University of Southern Queensland

A Benchmarking Framework
for
the University of Southern Queensland

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1. Introduction

These guidelines give effect to Benchmarking as defined in the USQ Academic Calendar, 9.2 USQ Quality Policy at http://www.usq.edu.au/corporateservices/calendar/part9.htm. Benchmarking will be undertaken through the planning and review processes in the University of Southern Queensland's nine Key Organisational Goals as a gauge of performance in achieving the corporate strategies identified in the 2009-2013 USQ Strategic Plan. Additionally, benchmarking will be employed as a continuous improvement methodology and as a means to encourage collaboration throughout all levels of the University.

This focus seeks to achieve:

- alignment of benchmarking at all levels of the University, with key organisational goals identified in the planning and quality process,
- recognition of the importance of benchmarking in the University,
- meaningful benchmarking activities and performance indicators,
- a formal and systemic approach to collecting, monitoring, and reporting on benchmarking, and
- a shared understanding of what benchmarking is in the University and facilitate a common language among staff

2. The Benchmarking Framework

2.1 Recognising benchmarking: A positioning statement

In order to facilitate successful benchmarking activities, it is necessary for USQ and benchmarking partners to have a shared understanding about what benchmarking is in USQ.

Benchmarking in USQ means the following:

> "A strategic and systematic learning approach to continuous comparative and evaluation processes against organisations, both national and international, to gain information which will help USQ to take action to improve its performance and excel".

The Quality Policy and Benchmarking Framework recognise that benchmarking activities are an on-going process of comparison conducted specifically for quality enhancement purposes. All benchmarking activities contribute to continuous improvement of the University's processes, performance and outcomes. This positioning recognises Jackson and Lund's (Jackson & Lund, 2000, p. 6) concept of benchmarking for higher education where benchmarking is an ***organisational learning process*** which aims to contribute to ***continuous improvement***.

The International Benchmarking Clearinghouse, a department of the American Productivity and Quality Centre (APQC) has developed a benchmarking definition which is widely adopted and accepted (in Saul, 2006, p. 1): "A systematic and continuous measurement process; a process of continuously comparing and measuring an organisation's business processes against business leaders anywhere in the world to gain information which will help the organisation take action to improve its performance".

USQ's formal position on benchmarking is framed from these two key elements: ***learning process and continuous improvement*** by Jackson and Lund (2000) and ***continuous comparative measurement*** by the APQC (APQC).

2.2 Goals of benchmarking

The positioning statement of benchmarking implies that in USQ, benchmarking can facilitate the following goals:

- Inform the University of its comparative activities and performance
- Identify areas of good practices
- Identify areas for improvement and implement changes

2.3 Objectives of benchmarking

The positioning statement of benchmarking also implies the following rationale to establish benchmarking activities or projects in USQ:

- To continuously improve
- To reinvigorate current practices
- To accelerate change and restructuring by using tested and proven practices, creating a proactive plan when gaps are revealed and expanding to the next higher level through setting performance measures
- To go beyond lagging indicators to use leading and learning indicators
- To lead to "outside the box" ideas or innovative ideas
- To pursue high quality practices resulting from a better understanding of processes and systems
- To make implementation more likely because of the involvement of the benchmarking owners
- To contribute to aligning performance with strategies
- To facilitate learning
- To facilitate reflection and evaluation of progress

2.4 USQ's approach to benchmarking

Benchmarking is not a single or ad hoc activity but an on-going process for self-measurement and seeks ways to improve, to further excel. As such, a distinction must be made between benchmarking as a process and having a set of benchmarks or data.

Having benchmark data or benchmarks is only a small part of the benchmarking process. Benchmarks are data for comparison such as a performance output figure e.g. student retention rate, progression rate: How many? How quickly? How high? How low? They are markers or pointers to what should be improved and from whom we should be learning.

Benchmarking is not simply collecting and comparing benchmarks data or lagging indicators or about number crunching. Benchmarking is about **action** (APQC) - discovering the specific practices responsible for the high performance, understanding how these practices work, adapting and applying it to the organisation, engaging and discussing with valued partners, and implementing improvements.

USQ benchmarking activities will focus on both processes and outcomes.

Processes are coordinated sets of activities designed to produce certain outcomes (Saul, 2006). They take the form of methods, policies or programs.

Outcomes are the changes in condition or behaviour accomplished with the processes (Saul, 2006).

3. Guideline for benchmarking activities

3.1 Types of benchmarking

The types of benchmarking used across the University are the following:

- Metric Benchmarking
  Metric benchmarking or quantitative benchmarking involves the use of existing publicly available data as indicators of past performance and comparative performance in the intended context. Metric benchmarking provides both lagging and learning indicators of performance. Metric benchmarks in USQ facilitate the opportunity to understand and accommodate the context of operations in its comparative activities and performance.
- Best Practice
  Selection of a comparator believed to be the best in the area to be benchmarked and the consequent sharing of best practice information.
- Internal benchmarking
  Involves looking within the University to learn and improve. It looks within the organisation by comparing similar units or processes. It is also known as historical

benchmarking (Saul, 2006), as it mostly reflects on its past performance and projects future goals based on the organisations' internal track record.

- External benchmarking
  Involves looking outside the University to learn how others are meeting similar outcomes using processes that may be more efficient, effective or better.
  There are two distinguishable forms of external benchmarking:
  - Competitive benchmarking - involves benchmarking with direct competitors.
  - Industry benchmarking – involves benchmarking with a partner who is not a direct competitor but is part of the same industry.
- Benchmarking projects at the Faculty/ Program/ School/ Discipline/ Department/ Course as a result of using the Course and Program Reviews as a tool for benchmarking
- Benchmarking projects established to jointly achieve improvement in defined areas targeted by the University/ Division/ Faculty/ Program/ School/ Discipline/ Department/ Course

3.2 Other Benchmarking Examples

The University also recognises other forms of benchmarking, ie:

- Professional accreditation for an entire Program
- International accreditation for an entire Faculty/ School/ Discipline/ Department/ Course
- Internal Accreditation/Reaccreditation processes which include (i) stringent standards in the independent accreditation of its academic programs, (ii) close integration between Business and academic planning (iii) regular and rigorous review.

3.3 Types of performance measures

The types of performance measures for outcomes are drawn as follows:

- Lagging – measures of past activities/ performance
- Leading – measures of drivers of future performance
- Learning – measures of the rate of change in performance

The University encourages benchmarks or performance measures that can be used to improve (leading and learning measures) as well as benchmarks that reflect past achievements or historical performance data (lagging measures).

3.4 Benchmarking for the University's Key Performance Indicators

The Biannual Strategic Alignment Reporting to Council is undertaken by Executive Portfolio Stewards based on Key Organisational Goals, Key Performance Indicators and Benchmarking of Performance as listed in the following table. Also listed in the table is reference to the McKinnon *et al* publication, *Benchmarking: A manual for Australian Universities*, Department of Education, Training & Youth Affairs, 2000 http://www.dest.gov.au/archive/highered/otherpub/bench.pdf. The McKinnon Benchmarks have been aligned with each of the respective USQ Key Organisational Goals. Those benchmarks considered to be core to the USQ Quality Management Framework have been highlighted.

Key Organisational Goal	Key Performance Indicator	Benchmarking of Performance	McKinnon Benchmarks
Learning and Teaching: To enhance teaching performance and to provide high quality, flexible and inclusive learning experiences that promote lifelong learning, critical enquiry and students' career opportunities	Student Performance: Retention by Level of Program Progression by Level of Program Graduation by Level of Program Graduate Employment: Students in Full Time Employment	DEEWR Graduate Careers Australia (GCA)	Learning & Teaching **6.1 Learning & Teaching Plan (77)** 6.3 Scholarly teaching (79) 6.4 Teaching environment (80) 6.7 Student progress ratio (83) 6.8 First to second year retention trends (84) **6.11 Employability of Australian graduates (87)** Library & Information Services **9.2 Contributions to teaching & learning (119)**
Students: To create fulfilling learning experiences that are focused on student objectives	Student Perceptions: Good Teaching, Generic Skills, Overall Rating Competitive Position: QTAC Domestic Market Share International Market Share International/Domestic: Graduations Progression Retention	CEQ DEEWR DEEWR AUDIF	Learning & Teaching **6.10: Student Satisfaction** Student Support **7.1 Student administrative services (93)** 7.2 Student services (94) 7.3 Effectiveness of services (95) Internationalisation 10.1 Internationalisation strategy (127) **10. 2 Culture of internationalisation (128)** **10.3 Balanced onshore international student program (129)** 10.4 Financing of the international student program (130) 10.5 Students' exposure to international experience (131) 10.6 Management of offshore delivery (132) 10.7 Overseas links & activity (133)
Academic Programs: To be recognised as a national leader in the provision of vibrant and contemporary programs responsive to the professions	Attractive to Students: Commencing Student Load Retention by Level of Program Responsive to Professions: Professional Accreditations Relevant to USQ Charter: Accessibility Flexibility Economically Viable: Student Load	DEEWR Program Accreditation Register Program Admission Regulations USQ Financial Statements	Learning & Teaching **6.2 Course establishment processes (78)** **6.5 Effective academic review processes (81)** **6.6 Fitness of courses (82)**
Staff: To attract and retain excellent staff who exemplify USQ's values and provide them with opportunities to succeed personally, professionally and organisationally	Staff Retention: All Staff General Staff Academic Executive	Sector data Australian Universities Benchmarking Program	External Impact 4.3 Academic staff qualifications (39) Staff 11.1 Strategic human resource planning (140) 11.2 Management of workforce (141) 11.3 Workforce diversity (142) 11.4 Career development/staff effectiveness (143)

Key Organisational Goal	Key Performance Indicator	Benchmarking of Performance	McKinnon Benchmarks
Research and Research Training: To be acknowledged leaders in applied research and research training, with a particular emphasis on research in sustainable futures	Research Activity: Research Articles Published Research Training: Research Degree Load	DEEWR Reportable Publications RHD Load	Research 8.1 Research & research training planning (103) 8.2 Proportion of staff holding NCG OPS, or industry research grants (104) 8.3 Proportion of staff with direct involvement (105) 8.4 Research students' experience (106) 8.5 Research higher degree completion rates and times (107) 8.6 Research income trends (108) **8.7 Research higher degree completions per FTE academic staff (109)** **8.8 Weighted research publications per FTE academic staff (110)** **8.9 Impact of research (111)** Library & Information Services **9.3 Provision of support for research (120)**
Educational Partnerships: To maintain a profile of domestic and international educational partnerships that enhances USQ's position as a successful and leading higher education provider	Number of Domestic Partnerships, and: Graduations Progression Retention Number of International Partnerships, and: Graduations Progression Retention	PQO Data PQO Data	
Social Justice, Equity and Inclusion: To broaden equitable participation by students and staff and to encourage the development of a University culture that values diversity, multiculturalism and social inclusiveness	Diversity of Students: Progression Retention Participation Graduations Diversity of Management Team: Females in Higher Levels	DEEWR Australian Universities Benchmarking Program	Learning & Teaching 6.9 Equity quantitative success (85)
Engagement and Development: To derive mutual benefits for the University and its external stakeholders through engagement and development	Number of Stakeholders: Community Based Industry Based University Income Streams: Large Scale Government Schemes Business & Industry Links and Consulting Services Commercialisation and Contract Research		External Impact 4.4 Strategic community service (40) 4.5 Exemplary community practices (41)

Key Organisational Goal	Key Performance Indicator	Benchmarking of Performance	McKinnon Benchmarks
Enterprise: To deliver positive social, environmental and economic dividends	Diversity of Income: Sources of Income for Student Type Profitability of Income: Staff Costs as a % of Total Costs Profit Margin by Source Sustainability of Income: Operating Result Load	Profit margin on total revenue DEEWR Financial Health Indicators DEEWR Financial Statistics for all Australian Universities ABC Data 2003-2006	Governance, Planning & Management **3.1 Governance & leadership (19)** **3.2 University-wide planning (20)** 3.3 Strategic change initiatives (22) 3.4 Equity planning (23) **3.5 Clear lines of responsibility & decision-making (24)** 3.6 Core business systems (25) 3.7 Risk management (26) 3.8 Teaching/Research expenditure ratio (27) 3.9 Corporate information systems (28) **3.10 Organisational climate (29)** External Impact **4.1 Reputation (37)** **4.2 Competitiveness (38)** Finance & Physical Infrastructure **5.1 Operating result (52)** 5.2 Diversity of revenue (53) 5.3 Liquidity (54) 5.4 External debt (55) 5.5 Quick ratio (56) 5.6 Academic salaries expenditure trends (57) **5.7 Commercialisation: net return on equity (58)** **5.8 Strategic asset management (59)** 5.9 Recurrent maintenance funding (60) 5.10 Facilities management backlog (61) **5.11 Space management (62)** 5.12 Teaching space use/effectiveness (63) 5.13 Large equipment utilisation (64) **5.14 IT & T infrastructure (65)** Library & Information Services 9.1 Effectiveness of information planning processes (118) 9.2 Contributions to teaching & learning (119) 9.3 Provision of support for research (120) 9.4 Effectiveness of collaborative alliances (121)

3.5 Benchmarking methodology

An essential element of a successful benchmarking program is following an on-going continuous, reiterative process. It is recommended that benchmarking initiatives follow the USQ's quality methodology, ADRI to benchmarking: Approach, Deploy, Review and Improve.

The guidelines[1] to ADRI are as follows:

Approach

- Identify areas to benchmark in need of improvement – select those that are of strategic importance.

[1] Adapted from APQC's benchmarking methodology and University of Sydney's Benchmarking Guidelines

- Ensure that there is management support for the benchmarking initiative.
- Select and secure adequate resource and technical support.
- Understand current process and any sub-processes that may have impact on how the process performs.
- Clearly define what to benchmark.
- Identify and select appropriate benchmarking partners.
- Ensure all benchmarking partners are clear about what data will be shared.
- Formalise benchmarking agreements with partners if necessary.
- Develop a benchmarking plan.

Deploy

- Implement the benchmarking plan above.
- Data collection.

Review

- Learn from partners.
- Plan visits, if appropriate. Distribute an agenda and questions in advance so that both partners are prepared.
- Analyse findings, performance and best practices
- Identify and analyse gaps in performance.
- Identify practices that enable and hinder superior performance.
- Share and engage in discussion with partners.
- Develop a report (informal or formal) that outlines the data findings and recommendations for improvements or reflect and record benchmarking activities and actions for improvement in writing.
- Establish a way to communicate findings to others.

Improve

- Implement adaptation/ improvements resulting for the recommendations based on the benchmarking sharing or best practices identified.
- Track the progress of implementation efforts and remeasure.

Please refer to Figure 1 for the benchmarking methodology.

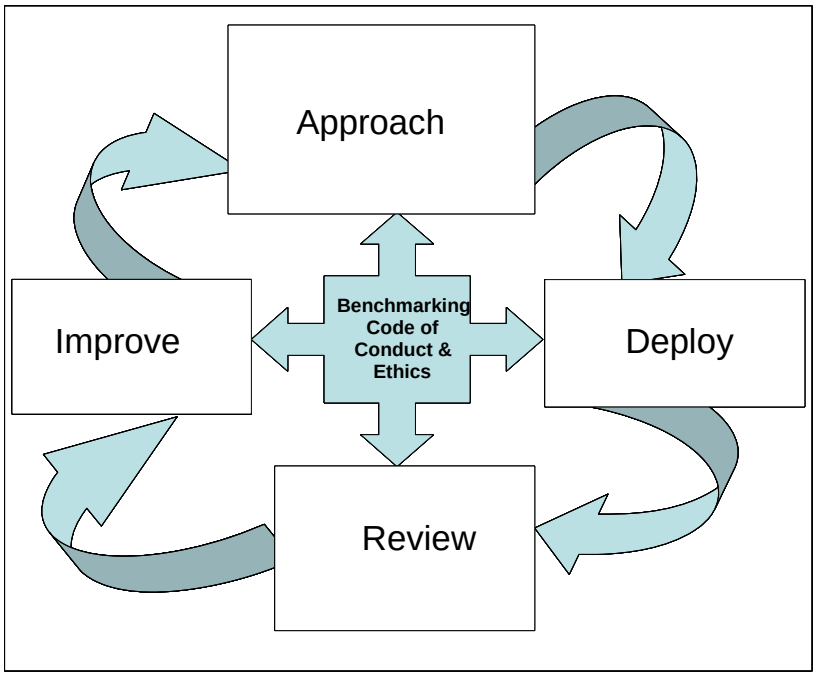

Figure 1: USQ Benchmarking Methodology

3.6 Benchmarking code of conduct and ethics

Central to benchmarking is the internationally adopted benchmarking code of conduct and ethics for organisations in conducting benchmarking activities. The benchmarking code of conduct and ethics was drawn from the International Benchmarking Clearinghouse of the American Productivity and Quality Center (APQC).

Adherence to the following principles contributes to efficiency, effectiveness, and ethical benchmarking:

- Keep it legal.
- Be willing to give what you get.
- Respect confidentiality.
- Keep information internal.
- Use benchmarking contacts.
- Don't refer without permission.
- Be prepared at initial contact.

Details of the above APQC principles and etiquette and ethics protocol can be found in Appendix 1.

4. Benchmarking Agreements for External Reference Points

The University's preferred approach is for benchmarking initiatives to be funded and managed by the section that identifies the requirement for the respective benchmarking exercise. In the case of large undertakings that may require central funds or resources, a submission must be made through the Planning & Quality Review Committee.

Written agreements with external reference points with which benchmarking activities are taken must be entered into in line with the University's contract management framework and approved in accordance with the formal delegations of the University. Contact with external organisations will normally be through the delegated authority.

Special care will be required when an initiative requires that the University's corporate data be shared with external institutions: in this case the relevant data custodian must be contacted and it will be his/her responsibility to ensure that appropriate approvals for the data transfer are obtained from senior management.

Benchmarking initiatives should be reported to the Planning & Quality Review Committee and where confidentiality agreements permit, the initiative should be lodged in the benchmarking site within USQ*Index*.

A summary report on the benchmarking activities undertaken in association with executive goals must be tabled to the Planning & Quality Review Committee annually.

References:

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GUIDELINES AND ETHICS FOR BENCHMARKERS

The Benchmarking Code of Conduct

AMERICAN PRODUCTIVITY & QUALITY CENTER

About APQC

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For more information about APQC's services, including the International Benchmarking Clearinghouse and the Institute for Education Best Practices, call 800-776-9676 (713-681-4020 outside the US), email to **apqcinfo@apqc.org,** or visit our website at http://www.apqc.org.

INTERNATIONAL BENCH MARKING CLEARINGHOUSE

Code of Conduct:

1.0 Principle of Legality

1.1 If there is any potential question on the legality of an activity, consult with your corporate counsel.
1.2 Avoid discussions or actions that could lead to or imply an interest in restraint of trade, market and/or customer allocation schemes, price fixing, dealing arrangements, bid rigging, or bribery. Don't discuss costs with competitors if costs are an element of pricing.
1.3 Refrain from the acquisition of trade secrets from another by any means that could be interpreted as improper including the breach or inducement of a breach of any duty to maintain secrecy. Do not disclose or use any trade secret that may have been obtained through improper means or that was disclosed by another in violation of duty to maintain its secrecy or limit its use.
1.4 Do not, as a consultant or client, extend benchmarking study findings to another company without first ensuring that the data is appropriately blinded and anonymous so that the participants' identities are protected.

2.0 Principle of Exchange

2.1 Be willing to provide the same type and level of information that you request from your benchmarking partner to your benchmarking partner.
2.2 Communicate fully and early in the relationship to clarify expectations, avoid misunderstanding, and establish mutual interest in the benchmarking exchange.
2.3 Be honest and complete.

3.0 Principle of Confidentiality

3.1 Treat benchmarking interchange as confidential to the individuals and companies involved. Information must not be communicated outside the partnering organizations without the prior consent of the benchmarking partner who shared the information.
3.2 A company's participation in a study is confidential and should not be communicated externally without their prior permission.

4.0 Principle of Use

4.1 Use information obtained through benchmarking only for purposes stated to the benchmarking partner.
4.2 The use or communication of a benchmarking partner's name with the data obtained or practices observed requires the prior permission of that partner.
4.3 Contact lists or other contact information provided by the International Benchmarking Clearinghouse in any form may not be used for purposes other than benchmarking and networking.

5.0 Principle of Contact

5.1 Respect the corporate culture of partner companies and work within mutually agreed procedures.
5.2 Use benchmarking contacts, designated by the partner company if that is their preferred procedure.
5.3 Obtain mutual agreement with the designated benchmarking contact on any hand-off of communication or responsibility to other parties.
5.4 Obtain an individual's permission before providing his or her name in response to a contact request.
5.5 Avoid communicating a contact's name in an open forum without the contact's prior permission.

6.0 Principle of Preparation

6.1 Demonstrate commitment to the efficiency and effectiveness of benchmarking by being prepared prior to making an initial benchmarking contact.
6.2 Make the most of your benchmarking partner's time by being fully prepared for each exchange.
6.3 Help your benchmarking partners prepare by providing them with a questionnaire and agenda prior to benchmarking visits.

7.0 Principle of Completion

7.1 Follow through with each commitment made to your bench-marking partner in a timely manner.
7.2 Complete each benchmarking study to the satisfaction of all benchmarking partners as mutually agreed.

8.0 Principle of Understanding and Action

8.1 Understand how your benchmarking partner would like to be treated.
8.2 Treat your benchmarking partner in the way that your bench-marking partner would want to be treated.
8.3 Understand how your benchmarking partner would like to have the information he or she provides handled and used, and handle and use it in that manner.

Benchmarkers:

- Know and abide by the Benchmarking Code of Conduct.
- Have basic knowledge of benchmarking and follow a benchmarking process.
- Prior to initiating contact with potential benchmarking partners, have determined what to benchmark, identified key performance variables to study, recognized superior performing companies, and completed a rigorous self-assessment.
- Have a questionnaire and interview guide developed, and share these in advance if requested.
- Possess the authority to share and are willing to share information with benchmarking partners.
- Work through a specified host and mutually agreed upon scheduling and meeting arrangements.

When the benchmarking process proceeds to a face-to-face site visit, the following behaviors are encouraged:

- Provide meeting agenda in advance.
- Be professional, honest, courteous, and prompt.
- Introduce all attendees and explain why they are present.
- Adhere to the agenda.
- Use language that is universal, not one's own jargon.
- Be sure that neither party is sharing proprietary information unless prior approval has been obtained by both parties, from the proper authority.
- Share information about your own process, and, if asked, consider sharing study results.
- Offer to facilitate a future reciprocal visit.
- Conclude meetings and visits on schedule.
- Thank your benchmarking partner for sharing their process.

The following guidelines apply to both partners in a benchmarking encounter with competitors or potential competitors:

- In benchmarking with competitors, establish specific ground rules up-front, e.g. "We don't want to talk about things that will give either of us a competitive advantage, but rather we want to see where we both can mutually improve or gain benefit."
- Benchmarkers should check with legal counsel if any information gathering procedure is in doubt, e.g., before contacting a direct competitor. If uncomfortable, do not proceed, or sign a security/non-disclosure agreement. Negotiated a specific non-disclosure agreement that will satisfy the attorneys from both companies.
- Do not ask competitors for sensitive data or cause the benchmarking partner to feel they must provide data to keep the process going.
- Use an ethical third party to assemble and "blind" competitive data, with inputs from legal counsel in direct competitor sharing. (Note: When cost is closely linked to price, sharing cost data can be considered to be the same as price sharing.)
- Any information obtained from a bench-marking partner should be treated as internal, privileged communications. If "confidential" or proprietary material is to be exchanged, then a specific agreement should be executed to indicate the content of the material that needs to be protected, the duration of the period of protection, the conditions for permitting access to the material, and the specific handling requirements that are necessary for that material.

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