

Guide to performance indicators in higher education

December 2001

Background

This document offers a brief introduction to the origin, purpose and nature of performance indicators (PIs). More detailed information and a complete set of tables for the latest round of PIs are published in 'Performance indicators in higher education' (reference HEFCE 01/69) which is available from the HEFCE and on the web at www.hefce.ac.uk

What are performance indicators?

Performance indicators are a range of statistical indicators intended to offer an objective measure of how a higher education institution (HEI) is performing.

They are **not** 'league tables', and do not attempt to compare all HEIs against a 'gold standard' or against each other (but see below).

PIs offer statistics for all 168 publicly funded HEIs in the UK.

They currently cover: access to higher education, non-completion rates for students, outcomes and efficiencies for learning and teaching in universities and colleges, and research output. The set of PIs published in December 2001 is the third in a series of annual reports.

More indicators will be added in the future. Indicators of the employment of graduates were published separately in April (HEFCE publication 01/21) and will be incorporated with the rest of the PIs after 2001.

Why produce performance indicators?

The purpose of performance indicators is to:

- provide reliable information on the nature and performance of the UK higher education sector
- allow comparison between individual institutions, where appropriate
- enable institutions to benchmark their own performance
- inform policy developments
- contribute to the public accountability of higher education.

Who are they for?

PIs are of interest to a wide range of bodies, including Government, universities and colleges, and the UK higher education funding bodies. The indicators are also relevant to schools, prospective students and employers.

Why not league tables?

No meaningful league table could fairly demonstrate the performance of all higher education institutions relative to each other. The HE sector is extremely diverse. Each institution has its own distinct mission, and each emphasises different aspects of higher education. Because of this diversity, and the need to compare HEIs fairly, we have used a range of indicators and benchmarks to indicate which HEIs can be compared with accuracy (see below). Even so we do not cover all aspects of an institution's performance.

What is the benchmark?

Because there are such differences between institutions, the average values in the higher education sector are not necessarily helpful when comparing HEIs. We have therefore calculated a sector average for each institution, which takes into account some of the major differences between them. The factors allowed for are the subjects studied at the institution, and the qualifications on entry of its students. This average, adjusted for these factors, is called the adjusted sector benchmark.

For the employment indicator, a more complex benchmark is used which takes account of a wider range of factors. Fuller details are given in the document

The benchmark can be used in two ways:

- a. **To see how well an HEI is performing compared to the HE sector as a whole.** For most purposes, it is preferable to compare the institution's indicator to its benchmark, rather than to the (unadjusted) sector average. When there is a significant difference between the HEI's performance and the benchmark, we have marked it with a symbol. A 'plus' symbol is used for institutions performing better than the benchmark and a 'minus' symbol for those performing worse.
- b. **To compare two institutions.** It is hard to meaningfully compare two institutions that are very different. For example, an institution where most students enter with very good A-level qualifications should not usually be compared with one whose students come from a wider range of educational backgrounds. Similarly, a medical school and a college that mainly concentrates on engineering subjects are not comparable, as medical students have much lower non-completion rates than engineering students. If two institutions have very different benchmarks, this is an indication that they are so different that comparing them would not give a helpful answer.

What time period is covered?

Indicators have been published for the academic years from 1996-97 to 1999-2000. The data from which PIs are calculated are supplied by the Higher Education Statistics Agency (HESA), the Universities and Colleges Admission System (UCAS) and the research councils.

Is funding dependent on the results?

No. However, for widening participation, the indicators reflect the institution's performance in an area where a funding premium exists.

Do the results affect HE policy?

Policy development, both at national and institutional level, is informed by performance indicators, but other factors are also taken into account. Within funding bodies and central government, the results are just one of many sources of information used to develop policies. The performance indicators also allow HEIs and funding councils to monitor the effects of policies over time, identify good practice and help disseminate it throughout the sector.

History of performance indicators, post-Dearing

July 1997 The National Committee of Inquiry into Higher Education (the 'Dearing Committee') highlighted the need to establish a common system for indicating aspects of the performance of HEIs.

November 1997 the funding councils for England, Scotland and Wales began to investigate the feasibility of creating such a system. This investigation was overseen by a steering group which represented the funding councils, government departments, the Higher Education Statistics Agency (HESA), and universities and colleges via Universities UK (then the Committee of Vice-Chancellors and Principals) and the Standing Conference of Principals (SCOP).

February 1999 The steering group published its report. A consultation on the form and content of the indicators began with the higher education sector.

December 1999 The first round of performance indicators were published (HEFCE publication 99/66) covering the academic years 1996-97 and 1997-98, along with a guide (HEFCE 99/67).

April 2000 A further consultation asked HEIs to comment on the PI tables as a whole, as the previous consultation had taken place before the first document was published, and had required that HEIs comment on only the general content and the derived statistics relating to their own institution.

October 2000 The second round of performance indicators was published (HEFCE 00/40), covering 1997-98 and 1998-99.

November 2000 A consultation took place with the sector on the creation of indicators of employment.

April 2001 'Indicators of employment and other post-qualification activities' was published (HEFCE 01/21).

December 2001: The third round of performance indicators was published (HEFCE 01/69), covering 1998-99 and 1999-2000.

As a series of indicators builds over several years, it becomes possible to track changes over time in the sector and in individual universities and colleges. The trends revealed as a result will enable HEIs to benchmark their performance and help funding bodies to assess the effectiveness of policies.

How does the UK compare to other countries, according to the indicators?

As yet, no meaningful international comparison is possible based on these indicators. No other country produces comparable indicators of HE.

Summary of data

As in previous years, the indicators are set out in six separate tables in HEFCE 01/69. All publicly funded HEIs in the UK are included, but not all feature in every table. Most data relate to the 1999-2000 academic year.

Access indicators

Three of the tables (T1, T2 and T3c) give information about the participation of groups that are under-represented in HE, relative to the population as a whole. Results are shown separately for young and mature students, and for full-timers and part-timers, because each of these groups have different characteristics.

For example, for young full-time students it is possible to see for each institution:

- the percentage who attended a school or college in the state sector
- the percentage whose parents' occupation is 'skilled manual', 'semi-skilled' or 'unskilled'¹
- the percentage who come from a neighbourhood (as denoted by its postcode) which is known to have a low proportion of 18 and 19-year-olds in higher education.

For part-time students and mature students, the information given on access is the percentage of entrants who have no previous HE qualification and come from a low-participation neighbourhood.

Findings

Nationally, over 90 per cent of 17-year-olds in full-time education attend state schools, but only 85 per cent of young entrants to higher education come from such schools. The indicators show that most institutions take over 85 per cent of their young students from state schools. However, nearly one in 10 institutions takes less than 70 per cent from state schools.

Skilled manual, semi-skilled or unskilled people form about 50 per cent of the UK population, and only about 25 per cent of young entrants to HE are from these groups. Most institutions take between 20 and 40 per cent of young entrants from these social groups.

About one-third of young people live in 'low-participation' areas. Nationally, 12 per cent of young entrants and 14 per cent of mature entrants to full-time first degree courses are from these areas. Most institutions take between 5 and 20 per cent of both their young and mature full-time entrants from low-participation areas. They take a similar percentage of young part-

¹ Social Classes IIIM, IV and V (skilled manual, semi-skilled, unskilled) are derived from the Standard Occupational Classifications

time entrants from low-participation areas. However, most institutions take less than 10 per cent of their mature part-time students from such areas.

Non-completion rates – Table T3

Non-completion rates for students at an institution are presented in two ways. The first considers students who start in a particular year, and looks at whether they are still in higher education one year later. The second method (considered under the next heading) looks at projected outcomes over a longer period.

Using the first method, Table T3 shows what percentage of students at each institution who started in 1996-97 have continued at the same institution, transferred to another institution, or left higher education completely by the following year.

Figures are shown separately for young and mature entrants, for young students from low participation areas and from other areas, and for mature entrants with and without previous higher education qualifications.

Findings

Nationally, more mature students (16 per cent) than young students (8 per cent) do not continue in higher education after the first year. In one in eight institutions, more than 20 per cent of mature students do not continue after the first year.

Of course some of those who leave will return, so another table (Table T4) gives additional information on these. This shows that, nationally, about 30 per cent of young students and 15 per cent of mature students who did not continue beyond the first year then return after a year out – either to the original institution or to another one.

Non-completion rates – projected outcomes (Table T5)

Another way to look at non-completion rates is to use information on current movements of students to project what would happen over a period. Thus the indicators (Table T5) project what proportion of students will eventually gain a degree, what proportion will leave their current university or college but transfer into higher education elsewhere, and what proportion will leave higher education altogether without any qualification.

Findings

Nationally, 80 per cent of students who start on a first degree course are projected to get a degree eventually, although some may transfer to another institution along the way. Only 17 per cent of students are projected not to gain any qualification; most of the remaining 3 per cent are expected to achieve a qualification below degree level.

For the majority of universities and colleges, between 70 and 90 per cent of entrants are projected to graduate from the institution where they started. At a small number of institutions this figure is less than 60 per cent.

Efficiency

Projected outcomes can be used to measure the efficiency of an HEI. If all of an HEI's students qualify within the expected time (in three years for a three-year full-time course, for example, or six years for a three-year half-time course) the institution would be 100 per cent efficient. However, some students may repeat a year for various reasons and will take longer to complete. Others will drop out. This cause the efficiency figure to drop.

The efficiency of an institution is defined as the ratio of the time students should ideally take to obtain a qualification, to the time they are projected to take on average (taking account of repeat years and drop-outs).

Findings

Nearly all institutions show an efficiency of over 75 per cent.

Research outputs

The main indicators of research in UK higher education are the ratings from the Research Assessment Exercise (RAE), which is held every four or five years. The results of the 2001 RAE were published in December 2001. The research indicators that are produced as part of the performance indicators (Table R1) provide additional information on the quantity of research outputs relative to the resources consumed.

'Performance indicators in higher education' (HEFCE **01/69**) is available, price **£30**, from:
Higher Education Funding Council for England
Northavon House
Coldharbour Lane
BRISTOL, BS16 1QD
tel 0117 931 7438 fax 0117 931 7463 e-mail hefce@hefce.ac.uk
The full document, and additional data, are also available on the HEFCE web-site,
www.hefce.ac.uk