

Guide to performance indicators in higher education

December 2003

Background

This document offers a brief introduction to the purpose and nature of performance indicators (PIs) for higher education institutions in the UK. 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 2003/59) which is available on the web at www.hefce.ac.uk/pi.

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). There are indicators 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
- employment of graduates
- research output.

The set of PIs published in December 2003 is the fifth in the series.

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. Even so we do not cover all aspects of an institution's performance. In particular, these indicators concentrate on performance relative to full-time undergraduates. However, note that there are other sources of data on institutions that can be used to make comparisons, such as the results of the Research Assessment Exercise (at www.hero.ac.uk/rae.)

What is the benchmark?

Because there are such differences between institutions, the average values for the whole of 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 factors which contribute to differences between them. The factors allowed for are:

- subject of study
- qualifications on entry
- age on entry (young or mature).

The average adjusted for these factors is called the adjusted sector benchmark. For some of the access indicators, we have also allowed for which region of the country the student comes from, and produced what we have called location-adjusted benchmarks.

For the employment indicator, a more complex benchmark is used which takes account of a wider range of factors. Fuller details are given in HEFCE 2003/???

The benchmark can be used in two ways:

- 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.
- To decide whether 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. But note that if two institutions have very different location-adjusted benchmarks, this may just show that they recruit from different regions of the UK.

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.

Summary of data

As in previous years, the indicators are set out in separate tables in HEFCE 2003/59. All publicly funded HEIs in the UK are included, but not all feature in every table. The data for access, employment and research indicators relate to the 2001-02 academic year. Those for retention and completion relate to the 2000-01 academic year.

Access indicators

Tables T1 and T2 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.

The indicators for young full-time students show, 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.

These are in Table T1.

For mature students and for young part-time students, there is just one access indicator, the percentage of entrants who have no previous HE qualification and come from a low-participation neighbourhood, which is given in Table T2.

A further table, Table T7, shows for all students the proportion who are in receipt of the Disabled Students' Allowance (DSA) by institution, separately for full-time and part-time undergraduates.

Findings

Nationally, over 90 per cent per cent of 17 year-olds in full-time education attend schools or colleges in the state sector, while 86 per cent of young entrants to first degree courses in 2001-02 had attended such schools. Most institutions take more than 85 per cent of their young entrants from state schools, but nearly a tenth of institutions take less than 70 per cent of their young entrants from state schools.

Skilled manual, semi-skilled or unskilled people form about 50 per cent of the UK population, and just over 25 per cent of young entrants to first degree courses are from these groups. Most institutions take between 15 and 40 per cent of young entrants from these social groups.

About one-third of young people live in 'low-participation' areas. Nationally, 13 per cent of young entrants and 14 per cent of mature entrants to full-time first degree courses are from

¹ Social Classes IIIM, IV and V (skilled manual, semi-skilled, unskilled) are derived from the Standard Occupational Classification 1990.

these areas. Most institutions take between 5 and 20 per cent of both their young and mature full-time entrants from low-participation areas.

The proportion of students in receipt of DSA is relatively small. The percentage of such students on full-time undergraduate courses in 2001-02 was 2 per cent, with institutional values ranging from 0 to 14 per cent. For part-time students, apart from those at the Open University, 0.7 per cent were in receipt of DSA. The Open University, with nearly a third of all eligible part-time students, had nearly 2 per cent of its students in receipt of DSA.

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 2000-01 have continued at the same institution, transferred to another institution, or left higher education completely by 2001-02.

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, a higher proportion of mature entrants than young entrants do not continue in higher education after their first year. The average non-continuation rate is 14 per cent for mature entrants compared with 7 per cent for young entrants. The non-continuation rate for young entrants is below 10 per cent at three-quarters of institutions. For mature entrants it is between 5 and 20 per cent at the majority of institutions. However, at over 5 per cent of institutions the non-continuation rate is above 20 per cent.

Of course some of those who leave will return, so another table (Table T4) gives additional information on these. This shows that, nationally, about 24 per cent of young students and 13 per cent of mature students who did not continue beyond their first year then returned 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 in the long run. Thus the indicators in 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, 82 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 16

per cent of students are projected not to gain any qualification; the remaining 2 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 four years for a four-year full-time course, for example) 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, and some may transfer to other institutions or other courses. Most of these patterns will 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.

Employment indicators

These indicators are based on the results of the First Destination Survey, carried out among all graduates six months after the end of the academic year in which they graduate. There are two indicators, one showing the percentage of graduates who are employed or in further study, among all those who are employed, unemployed, or studying; and the second showing the percentage employed among those who are employed or unemployed.

Findings

Nearly 84 per cent of graduates responded to the survey. Eight per cent of these were excluded from the indicators, either because they were unavailable for work (e.g. travelling) or for some other reason. Of the remainder, 93 per cent were either employed or in further study. At most institutions over 90 per cent of graduates were employed or studying after six months.

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 in the UK' is available on the HEFCE web-site at www.hefce.ac.uk/pi
