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BEST PRACTICES

Program Evaluation and KPIs

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In the following report, Hanover presents the results of a scan of the literature surrounding program evaluation and Key Performance Indicators (KPIs), specifically focusing on business and graduate schools when possible.



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EXECUTIVE SUMMARY

RECOMMENDATIONS

Based on the literature, Hanover recommends that the institution:



DEVELOP A FEW SPECIFIC, MEASURABLE KPIS THAT FOCUS ON FINANCIAL, OPERATIONAL, AND ORGANIZATIONAL PERFORMANCE.

Experts agree that a few specific KPIs can be a more effective measurement tool than a vast host of indicators. Having a limited number (between, say, five and ten) can allow for the entire organization to be bought into the evaluative initiative. Ensuring that these limited KPIs adequately reflect the institution's mission and emphasize aligning key stakeholders such as faculty, students, and business partners with the financial, operational, and organizational performance of programs will make these KPIs particularly effective. While specific metrics should be developed based on the specific program to monitor, metrics such as conferrals and retention data, faculty retention rates, and the ratio of enrollments-to-applicants will likely be useful metrics for any academic program.



CONSIDER CONDUCTING PRIMARY RESEARCH ON CURRENT KPI USAGE AMONG BUSINESS SCHOOLS.

Though a large literature exists surrounding KPI development and usage in the business world, secondary literature focusing on business school-specific KPIs is limited. To ensure that KPIs the institution monitors adequately reflect the practices of academic peers, it should consider conducting primary research. In-depth interviews or targeted surveys could allow the institution to gain a discipline-specific understanding of what specific metrics top business schools consider to be KPIs, ensuring that, when the institution launches its new evaluation process, it is fully aligned with industry standards.

KEY FINDINGS

Effective programmatic evaluation takes significant pre-evaluation planning and a cyclical mindset. Planning involves both *logistical* and *strategic* planning. *Logistical* planning focuses on identifying viable programs for evaluation, determining the purpose of an evaluation, and deciding on what form an evaluation will take. *Strategic* planning involves determining the major research questions and the KPIs involved in answering them and deciding on a timeline. This planning should be done regularly to ensure an accurate and useful evaluation process.

A five-year plan is a standard model for programmatic evaluation. Hanover's suggested model runs through all phases of programmatic implementation. This model focuses on regularly gathering, measuring, and analyzing KPI data through various means including surveys, scores, self-reporting data, and others. As the data is gathered, the institution should report regularly and annually on the findings of the evaluation. A long-term approach also allows for the institution to effectively adjust the evaluative process based on feedback and any identified weaknesses.

Implementing KPI-focused evaluation models must begin and end with stakeholders. To best determine what form an evaluation should take and what KPIs will be most usefully measured, an institution must identify key stakeholders. This can include students, employers, faculty, staff, and others impacted by its programs. Throughout the evaluation, the institution should ensure that the results and alignment with KPIs are accurately and transparently communicated to stakeholders.




When deciding on KPIs, institutions should adopt a "less is more" approach and prioritize metrics that align with the institutional mission and provide data about some of the central themes in higher education. KPIs for business schools often fall into one of three categories: financial measures, operational measures, and organizational effectiveness. More focused categories of KPIs include academic performance, faculty satisfaction and performance, and facilities usage.

RESEARCH QUESTIONS AND METHODOLOGY

METHODOLOGY

The institution is interested in ensuring that its current business programs are performing at the best possible level. As such, it wishes to improve its effectiveness at measuring and evaluating its academic catalog. To better understand the standard practices surrounding this process, the institution has partnered with Hanover Research (Hanover) to conduct a best practices study on how experts recommend developing measurable programmatic Key Performance Indicators (KPIs) and how to evaluate an academic program's furthering (or lack thereof) of these KPIs over time. Hanover has thus examined literature from a variety of sources and provided an overview of the development process, how evaluation should function, and a brief overview of the types of metrics the institution should consider when developing its own KPI-focused evaluation process.

RESEARCH QUESTIONS

-  What are the best practices for developing evaluation methods and KPIs for academic programs, schools, or institutions?
-  What are the best practices in actually evaluating these KPIs for programs, schools, or institutions?
-  What are the key elements and metrics of academic program evaluation?

KPI-FOCUSED EVALUATION DEVELOPMENT

OVERVIEW

ANALYSIS

Programmatic evaluation is a cyclical process that requires significant pre-work to do effectively.

Planning should focus on both the logistics of the evaluation and the strategy that will be used to ensure an effective, honest, and accurate analysis. Initial questions should focus on both the *how* and the *what* of the process; that is, what methods for evaluation will we use and what KPIs will we measure—and what data will best reflect them?



Logistical Planning

IDENTIFY THE PROGRAM OR INITIATIVE

- Providing a brief description of the program or initiative being evaluated.

DEFINE THE PURPOSE

- Explaining why the program is being evaluated and the overarching goals of the evaluation.

DETERMINE THE END USERS

- Considering who will use the evaluation and how they will use it.



Strategic Planning

OUTLINE THE RESEARCH QUESTIONS

- Listing each of the research questions to address in the evaluation, in order of priority.

DEVELOP A TIMELINE

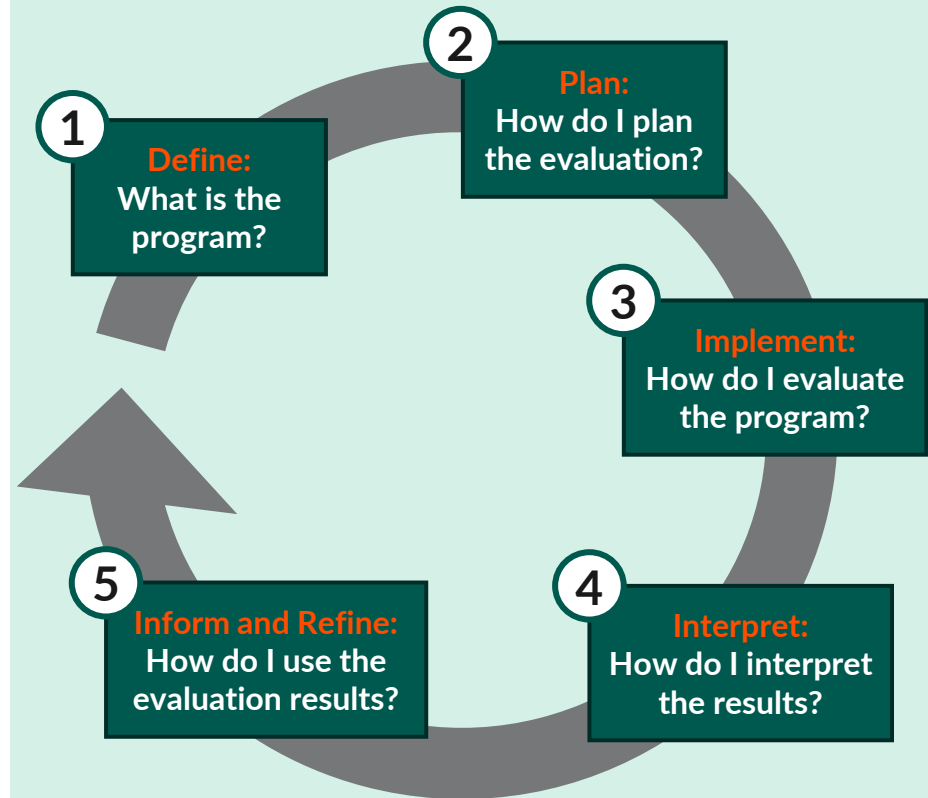
- Listing a general timeframe and/or dates of any key meetings at presentations, if known.

IDENTIFY THE REQUIRED RESOURCES

- Determining each resource, data point, assigned staff member, goals, outcomes, required analysis, potential challenges, and timeframe for each research question.

THE PROGRAM EVALUATION PROCESS

Programmatic evaluation, especially when based on regularly monitored KPIs, is a cyclical process. Institutions should be prepared to engage with a long-form evaluative endeavor that constantly engages with the following questions and processes.



Source: US Department of Education, [Evaluation Matters, 2014](#)

EVALUATION PLANNING

LOGISTICAL PLANNING

Logistical planning must start an evaluative process as the organization determines the target and form of the process.

Logistical planning should begin with a thorough analysis of all programs and initiatives that might viably be evaluated. These programs should then be ranked by priority to best allot available resources. Logistical planning ends with a determination of what form an evaluation will take.

At the beginning of the planning process, classify and identify all the major programs in the college. These can be divided into multiple categories, including:

Curriculum Initiatives	Inclusion Strategies	Support for Faculty	Non-Academic Programs
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Prioritize programs for evaluation, using a rubric to rate and evaluate which programs are most important for immediate evaluation. This rubric should prioritize programs based on primary, secondary, and other considerations including:

Primary Considerations	Secondary Considerations	Other Considerations
<ul style="list-style-type: none"> •Alignment to school mission •Reach & expansion potential •Investments in terms of money and other resources 	<ul style="list-style-type: none"> •Direct impact on primary focus, i.e., education •Feasibility to alter the program 	<ul style="list-style-type: none"> •Availability of data •Uncertain effectiveness

Determine the purpose and scope of your evaluation, determining what type of assessment you will use. These can include:

Needs Assessments	Assessments of Program Theory	Process Evaluation	Impact of Outcome Evaluation	Efficiency Assessments
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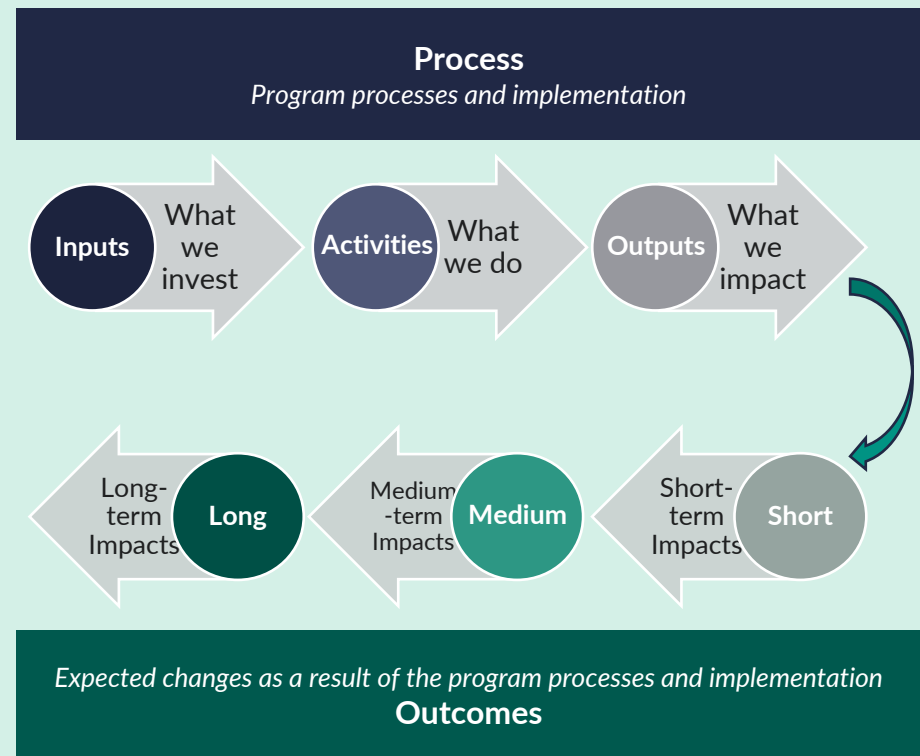
Sources: [Strategic Data Project](#)



STRATEGIC PLANNING

Logic models can help an institution effectively plan an evaluation strategically.

Logic models, shown below, help an institution isolate specific activities and processes and explore how they might impact a given program or goal. This strategic thinking can ensure that all evaluative methods are designed to align with an institution's intended KPIs.

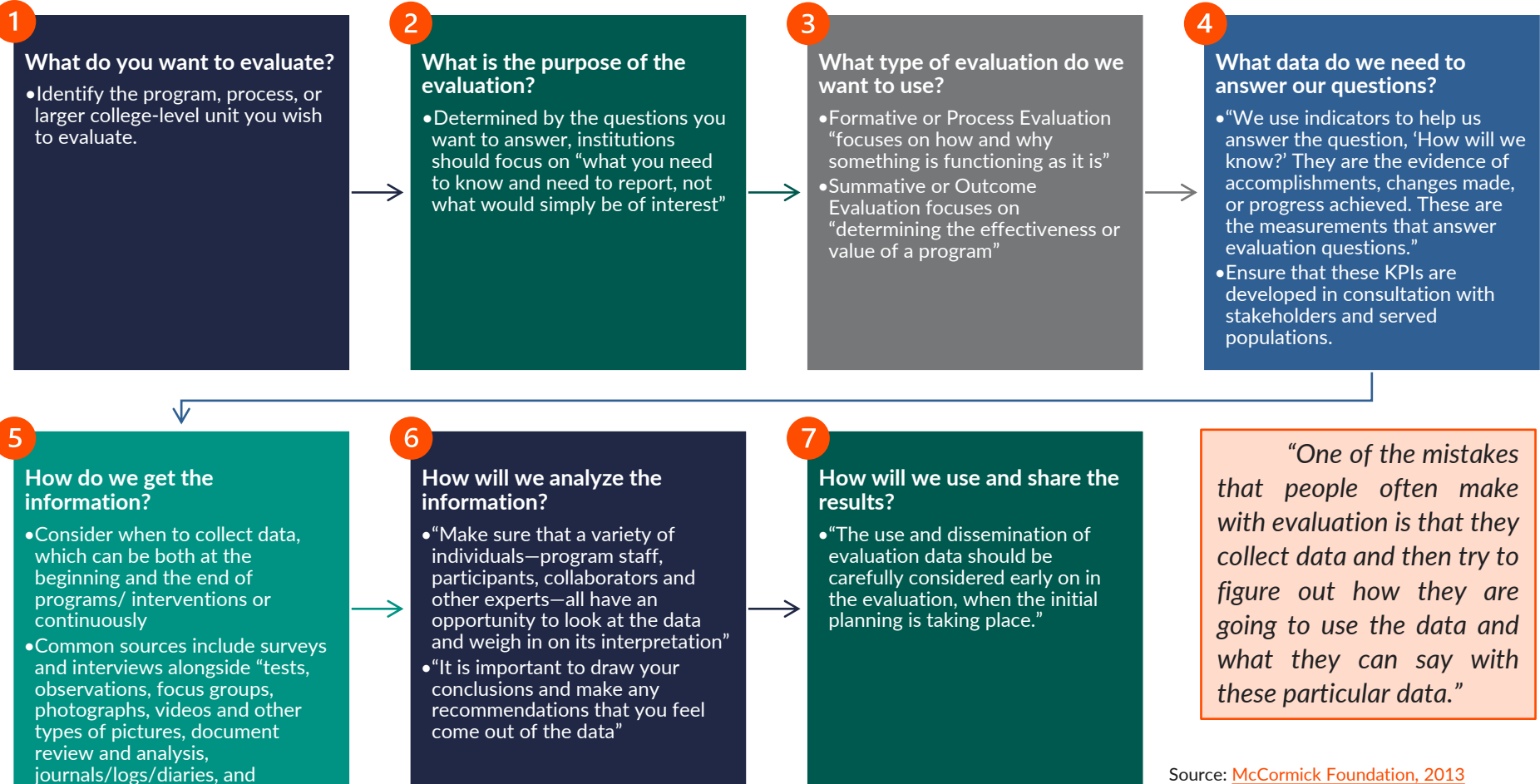


Source: [Corporation for National and Community Service](#)

EVALUATION DESIGN

Effective design of programmatic evaluation methods involved in-depth questions concerning what program an institution wishes to evaluate, why they wish to do so, how they will do so, and what they intend to do with the results.

SEVEN QUESTIONS FOR EFFECTIVE EVALUATION DESIGN



Source: [McCormick Foundation, 2013](#)

KPI-FOCUSED EVALUATION IMPLEMENTATION

STAKEHOLDER CONSIDERATIONS

ANALYSIS

Before launching a new evaluation program for monitoring KPI adherence, an institution must identify relevant stakeholders and determine how it will effectively engage them.

Stakeholders are any individual or group with a direct connection to the program being evaluated. As the list below demonstrates, this can range from students and faculty to external business partners and the broader parent university. Depending on what initiative or program is being evaluated, some collection of these stakeholder groups is likely to be the most relevant.

POTENTIAL STAKEHOLDERS FOR BUSINESS SCHOOLS

Students	Alumni	Employers
Faculty	Staff	Business Community
Parent University	External Evaluators (e.g., the AACSB, etc.)	Scholarly Peers

Source: [Vidaver-Cohen, 2007](#)



“ The first step [for effective evaluation], clearly, is to identify the key stakeholders of your organization or strategic business unit. Understand that your relationship with each is a two-way street, then develop measures on both sides of those relationships. ”

- [Graham Kenny, Harvard Business Review, 2020](#)

When determining who the stakeholders in your organization are, you should include those that meet one or more of the following criteria:

They have content knowledge of the program being evaluated (e.g., staff and any expert consultants you hired).	They represent diverse perspectives and experiences, so they can raise questions and ideas that reflect all sides of the issue (e.g., community leaders, political representatives, target population, partner organizations, etc.).	They are affected by the program (e.g., program participants).	They are in positions of influence and can raise questions relevant to politicians, elected officials and other change agents (e.g., respected community leaders, advocates).	They are proponents of evaluation and offer support throughout the evaluation's design and implementation (e.g., your funders and board of directors).	They are responsible for decisions about the evaluation and program (e.g., organizational leadership, program director).
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Source: [W.K. Kellogg Foundation, 2017](#)

IMPLEMENTATION PROCESS: 5-YEAR PLAN

ANALYSIS

Implementation of an evaluation model for KPIs should be thoroughly planned and spread out over a five-year process.

Hanover has developed a detailed five-year plan for programmatic implementation and evaluation, detailed here and in the following slide. When launching a program or beginning an evaluation model, an institution should first ensure that it has identified all of the metrics and KPIs it wishes to analyze and devise a strong, honest method for collecting and analyzing the KPIs. Note that if the program to evaluate is already established and enough data already exists to effectively begin the evaluation, it can consider moving forward to Year 1 (as long as the other steps are completed as well).



Implementation Process & Design

DETERMINE KEY CONSIDERATIONS IN DESIGN

- Considering which schools should pilot programs, which students will be eligible, and the timing of programs

DEVELOP A FIVE-YEAR PLAN

- Outlining a step-by-step plan for the first five years of implementation



Implementing with Fidelity

OUTLINE THE COMPONENTS OF FIDELITY

- Gauging program differentiation, adherence, exposure, quality, and responsiveness

COLLECT AND EXAMINE THE DATA

- Conducting an analysis of fidelity through objective data collection techniques

Years of Implementation	Steps for Evaluation Planning and Execution
<p style="text-align: center; color: orange; font-weight: bold;">YEAR 0 (BEFORE PROGRAM)</p>	<ul style="list-style-type: none"> ▪ Solicit stakeholder (faculty, students, etc.) feedback on program roll-out. ▪ Finalize program roll-out plan and determine criteria for program eligibility. ▪ Determine the data points required to effectively evaluate the KPIs of a program, including eligibility criteria. ▪ Identify data points that are not yet measured. ▪ Do not implement the program until key outcome and control variables are measured. ▪ Check the measured KPIs for completeness (including available data in years prior to implementation). ▪ Identify research questions for the formative and summative evaluations of the program in later years. ▪ Plan and administer faculty and administrative training in program implementation. ▪ Do not implement the program until all faculty and necessary administrative staff to run the evaluation program have been trained.

Source: Developed by Hanover

IMPLEMENTATION PROCESS: 5-YEAR PLAN

Years of Implementation	Steps for Evaluation Planning and Execution
YEAR 1 (FIRST YEAR OF PROGRAM)	<ul style="list-style-type: none"> Continue to collect and check required KPI data points. If program participation follows rules (e.g., performance below a threshold score or percentile, only courses or subdivisions implement the program), then data checks should encompass these points as part of a formative evaluation. Design, administer, and analyze surveys of program training and implementation to determine fidelity and perception. Make changes to training and implementation to ensure program fidelity. If perceptions indicate a need to change the program eligibility and roll-out, then document these changes and identify potential limiting effects on future summative evaluations, or reaffirm program eligibility to stakeholders to minimize changes to the evaluation plan and continue into the following years
YEAR 2	<ul style="list-style-type: none"> Continue KPI data collection and quality check efforts. Update program training, implementation, and perception survey designs as needed. Administer and analyze updated surveys from Year 1. Make additional changes to training and implementation as needed.

Years of Implementation	Steps for Evaluation Planning and Execution
YEAR 3	<ul style="list-style-type: none"> Continue KPI data collection and quality check efforts. Conduct a quantitative summative evaluation of the program that uses a method that fits with program implementation. <ul style="list-style-type: none"> A descriptive analysis of short-term trends might be more appropriate than a more rigorous analysis if not enough years of programming have passed. Related research questions may arise from the summative program evaluation (e.g., program effects for student subgroups of interest). Planning and conducting these additional studies will be important for a more complete understanding of the program impact. Continue to gauge stakeholder perceptions of the program and performance on KPIs.
YEAR 4+	<ul style="list-style-type: none"> Continue KPI data collection and quality check efforts. Conduct quantitative and qualitative research to build on Year 3. When no remaining questions about the program exist, create a capstone report of the program's impact, draw in related research on the return-on-investment of the program, and form recommendations for whether to continue the program.

Source: Developed by Hanover



COMMUNICATION

ANALYSIS

Once an evaluation of the KPIs is finished using methods to ensure accurate and honest evaluation, the results must be effectively and transparently communicated to stakeholders.

Communication should [emphasize several key themes](#), including how the measured KPIs related to the overall mission and strategy, and what the future goals for the KPIs are. The Association to Advance Collegiate Schools of Business (AACSB) also [recently highlighted](#) the importance of communicating adherence and performance on KPIs within an institution. Transparent communication in the context of one business school involved monthly meetings reporting on team-specific successes and advances of the KPIs “so everyone in the department is aware of what we are doing well and where work still needs to be done.”

THEMES FOR EFFECTIVE KPI COMMUNICATION

Link to Strategy	Definition and Calculation
Purpose	Source, Assumptions, and Limitations
Future Targets	Reconciliation to Generally Accepted Accounting Principles
Trend Data	Segmental Presentation
Changes in KPIs	Benchmarking

Source: [PriceWaterhouseCoopers, 2007](#)



FIDELITY CHECKLIST

When developing and implementing programs, include measures of fidelity during and after the evaluation and implementation process to ensure that the final program operates in alignment with the KPIs and was delivered as intended. Experts suggest that fidelity can be gauged by focusing on five key components:

- Program Differentiation:** *How well did the program result in successful outcomes?*
- Adherence:** *Was the program delivered as intended?*
- Exposure:** *Were students or other stakeholders exposed to the full program?*
- Quality:** *How well was each element of the program delivered or implemented?*
- Responsiveness:** *To what degree are students engaged or actively participating?*

The checklist below can help an institution better ensure that a program (and the data gathered) adheres to a high standard that addresses most of these components.

Objective	Program Component	Duration		Features	Adherence Yes/No	Quality 1=Low (confusing) 2=Medium 3=High (clear)	Comments
		Planned	Actual				



Program Differentiation

Source: [James Madison University](#)

BUSINESS SCHOOL-SPECIFIC KPIS

KPI DETERMINATION CONSIDERATIONS

ANALYSIS

When determining KPIs for business programs, institutions should ensure that they align with the overall mission, are accurate measurements, and explore key themes like operational performance.

Experts note that KPIs should follow a “[less is more](#)” approach, as overly-complicated or extensive numbers of KPIs can make it difficult to ensure consistent and coherent efforts across an entire organization or institution. Some [academic institutions](#) have found success in developing KPIs through a collaborative effort involving faculty and staff. These efforts poll relevant staff in the department or program to determine what KPIs are most essential, with an emphasis on increasing buy-in and ensuring that chosen KPIs accurately reflect the individual institution.

BUSINESS SCHOOL PERFORMANCE MEASURES

[Experts suggest](#) that the main measures of performance for business schools usually fall into three categories: finances, operations, and organization. KPIs for business schools should revolve around measuring data and variables within these realms (examples below) to effectively gauge performance.

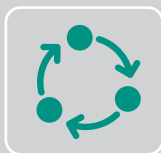
“ Fundamentally...important KPIs must link to the overall strategy and vision and track/monitor the key elements of that strategy. They must also take account of any changes in the broader economic and technological environment the school faces. In essence, the KPIs chosen should be regarded as a future-oriented set of metrics that will allow the school to benchmark and monitor the economic and competitive outcomes and examine the stability of the school’s strategy (the long-term perspective) and operations (the short-term perspective). ”

- [Howard Thames](#)



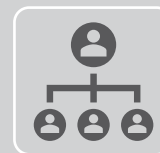
Financial Measures

- Profitability
- Financial surplus
- Level of endowment funding



Operational Measures

- Faculty quality
- Student quality
- Research quality
- Teaching quality
- Program efficiency
- Measures of market positioning



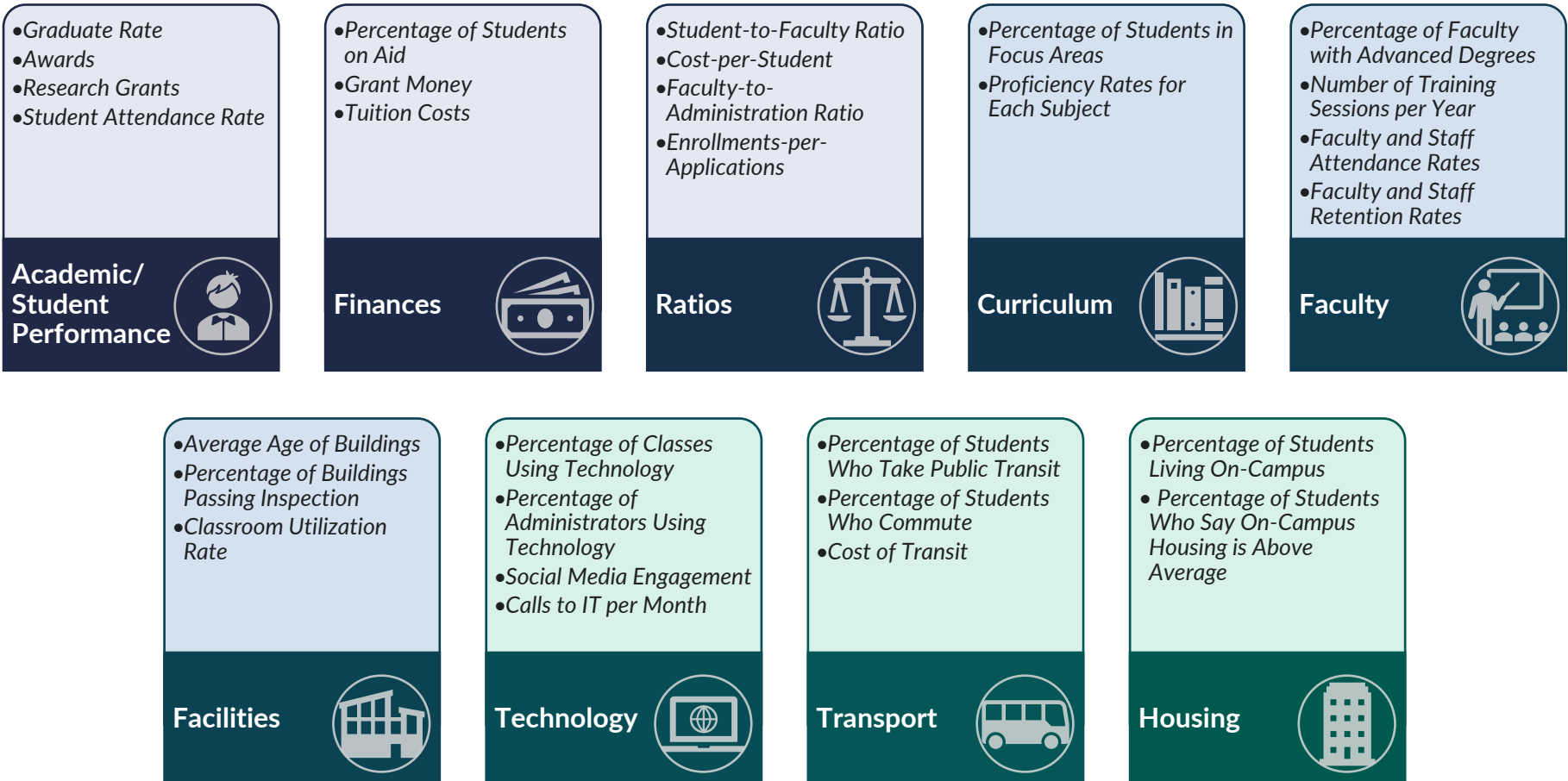
Organizational Effectiveness

- University ranking
- Reputation
- Student satisfaction
- Employer satisfaction
- Accreditation

BUSINESS SCHOOL KPI SUGGESTIONS

POTENTIAL HIGHER EDUCATION KPIS

Experts suggest several broad categories of KPIs can be useful and relevant for business schools. These categories are identified below alongside a few specific metrics as examples. These KPIs revolve around the main mission, goals, and stakeholders of the college and how to maintain operations.



Source: [ClearPoint Strategy](#)

HIGHER EDUCATION



