



UNIVERSITY  
OF WOLLONGONG  
AUSTRALIA

University of Wollongong  
**Research Online**

---

Deputy Vice-Chancellor (Academic) - Papers

Deputy Vice-Chancellor (Academic)

---

2003

# Benchmarking with the best

Felicity McGregor

*University of Wollongong, felicity@uow.edu.au*

---

## Publication Details

This conference paper was originally published as McGregor, F, Benchmarking with the best, Proceedings of the 5th Northumbria Conference on Performance Measurement in Libraries and Information Services, Durham, England, 28-31 July 2003.

Research Online is the open access institutional repository for the University of Wollongong. For further information contact the UOW Library:  
research-pubs@uow.edu.au

---

# Benchmarking with the best

## **Abstract**

Measuring the performance of individual library services and processes is now well developed; it is more difficult, however, to identify best practice or to measure the overall organisational performance of libraries. In the absence of relevant sector-wide benchmarks, the University of Wollongong Library (UoW) adopted the principles outlined in the Australian Quality Council's (AQC) Business Excellence Framework and then benchmarked its performance by applying for, and subsequently winning, an Australian Business Excellence Award. The Awards process requires evidence on all aspects of organisational performance: leadership and innovation, strategy and planning processes, data, information and knowledge, people, customer and market focus, processes, products and services and business results. Although the applicability of business excellence indicators to university libraries is not immediately apparent, environmental forces have combined to mandate a more rigorous approach to performance measurement. Government accountability strategies are shaping a higher education environment increasingly focused on market share, income generation and commercial opportunities. Student expectations of all university services have sharpened in the context of tuition fees and tough employment markets. Information and communication technology developments have fuelled competition in the information delivery market on a global scale. Performance Indicators, therefore, need to reflect the strategic priorities of the parent body and to provide data to key stakeholders on broad organisational performance such as return on investment and success in creating value. Indicators are also needed to predict competitive position and future sustainability – usually considered to be applicable only to business organisations. Measuring performance against a recognised business excellence or quality framework can deliver a range of benefits for libraries. These include recognition both within and outside the university and library sectors and the reinforcement of a culture of assessment.

## **Disciplines**

Arts and Humanities | Social and Behavioral Sciences

## **Publication Details**

This conference paper was originally published as McGregor, F, Benchmarking with the best, Proceedings of the 5th Northumbria Conference on Performance Measurement in Libraries and Information Services, Durham, England, 28-31 July 2003.

# **Benchmarking with the Best**

**Felicity McGregor**

University Librarian, University of Wollongong  
Wollongong, NSW, Australia

## **Abstract**

Measuring the performance of individual library services and processes is now well developed; it is more difficult, however, to identify best practice or to measure the overall organisational performance of libraries. In the absence of relevant sector-wide benchmarks, the University of Wollongong Library (UoW) adopted the principles outlined in the Australian Quality Council's (AQC) Business Excellence Framework and then benchmarked its performance by applying for, and subsequently winning, an Australian Business Excellence Award.

The Awards process requires evidence on all aspects of organisational performance: leadership and innovation, strategy and planning processes, data, information and knowledge, people, customer and market focus, processes, products and services and business results.

Although the applicability of business excellence indicators to university libraries is not immediately apparent, environmental forces have combined to mandate a more rigorous approach to performance measurement. Government accountability strategies are shaping a higher education environment increasingly focused on market share, income generation and commercial opportunities. Student expectations of all university services have sharpened in the context of tuition fees and tough employment markets. Information and communication technology developments have fuelled competition in the information delivery market on a global scale.

Performance Indicators, therefore, need to reflect the strategic priorities of the parent body and to provide data to key stakeholders on broad organisational performance such as return on investment and success in creating value. Indicators are also needed to predict competitive position and future sustainability – usually considered to be applicable only to business organisations.

Measuring performance against a recognised business excellence or quality framework can deliver a range of benefits for libraries. These include recognition both within and outside the university and library sectors and the reinforcement of a culture of assessment.

## Introduction

Benchmarking has many definitions and many purposes. It is primarily a tool for measurement, learning and improvement. For organisations which aspire to best practice, benchmarking is a means of testing achievements, services and processes against those of other organisations and may be defined as:

*A continuous systematic process for evaluating the products, services and work processes of organisations that are recognised as representing best practice for the purpose of organisational performance (Spendolini, 1992).*

Benchmarking inevitably raises the question of ranking, a concept which is unfamiliar and usually unpalatable to librarians despite the existence of informal ranking of libraries, traditionally in terms of collection size and other wealth-related indicators. In choosing the title: *Benchmarking with the Best* it is not my intention to suggest that the organisations involved in the benchmarking pool were in any absolute sense “the best”, rather that they had met certain requirements and standards defined by an independent, not for profit body, in this case, the Australian Quality Council (AQC). The AQC is recognised as the peak body assisting Australian enterprises in the development and dissemination of knowledge and skills for achieving and sustaining business excellence. (note: The peak body is now known as Business Excellence Australia, a division of Standards Australia International).

Choosing to participate in this particular benchmarking pool was a many-faceted decision. It was influenced by the improvement goals of the Library; an emerging commitment to total quality management and a recognised need for an overall planning and management framework to replace the somewhat fragmented improvement efforts of the past.

The need to develop performance indicators of interest and relevance to key library stakeholders was influential. It is difficult to interest University leaders in the performance of the returned loans process, for instance. To have one's organisational performance deemed *best practice* against agreed quality and business excellence standards by external evaluators is, however, of great interest. In a university environment increasingly required to operate on business principles and to demonstrate quality assurance in all of its processes, the Library's achievement in winning a business excellence award was a significant step in measuring one of its long term goals: *Recognition of the Library as integral to the current and future success of the University.*

This goal reflects my focus, as the director of a university library, on the future sustainability of library services in a climate of unprecedented change and, increasingly, a focus on the need to differentiate UoW library services and thus compete successfully with other libraries and information services. In a medium sized, relatively new regional university, the Library cannot depend on the size of its collection for its competitive position.

*Benchmarking thus needs not only to identify successes to date but also vital signs of adaptation to the future. A university's dynamism is as important as its current achievements, indeed probably a better guide to its future performance ( McKinnon 2000 p 3).*

As the above quotation suggests, the capacity to predict and manage change and to reinvigorate processes and services through innovation is more important than measuring the past performance of various individual services and processes, critical as these may be to the Library's core business. Process and service measures remain important in providing the detailed information essential to enriching and informing the overall evaluation of performance. Numerous measures are well developed and documented in many areas across the profession. What constitutes best practice in terms of overall organisational performance, however, has received less attention.

For the above reasons and in the absence of relevant sector-wide benchmarks for libraries, the University of Wollongong Library decided to adopt the principles outlined in the Australian Quality Council's (AQC) Business Excellence Framework and to subsequently benchmark its performance by applying for, and becoming the first library to win, an Australian Business Excellence Award. The Australian Business Excellence Framework (ABEF) and the Awards process are outlined below.

## **The Framework**

Selection of a management framework was guided by the following questions:

- Which framework is likely to assist in achieving identified goals?
- Which framework is consistent with the Library's and the University's agreed values and principles?
- Which framework will enable benchmarkable evaluation of the Library's performance?

The Australian Business Excellence Framework (ABEF) was first developed in 1987 and is similar to other global excellence frameworks associated with award processes, such as the Baldrige in the USA and the European Foundation of Quality Management, and has evolved over time to reflect changes in the definitions of quality and excellence as well as shifts in organisational or business priorities. The aim of the ABEF and the Awards process is: *to describe succinctly the principles and practices that create high performing organisations and then use these criteria to recognise highly successful enterprises.* Standards Australia International (2003).

There are now more than seven countries that have adopted similar frameworks and the ABEF is compatible with these and contains all of the requirements of the ISO 9004:2003 system. The effectiveness of the ABEF in improving and sustaining organisational performance is supported by research (Hausner, 1999).

Hausner's research involved 22 manufacturing companies across a range of 13 different industry sectors, all of which had participated in the Australian Quality Awards for Business Excellence. Hausner's results included the following:

*The findings show a direct link between performance in the Awards and annual improvement in bottom line results. (Hausner 1999, p I).*

Financial performance was not the only area of excellent performance:

*Management aspects such as senior executive leadership, analysis and use of data and information measures of success and planning processes were found to be of particular importance (Hausner 1999 p iv).*

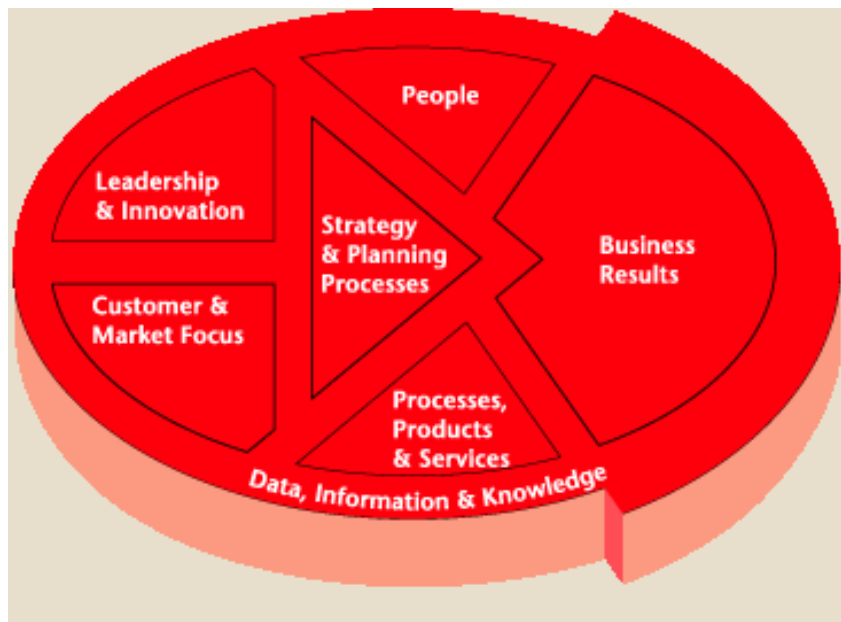
The ABEF has long been underpinned by twelve principles of business excellence. In assessing the Framework for possible implementation, it was important that these principles were compatible with the Library's own identified and articulated values and beliefs. Understanding customers' needs, the importance of staff participation, providing value to the community and the development of mutually agreed plans were all aspects of the principles which could be supported wholeheartedly (see Appendix 1 for full list of principles).

The applicability of the ABEF to government and service organisations, as well as small and large business enterprises was of key importance and provided excellent benchmarking opportunities with recognised service organisations. In terms of fresh ideas and improvement opportunities, the value of networking and benchmarking outside the sector should not be underrated. Fundamentally, most organisations desire the same things: to be leaders in their field; to have an extensive and loyal customer base; to possess the capacity to respond to change effectively; to develop skilled and knowledgeable staff and to sustain their viability and success over time.

UoW Library's commitment to improving performance preceded the introduction of the Framework and can be illustrated by examples of good practice such as the early adoption of strategic planning, raising the priority of staff training and development and the introduction of a performance appraisal system. Although of great value, these improvements were largely the result of individual managers' initiatives, rather than a systematic implementation of an overall management framework.

Of considerable appeal, therefore, was the ABEF's utility as a holistic management framework. The disparate elements of effective management practice: human resources, industrial relations, customer relationship management, leadership strategies and planning processes are all integrated in a model underpinned by a systems approach and informed by systematic data collection, information and knowledge management.

**Figure 1 Australian Business Excellence Framework**



The seven categories create a specific structure or context in which organisations can review, question and analyse their leadership and management system.

The *Leadership and Innovation* and *Customer and Market Focus* categories are seen as *drivers* of all other components. The *Strategy and Planning Processes* and *People* categories are shaped by the drivers and can be seen as supporting processes that *enable* or facilitate. The *Data, Information and Knowledge* category is shown as weaving throughout the model to illustrate its integration across all aspects of the organisation.

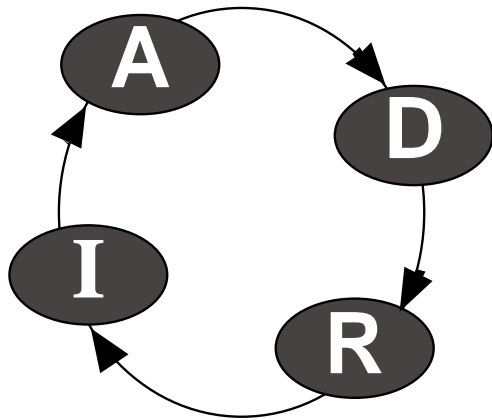
The *Processes, Products and Services* category is shaped by the drivers, supported by the enablers and fundamentally focussed on how work is done to achieve the required results of the organisations. The *Business Results* category is about organisational outcomes or overall performance and depends on the design of, and interrelationship between, the other six categories. If organisations want to change their *Business Results*, then they must improve in all six categories (summarised from Standards Australia International, *Australian Business Excellence Framework – 2003*).

Each category is made up of a number of sub categories or *items*, twenty two in all. The description of these items in the Framework provides guidance on what should be addressed in order to achieve success. Items include, for example, in the *Strategy and Planning Processes* Category: *Understanding the Business Environment*, *The Planning Process*; and *Development and Application of Resources*. Item 2.1 *Understanding the Business Environment* covers the environmental influences affecting the organisation,

the development of strategic options and the identification of competitors and their capacities (see Appendix 2 for a complete list of the categories and items).

The method of describing and assessing used throughout the framework is based on four dimensions; Approach, Deployment, Results and Improvement known as ADRI.

**Figure 2 ADRI**



**Approach** – this dimension asks what is the intent, that is, the thinking, planning and philosophy which underpins organisational direction. Approach involves describing goals and strategies and the performance indicators which have been designed to track progress.

**Deployment** – this dimension tracks the strategies, structures and processes identified under Approach which have been put into practice and the extent of integration as part of normal operations.

**Results** – this addresses how the results of Approach and Deployment are monitored and measured and how the results are communicated.

**Improvement** – addresses the process of reviewing Approach and Deployment in terms of their effectiveness in achieving goals and how results are used in the review process to introduce improvement.

The ADRI model provides a systematic methodology for documenting and evaluating the critical component elements of a best practice organisation. The discipline of examining each element using ADRI is invaluable for a number of reasons. It enables reflection not only on what the organisation is currently doing but why it is doing it and how it can improve or innovate in future. It is a tool to enable every staff member to understand their organisation, its philosophy, values, policies and aims. ADRI is a change management and quality assurance tool which can be used to great effect in any planning process. For those organisations seeking to benchmark and achieve recognition it provides the foundation for preparing a submission for the Australian Business Excellence Award.



## **The Awards Process**

The AQC's awards process comprises a number of assessment levels and organisations are able to determine their own entry level. UoW Library decided to enter the awards process in 1996 at Achievement Level and subsequently progressed to Award level in 2000.

The process includes developing a submission of fifty pages which must address and provide evidence against all items and categories of the Framework. The submission forms the basis of desktop assessment by the auditors. If this is favourable, a site visit is conducted by the AQC's evaluation team. For UoW, the team comprised six accredited auditors from a range of different industries including government agencies. The visit lasted for a day and a half and involved structured presentations and focus groups, as well as more informal walks around the Library in which auditors interviewed almost every staff member including casual and student staff.

Following evaluation, a comprehensive feedback report was provided and Award applicants and winners attended a gala presentation event. It was satisfying to be ranked with recognised national and international companies, as well as high-performing government agencies and utilities.

As indicated above, the applicability of a business excellence award to a university library may not immediately be apparent, however, a number of benefits, some anticipated and some not anticipated, emerged as knowledge of the Library's success became more widely known.

## **Benefits**

### *Recognition both within and outside the university and library sectors*

The Library was publicly recognised by its key University stakeholders such as the Vice Chancellor and the Deans. Acknowledgment of excellent performance and expertise in areas taught by the University, such as TQM, assisted in eroding stereotypical perceptions of libraries and their role, and resulted in greater involvement of Library staff in University planning.

More recently, with the establishment by the Australian Government of the Australian Universities Quality Agency (AUQA), whose purpose is to progressively audit all Australian universities and accrediting bodies, the Library's experience has proved invaluable in assisting the University to prepare for audit.

AUQA has adopted the ADRI (approach, deployment, results, improvement) system implemented in the Australian Business Excellence Framework (ABEF). The experience of the UoW Library with ADRI and in winning an Australian Business Excellence Award is recognised as extremely useful in assisting the University to prepare for government

audit, thus enhancing the Library's credibility and strategic importance. My selection as an accredited AUQA auditor provided personal recognition resulting from success in the Awards process.

In Australia, as in many other countries, government accountability strategies are shaping a higher education environment increasingly focused on market share, income generation and commercial opportunities. Student expectations of all university services have sharpened in the context of tuition fees and tough employment markets. Information and communication technology developments have fuelled competition in the information delivery market on a global scale. These forces have combined to mandate a more rigorous approach to performance measurement and benchmarking.

Other libraries were generous in their recognition of UoW leadership in quality assurance and in the promotional benefits for the sector. Many sought assistance in developing their own quality programs.

Participation in both the awards process and associated AQC programs which include Best Practice Study Tours and Benchmarking Networks also assisted in redressing the perception many external organisations hold of libraries as "public good" operations having little need of business expertise. Through the study tours and networks, others started to recognise that libraries grapple with the same factors affecting performance as corporations and other organisations. These include shrinking budgets, global economic highs and lows, changing consumer expectations and demands, unrelenting change in information and communication technologies and the proliferation of e-business sectors.

#### *Consolidation of human resource management aims*

Perhaps the most important benefit for the UoW Library was the learning experienced by every staff member and the resulting overall organisational learning and development. Formal learning included knowledge of quality tools and techniques, statistical analysis, process management, benchmarking and, of course, the development and integration of performance indicators and measures. Of perhaps greater value was the informal learning resulting from the increased team and management interaction which was part of preparation for the audit and associated gains in terms of organisational growth and maturity, staff involvement and commitment to the Library's success.

Success in the Awards process required the involvement and participation of all staff members, regardless of level and employment status. Part-time and casual staff, as well as all permanent staff, were included in the evaluation process. All staff received extensive in-house training in quality tools and techniques and participated in self-assessment exercises and numerous surveys. Most importantly, all staff contributed to the development and review of vision, mission, goals, values, performance indicators and measures. Each team was, and remains, responsible for administering and reporting its own measures. Although this was challenging in many instances, the

outcome of the process was reinforcement of a long-standing goal: to develop a culture of commitment and assessment. It became the norm for staff to measure, question and aspire to best practice.

More importantly, the recognition accorded by a prestigious award and the numerous accolades from clients, many endorsing the success of the quality management approach, was motivating, rewarding and energising for staff.

#### *Identification of improvement opportunities and reinforcement of strengths*

Meeting the standards required by the Award process is by no means the end of the journey. Comprehensive feedback both verbally and in writing from the evaluators provided insights to reflect upon and material for future improvement strategies. External evaluation by independent auditors meant that feedback was not connected with any internal politics or preconceptions.

Other benefits included the opportunities afforded for promotion and marketing of the Library's services to prospective and existing students. Adoption of the business excellence framework stimulated learning in previously unfamiliar areas and challenged development of performance indicators for these and business-oriented concepts such as future sustainability, marketing strategy, risk management and image capital.

#### **Conclusion**

In summary, the integration of best practice principles into the day to day management and long term vision of the University of Wollongong Library has resulted in: improved clarity of goals and purpose; active involvement and participation of staff at all levels in achieving the mission of the organisation; innovative services and programs; increased client and stakeholder satisfaction with Library services and a collective responsibility and passion for ongoing success.

#### **REFERENCES**

Hausner, Alexander (1999) *Business success and ABEF evaluation results: on the nexus between manufacturing results and frameworks for business excellence*, Wollongong: University of Wollongong

McKinnon, K. R. (2000) *Benchmarking: a manual for Australian universities*, Canberra: Dept. of Education, Training and Youth Affairs, Higher Education Division

Spendolini, M.R. (1992) *The benchmarking book*, New York: Amacom

Standards Australia International (2003) *Australian Business Excellence Framework – 2003*, Sydney: SAA

## Appendix 1

### The 12 Principles of Business Excellence

#### **1. Direction**

Clear direction allows organisational alignment and a focus on the achievement of goals

#### **2. Planning**

Mutually agreed plans translate organisational direction into actions

#### **3. Customers**

Understanding what clients value, now and in the future, influences organisational direction, strategy and action

#### **4. Processes**

To improve the outcome, improve the system and its associated processes

#### **5. People**

The potential of an organisation is realised through its people's enthusiasm, resourcefulness and participation

#### **6. Learning**

Continual improvement and innovation depend on continual learning

#### **7. Systems**

All people work in a system; outcomes are improved when people work on the system

#### **8. Data**

Effective use of facts, data and knowledge leads to improved decisions

#### **9. Variation**

All systems and processes exhibit variability, which impacts on predictability and performance

#### **10. Community**

Organisations provide value to the community through their actions to ensure a clean, safe, fair and prosperous society

#### **11. Stakeholders**

Sustainability is determined by an organisation's ability to create and deliver value for all stakeholders

#### **12. Leadership**

Senior Leadership's constant role-modelling of these principles and their creation of a supportive environment to live these principles, are necessary for the organisation to reach its true potential.

## Appendix 2

Items & Categories of the Framework	
<b>1.0</b>	<b>Leadership and Innovation</b>
1.1	Strategic direction
1.2	Organisational culture
1.3	Leadership throughout the organisation
1.4	Environment & community contribution
<b>2.0</b>	<b>Strategy &amp; Planning Processes</b>
2.1	Understanding the business environment
2.2	The planning process
2.3	Development & application of resources
<b>3.0</b>	<b>Data, Information &amp; Knowledge</b>
3.1	Collection & interpretation of data & information
3.2	Integration & use of knowledge in decision making
3.3	Creation & management of knowledge
<b>4.0</b>	<b>People</b>
4.1	Involvement & commitment
4.2	Effectiveness & development
4.3	Health, safety & well-being
<b>5.0</b>	<b>Customer &amp; Market Focus</b>
5.1	Knowledge of customers & markets
5.2	Customer relationship management
5.3	Customer perception of value
<b>6.0</b>	<b>Processes, Products &amp; Services</b>
6.1	Innovation process
6.2	Supplier & partner processes
6.3	Management & improvement of processes
6.4	Quality of products & services
<b>7.0</b>	<b>Business Results</b>
7.1	Indicators of success
7.2	Indicators of sustainability