
The Strategic Importance of Benchmarking as a Tool for Achieving Excellence in Higher Education

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Abstract

The information technology developments of the last fifteen years enabled organizations to become capable of collecting data and information about the performance levels of best-in-class organizations. Therefore, organizations can continuously compare and measure their performance against best performers and as a result gain information, which will help take appropriate action to improve performance. This systematic process of identifying and implementing best or better practices, known as benchmarking, is a basic tool used to implement business excellence models and inevitably higher education institutes have expressed their interest. This article examines the strategic importance of benchmarking as a tool for achieving excellence in higher education.

Keywords: Benchmarking, Excellence, EFQM, Higher Education, Quality

Introduction

In today's turbulent business conditions, organizations are striving to identify tools and techniques that will enable them not only to survive but to gain competitive advantage as well. Therefore, decision makers are constantly on the look out for techniques to enable quality improvement in search for excellence. Benchmarking, according to Dattakumar and Jagadeesh (2003) is one such technique that has become popular in the recent times.

Information technology developments of the last fifteen years enabled organizations to become capable of collecting data and information about the performance levels of best-in-class organizations and as a result benchmarking became popular over the years.

This systematic process for identifying and implementing better or best practices, known as benchmarking, is a basic tool used to implement business excellence models, such as the European Foundation for Quality Management (EFQM) Excellence Model, and inevitably higher education institutes (HEIs) have expressed their interest in it. Additionally, governments, in an effort to improve university performance, are setting indicators to measure performance, which in turn will lead to defining benchmarks for HEIs to respond to.

It is clear that the challenges higher education institutes face and the pursuit of quality in mission attainment mark out excellence (to the degree it can be achieved) as a basic objective, a reference criterion and a seal of efficient and effective university management and operation (Anninos, 2007).

The aim of this article is to examine the strategic importance of benchmarking as a tool used by HEIs for implementing business excellence models and therefore achieving excellence. The method to be followed will focus on the results of international research projects and findings.

What is benchmarking?

Prince Otto von Bismark, first Chancellor of Germany (1871-1890) when told that a wise man learns from experience he replied: "No, a fool learns from experience. A wise man learns from the experience of others."

Quite often, the benchmarking concept is understood to be an act of imitating or copying. But in reality this proves to be a concept that helps in innovation rather than imitation, as stated by Thompson and Cox (1997). The Japanese word *dantotsu* ("striving to be the best of the best") captures the essence of benchmarking. Benchmarking

is a positive, proactive process to change operations in a structured fashion to achieve superior performance (Vermeulen, 2003).

The European Benchmarking Code of Practice suggests that benchmarking is simply about making comparisons with other organizations and then learning the lessons that these comparisons throw up. The American Productivity & Quality Centre (APQC) states that benchmarking is the process of continuously comparing and measuring against other organizations anywhere in the world to gain information on philosophies, policies, practices, and measures which will help an organization to take action in improving its performance. Finally, the English Universities Benchmarking Club defines benchmarking as the process of identifying, understanding and adapting outstanding practices and processes from organizations anywhere in the world in order to help ones own organization to improve its performance.

Although comparative data has been used for years in some industries, including higher education, benchmarking, as defined today, was developed in the early 1980s at the Xerox Corporation in response to increased competition and a rapidly declining market (Camp 1989). Benchmarking is an ongoing, systematic process for measuring and comparing the work processes of one organization to those of another, by bringing an external focus to internal activities, functions, or operations (Kempner 1993). In other words, benchmarking is helping organizations to understand how industry leaders do things, and identify what an organization has to change. And by showing to an organization what is possible and what other companies have done, it motivates individuals toward achievable goals and

strategies which drive their efforts. The goal of benchmarking is to find secrets of success and then adapt and improve them for own application.

Benchmarking in Higher Education

The term benchmarking was first adapted to business practices by Xerox. Through the systematic and collaborative comparison of performance with its competitors, Xeroxs aim was to evaluate itself, to identify its strengths and weaknesses and adapt to constantly changing market conditions. Benchmarking approaches have been gradually adopted by many businesses in the context of the quality assurance and quality enhancement movements and the need to ensure productivity and effectiveness in the face of increasing competition (ESMU, 2008).

Due to its reliance on hard data and research methodology, benchmarking is especially suited for institutions of higher education in which these types of studies are very familiar to faculty and administrators. Practitioners at colleges and universities have found that benchmarking helps overcome resistance to change, provides a structure for external evaluation, and creates new networks of communication between schools where valuable information and experiences can be shared (Alstete, 2008).

Benchmarking, as a process for self-evaluation, was adapted to higher education in North America in the early 1990s, and followed rapidly by Australia and more recently with the UK and continental Europe (Jackson, 2001).

According to the EU-funded project “Benchmarking in European Higher Education”, there are ten good reasons to use benchmarking as a management tool. Benchmarking strengthens an institutions

ability to successfully: [1] self-assess the institution; [2] better understand the processes which support strategy formulation and implementation in increasingly competitive environments; [3] measure and compare to the competition, i.e. how well are other HEIs in the sector performing, which HEIs are doing better and why; [4] discover new ideas, looking out strategically; [5] learn from others how to improve; [6] obtain data to support decision-making with new strategic developments; [7] set targets for improvement of processes and approaches in order to increase performance; [8] respond to national performance indicators and benchmarks; and [9] set new standards for the sector in the context of higher education reforms.

Benchmarking, as it has come to be defined, was an inevitable outcome of the growth of the quality movement, and indeed a recent major review of benchmarking methodologies has identified a close conceptual and philosophical link between it and TQM (Zairi, 1996). Benchmarking is considered to be one of the most powerful tools of TQM and therefore a powerful tool for achieving excellence.

Excellence and Higher Education

In the global market of higher education, there are clearly competitive advantages in establishing and maintaining a reputation for providing good quality education, high academic standards, and world-class research output. HEIs around the world are under increasing pressure to show how they perform relative to other higher education institutions (Jackson, 2001). According to the Middle States Commission on Higher Education (MSCHE), an institution of higher education is a community dedicated to the pursuit and dissemination of knowledge, to

the study and clarification of values, and to the advancement of the society it serves. Many articles have been written in international bibliography about excellence in higher education and a number of prizes and awards (EQA, MBNQA, etc) have been established for organizations (including HEIs) that reach high performance levels.

It is indeed difficult to gain an understanding of excellence without first attempting to perceive the meaning of quality. The attainment of a specific quality level for a HEI and the mentality/culture of continuous improvement through quality monitoring at every process, procedure and level of organization are the first steps for the journey of excellence. Excellence comes as the result of achieving higher and higher quality levels. There is no final frontier of excellence. Consequently, excellence could be defined as quality, within quality, for quality (Anninos, 2007).

In the case of higher education, quality in teaching and learning, in research, in external engagement, in management and infrastructure should be examined and taken into consideration in every attempt to understand and to strive for excellence. HEI excellence means exceptional performance in areas such as leadership, strategic planning, student-stakeholder and market focus, measurement-analysis and knowledge management, workforce focus, process management and results (Anninos, 2007), according to the business excellence models.

The EFQM Excellence Model is wholly appropriate and beneficial within the Higher Education context, leading to the development of enhanced management practices across both academic and administrative areas. It is clear, however, from the research undertaken by Sheffield Hallam University

(2003b), that the Excellence Model is a catalyst for change providing a framework through which improvement and changes in current practice can be analyzed, prioritized and understood.

Business Excellence and the Role of Benchmarking

The EFQM Excellence Model is a framework that embodies a pan-European assessment of what constitutes best management practice. It has been developed using input from over 1000 individuals and organizations from across Europe, and has benefited from benchmarking with the United States National Malcolm Baldrige Award scheme, the Japanese Deming Prize and quality management frameworks from South Africa and Australasia. (Sheffield Hallam University, 2003b).

The EFQM Excellence Model, as described by the EFQM, is “a practical tool to help organizations establish an appropriate management system by measuring where they are on the path towards Excellence, helping them to understand the gaps, and then stimulating solutions”.

The EFQM Excellence Model has much to offer an educational organization that wants to be effective and to achieve high standards for its learners and other stakeholders. It has been recognized by Sheffield Hallam University (2003b) that the Model provides a number of key benefits which have been proven to be of significant value.

- It offers a holistic approach
- It provides a process of self-assessment against a non-prescriptive set of criteria

- The assessment process is based on factual evidence
- It offers a way in which a common focus can provide a new way of working that could be embedded into the organization.
- It provides a balanced set of results indicators, not just financial, that focus on the need of the customer, the people in the organization, the local community and other elements of society, the regulatory bodies and the funding providers.
- It provides a framework through which the kernel of the organizations issues could be surfaced, investigated and improved continually.
- It offers benchmarking opportunities with others within and outside the sector, providing a common language to share good practice and develop both individual and organizational learning.

The basic philosophy of benchmarking, according to EFQM, is to: know what one wants to improve, identify the Good Practices in those areas, learn from the good / best practices, adapt the key insights and incorporate learning into ones own process. In summary, benchmarking enables organizations to adopt, adapt and improve good practice.

The EFQM Excellence Model provides a common framework and language which can be used to compare performance in all areas, or specific areas against others who are using the same assessment framework. It allows organizations to focus on specific areas for improvement, and learn from others who have had similar learning experiences in the past. It also enables organizations to assess how well they are actually doing in

comparison to others, and whether they are actually the best-in-class in a specific area, and could therefore help others (Steed, 2002).

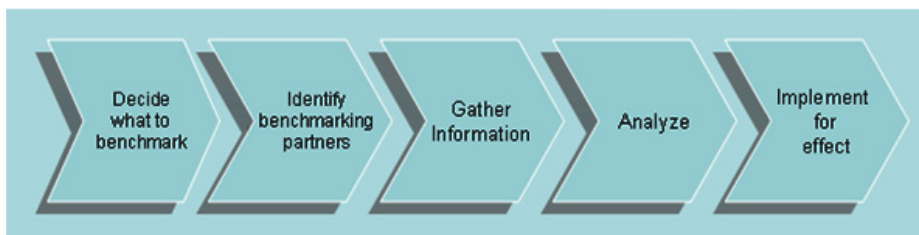
The EFQM Excellence Model provides the framework for analysis, with benchmarking allowing internal and external comparison to promote learning and continuous improvement. There is no final score, or ceiling of achievement, but a progression which needs to be checked and measured through the self-assessment and benchmarking processes (Steed, 2002). Therefore, benchmarking is considered as an important part of the journey towards Excellence.

EFQM (2009) describes benchmarking as the art of opening ones mind to what has made other organizations successful, combined with the ability to creatively translate such insight into successful implementation and improved results. For organizations wanting to achieve excellence, the biggest challenge can be knowing where and how to start. Around the world, organizations seeking to reach world class levels of profitability and growth have found that the solution lies in comparing their processes and performance with that of other organizations. They have achieved substantial results by making significant improvement based on learning from benchmarking projects.

EFQM has contributed to the development of the European Benchmarking Code of Conduct which provides pointers to the expected behaviors of individuals and organizations when they undertake benchmarking.

Benchmarking is a tried and tested process that can significantly enable organizational learning and enhance organizational performance (Sheffield Hallam University, 2003a). There are numerous approaches to benchmarking. The English Universities Benchmarking Club has used the following process to underpin their benchmarking activity: Plan, Collect, Analyze, Adapt, and Review. Longbottom (2000) has identified four key stages of benchmarking process, namely planning, analysis, implementation and review. Karlöf and Östblom also describe a five-stage process for benchmarking as follows:

Figure 1: The five stages of benchmarking
(Karlöf and Östblom, 1995)



Benchmarking is not simply about performance measures. At its most effective, it becomes a core business strategy and for successful implementation, senior management commitment is a prerequisite.

Benchmarking and Excellence in Higher Education

In an increasingly competitive higher education environment, improving university performance has become of paramount importance to demonstrate accountability for the use of public or private funding, quality of education and research, and contribution to economic growth and development. National governments are gathering all types of data to support policy, strategic development and restructuring their higher education systems. They are setting indicators to measure performance, which in turn will lead to defining benchmarks for HEIs to respond to (ESMU, 2008).

A two-year project in “Benchmarking in European Higher Education”, funded by DG Education and Culture of the European Commission, aimed to provide a deeper insight into the mechanisms of benchmarking in higher education as well as to develop guidelines and support for establishing and successfully pursuing new benchmarking initiatives. The project, as explained by ESMU (2008) itself, aimed to develop an online tool which will allow HEIs to find the most appropriate benchmarking approach for their own needs, with an extensive bibliography and database of articles and publications on Benchmarking in Higher Education. It also aimed to produce a Handbook on Benchmarking in European Higher Education based on the systematic stocktaking of existing benchmarking approaches and methods.

HEIs face several obstacles and as a result there are many reasons why their management should actively consider benchmarking when searching for best practices to improve performance. No institution is considered to be the best at everything it does; there is a need to constantly search for good, promising, practical, and better, if not the best, practices; and once found, the best practice knowledge needs to be captured, transferred, and adopted throughout the institution. To overcome the above obstacles in a disciplined way, an HEI can use benchmarking!

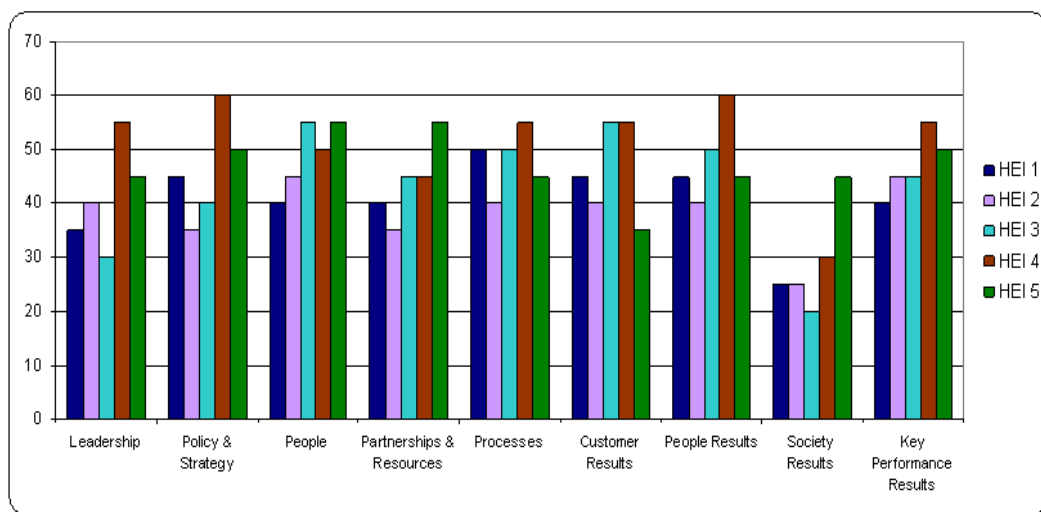
As discussed earlier, Excellence Models like EFQM and Malcolm Baldrige provide a very effective route into benchmarking. They encourage benchmarking against measures of performance but also stimulate the search for good and/or best practice. Benchmarking has confirmed the importance and potential of a strategic approach to business excellence and is therefore, being adopted by universities in search of excellence. There are many examples where the EFQM Excellence Model or the Malcolm Baldrige Award has been applied successfully in higher education institutions. Actually, there have been many award winners and finalists of the European Quality Award (EQA) from the Higher Education sector. The Faculty of Engineering of Marmara University was EQA finalist in 2000, while the City Technology College was EQA finalist in 2001. St Marys College, Northern Ireland was EQA award winner in 2001 and Colegio Ursulinas in Vitoria was a prize winner in 2004. In the United States, the equivalent business excellence model, the Malcolm Baldrige Award, has been adapted for use in many HEIs and as a result one university (the University of Wisconsin Stout) has won the Baldrige Prize in 2001. It is important to note that the excellence models

have been used successfully by secondary education institutions in both Europe and US.

Jackson (2001) provides an overview of the concept and methodology and provides examples of the ways in which benchmarking is being used, including the Commonwealth Higher Education Management Service (CHEMS) benchmarking approach which is based on the principles and operating framework of the EFQM Excellence Model.

When the EFQM Excellence model is used to assess the performance of an organization or HEI a specific score is determined. The assessment team provides a feedback report identifying areas for further improvement, together with a scoring profile, at criteria level. This profile can be compared against other profiles and might then lead to benchmarking against organizations that had demonstrated excellence at criterion parts level. By contacting such organizations, it is possible to identify what specific approaches might have led to excellence in particular criterion area(s).

Therefore, an HEI's scoring profile can be compared against the scoring profiles of other HEIs in an effort to identify per criterion level the HEI that demonstrates excellent performance. For example, as shown in figure 2, HEI 4 seems to have reached better performance levels in the criteria of leadership, policy & strategy, processes, customer results, people results and key performance results. Similarly, HEI 5 seems to have reached better performance levels in the criteria of people, partnerships and resources, and society results. In conclusion, by focusing and studying the performance of HEI 4 and HEI 5 one can identify, understand and adapt the outstanding practices from these two HEIs to help improve performance.



While the outcomes and scores from self-assessments can remain confidential, many organizations are able to share the learning, methodology, process improvements and pitfalls with others, without contravening commercial confidence. The publication of reports and scores is not mandatory, but many award winning organizations publish summary documents

of their award entries, with changes or omissions of sensitive data. This fosters a culture of learning and sharing within and between sectors, which again is based on the understanding and sharing of a common language and assessment framework (Steed, 2002).

A number of sources of information can help organizations with their benchmarking efforts. These cover the spectrum from non-profit associations to for-profit organizations that sell information. In addition, there are consulting companies with expertise and databases covering all aspects of benchmarking. Excellent sources of information for benchmarking are professional institutions which can direct organizations to best-in-class practices, provide contacts, and offer valuable advice.

EFQMs Good Practice Database contains the best-in-class results that have been achieved by Winners and Finalists of the EFQM Excellence Award over the past 5 years, covering the areas of customer results, people results, society results and key performance results. On the other hand, Baldrige Award winners in the US are committed to share information with other US companies, and they hold periodic seminars for this purpose. A wide range of benchmarking information is available on the Internet, like the Greek Benchmarking Centre which provides comparative evaluation for enterprises and institutions through on-line applications developed by the Centre, or the Australian Universities Quality Agency (AUQA) Good Practice Database and the relevant comprehensive guide to Higher Education benchmarking.

Conclusions

Benchmarking can provide solutions in finding out how to improve activities and to provide benchmark comparators in the development of comprehensive measurement frameworks. Undertaken creatively it can provide a powerful tool for achieving excellence (Sheffield Hallam University, 2003a). There is no doubt that significant benchmarking trends can be pursued in every industry sector, including the higher education. In the near future, managing benchmarking and best practice sharing programs in an organization of any size will be an imperative, while software-based benchmarking will become a widely accepted practice for conducting benchmarking electronically.

The challenge for higher education will be to develop benchmarking in a way that will help people learn about and improve their own practice while improving the overall capacity of the higher education system to develop, improve and regulate itself (Jackson, 2001). Best practice benchmarking will be seen as a strategic need for organizations and HEIs. Benchmarking is a competitive strength when practiced, and can be a fatal weakness when overlooked. Today, benchmarking is used by a number of HEIs as a strategy, since the competition amongst them is fierce and they attempt to create a competitive advantage. This strategic approach is not only used for survival but for being distinct and different from the competition. Benchmarking is an option that every organization and institution has; but as Dr. Deming said, "Survival is not compulsory".

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