**

***University of Strathclyde Strategic Plan 2003-7:***

**Three major areas for measuring institutional performance – innovative learning; research excellence; personal and professional development. Each has five targets with associated KPIs.**

**An ongoing process is in place for the continuous measurement of University performance against these 15 KPIs.**

**Strathclyde example for *research excellence* KPIs:**

- **By 2007 an RAE rating of 5 or above for all units assessed.**
- **By 2007 an increase in research students of 15%.**
- **By 2007 a 20% increase in research contract royalties.**
- **A 10% annual increase in research grant income.**
- **£5million a year of new research contracts through Synergy (a new regional initiative).**

- 1. Institution wide KPIs measure the achievement of overall strategy and not operational detail.**
- 2. KPIs should have broad institutional acceptance.**
- 3. Need for effective institutional planning and data collection systems to be in place.**
- 4. Information about competitor institutions is helpful (eg comparative data, benchmarking, etc)**
- 5. Effective systems for measuring KPI achievement.**
- 6. The dangers of concentrating on what can be measured. What price autonomy and collegiality?**

- 1. See “The Monitoring of Institutional Performance and the Use of KPIs” CUC, 2006 ([www.shef.ac.uk/cuc](http://www.shef.ac.uk/cuc)).**
- 2. Governing bodies (trustees) have “ultimate responsibility” to funding bodies and stakeholders.**
- 3. Governing bodies are becoming smaller and more concerned with institutional performance. Must have a majority of external members.**
- 4. Managers (including vice-chancellors) propose strategy and provide data on KPIs, but the governing body must approve.**

- 5. New CUC report identifies possible KPIs in 10 areas: institutional sustainability; market position; teaching and learning; research; knowledge transfer; financial health; estates; staff; systems of governance/ administration; institutional projects.**
- 6. Important issues in presenting KPI information to governing bodies eg balanced scorecards etc.**
- 7. Board level KPIs must be institutionally specific and ideally focus on outputs/outcomes where possible.**

# Questions