

## **The Implementation Of Key Performance Indicators (Kpis): Case In Higher Education Institution**

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### **Abstract**

This reserach is focused on the Key Performance Indicators (KPIs) spesifically for academic staffs or lecturers that are especially from universities or higher education institutions. This is based on the specific tasks that are needed to be execute which are teaching and learning, research and publishment, conference, negotiation and comunity services. This system is created based on Robert S. Kaplan and David P. Norton framework's model. The first concept of KPIs was introduced through a research called The Balanced Scorecard ( BSC). It was prepared with the examples of indicators for each framework perspective which covered the financial growth, cliens, internal development, learning and innovation as a whole to enhance the development of the indicator system soon.

**Keywords:** Key Performance Indicator, KPIs, The Balanced Scorecard (BSC), acedemic, universities, higher education institutions.

### **Key Performance Indicators (KPIs)**

Key Performance Indicators (KPIs) of organisations focuses on the profit and income in financial based was previously applied to encourage outstanding performance from every staff from each deivision and department. Usually, the indicator that previously used was the Financial Indicators, but nowadays they also take extra care on the Non Financial Indicators (NFIs). The combination of these two is very important to make sure that the indicators show effectiveness and efficient key to achieve any goal of organisation according to the strategies that have been decided on.

In the other hand, Key Performance Indicators KPIs is very important and has been take into consideration by the Ministry of Higher Education to enhance the performance and achievement as a whole fit to the principle of national education or Falsafah Pendidikan Negara. Most of higher education institution considered achievement comes from profit of teaching, learning and research. However, there still have few tasks that have been take into consideration such as negotiation and profesionalism, conference, and society service. Every performance indicators are very important to evaluate an acedemician in a particular

way of achievement. It is not only evaluated by quantity, but the quality becomes the priority to make sure that an individual achievement gives realistic impact to the young learners.

Moreover, it is a must to higher education institutions to take essential steps to achieve any key performance. However, each institution must be aware of the ability and the suitability of each academic staffs to achieve any mission of that particular country. This is proven according to Smeby [3]. He states that most of universities in the world are encourage to teach as many numbers or capacity of students, offered with many fields of study in universities. However, they are encourage to maintain their quality of teaching learning of any course programmes. So, mismatch of the mission has been occurred and the institutions have to find a way to achieve both so that the key performance of academic staffs will be achieved successfully.

For example, it has been assumed that teaching and learning as a main task for each class of academicians and it is essential to have the key performance indicators with high validity. In the other hand, the measurement must be relevant and precise because the quantity of the learners in the lecture hall and their examination results are not the only cause to approve the efficiency of an academic staff. This can be evaluate through questionnaires and observations on the learners regarding the subject taught by the lecturer. This is to gather the information related on how far the learners understand on particular subjects or courses. It is important because the understanding will guarantee whether the students can really master the subject taught by the lecturer through theories or practical ways. According to the writer's experience, the questionnaire and observation still unable to evaluate the ability of the lecturer currently. Moreover, this will help the academic staffs to improve on their work performance and producing excellent learners in the future.

Instead of teaching and learning, research and publication are very important to be evaluate from the quality of publishment so that it can be applied by learners and public effectively and contributing to new knowledge acquisitions. This will help in maintain and guarantee the quality of research and help the young lecturers to improve on their research professionalism.

Meanwhile, conference is also concerning in research and publications in contributing and sharing the knowledge between the candidates from foreign or local country in many fields of study. Moreover, this research professionalism networking can be initiate to maintain and enhance the research professionalism in the university. The products from the conference are expected to help in promoting the level of excellence among universities and also lecturers.

Beside that, negotiation between the lecturers plays important role in promoting the brand of university because this contributions could help in the importance of organisation, university and probably public. The institutions are responsible to ensure the quality of negotiation that will help the lecturers and academic staffs in achieving successful level of negotiation someday.

Finally, the implementation of the evaluation of the contributions towards the universities and society. This is important to be measured because of their volunteer contributions of academic fields in the university become one of the source that moved the society. One of the examples is one lecturer that has been promoted by the principal of a college resident and contributing to students' leadership in college activities is very useful and give lots of benefits to the students and university in producing excellent learners with first class mindset. In the other hand, its become the institutions' responsible by involving lecturers into suitable activities and exercises despite of academic tasks.

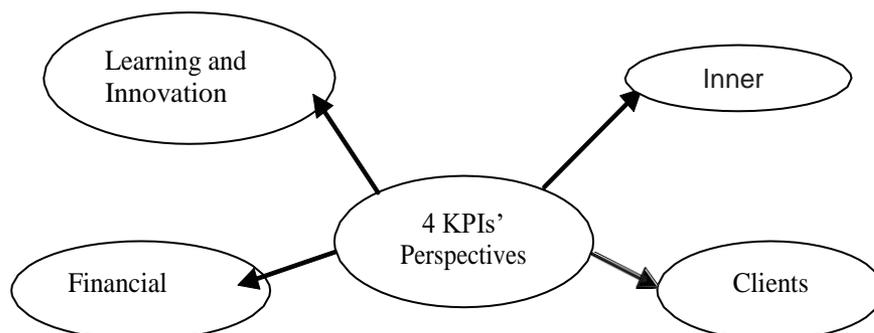
Overall, the applications of KPIs will help on the effectiveness of academic staff duties towards the university in the future and the level of evaluation and measurement will be establish and guarantee the qualities of deliver as a whole.

### Key Performance Indicators Reformation

In implementing this effective system, the model of Roberts S. Kaplan and David P Norton [1], [2] was applied because the first KPIs concept is based on its research called The Balanced Scorecard (BSC) and it is a score card which become an impetus of the performance involving the measurement of operational and money. There are four (4) important perspectives which are able to translate the organisation's or institution's objectives towards the measurement of the performance, that are logic and realistic can be achieve according to figure one (1) below, which are institutions' financial growth perspectives, clients, inner development of higher education institutions and innovation sources of higher education institutions.

According to the research of Venkatesh [6], 50% of companies listed in The Fortune of north America and 40%-45% companies in Europe in 2001 succeed in applying this BSC system. In addition, there are current researchs in researching the implementation of BSC system in higher education institution in western countries. [4][5].

Figure 1: Four (4) perspectives of the Translation of the Objectives to Performance Measure



**Table 1: Key Performance Indicator System for Academic Staffs**

<b>KPIs Perspectives</b>	<b>Examples of Indicators</b>
Financial Growth	<ol style="list-style-type: none"> <li>1. Students' and lecturers' development expenses.</li> <li>2. Fees for each student.</li> <li>3. Needed cost for every credit hour offered.</li> <li>4. Needed sources for teaching and learning purposes.</li> <li>5. Needed expenses for the developments of faculty activities.</li> </ol>
Clients	<ol style="list-style-type: none"> <li>1. The level of satisfaction of students and stakeholders towards cocurriculum study specifically and the offered services.</li> <li>2. Students' result are compulsorily based on variety methods of evaluation and shows achievement of the objectives as a whole.</li> <li>3. The numbers of graduate needed in the market and the numbers of jobs offered.</li> <li>4. The increasing salary amount of staffs match with thier duties.</li> <li>5. Amount and types of research awards or grants recieved by the lecturers inside and outside of university (industry)</li> <li>6. Numbers of getting the benefits from each programs and courses offered to lectureres or students.</li> <li>7. The rate of lecturer's needs for each students in particular course.</li> <li>8. The numbers and qualifications of students in each semester.</li> <li>9. Observations on the satisfaction of the graduate, ex-students towards the implementation of faculty or university.</li> </ol>

The universities' indicator system is difference from non-government organisation that more to profit objectives in every perspectives; however it has to be academic-oriented. In example, the rate of lecturers and students, the learners' pass percentage, the students' number in classroom, the rate of learners who are able to graduate, the rate of graduate who are employed, teaching burdens, publications and research in faculty, the completion of facilities in one particular university, and also the expectations and satisfaction of lecturers and learners towards the faculty. According to the table below, there is the example of indicator system according to four perspectives adapted from BSC in particular university of faculty.

Inner Development	<ol style="list-style-type: none"> <li>1. Needs and capacity that are essential to improve the performance and development of students and education culture.</li> <li>2. The key is to measure the responses towards fulfilling the needs of students and stakeholders.</li> <li>3. The main key is to measure the level of overall achievement in order to realise the objectives and planning of faculty and university.</li> <li>4. The numbers and type of courses and new subjects offered in improving the faculty's and university's cocurriculum.</li> <li>5. Rate of students' achievement quality, cocurriculum or lecturers as implemented by Malaysia Quality Assurance (MQA)</li> <li>6. Numbers and types of professionalism possessed by lecturer to ensure it is accurate according to the needs of faculty and university.</li> <li>7. Numbers and the fields of study of lecturers to further thier studies according the needs of the faculty.</li> <li>8. Observation towards implementation of programs and courses in faculty or university by industrial group in order to get responses and enhance the level of satisfaction towards all groups of people.</li> </ol>
Learning and innovation	<ol style="list-style-type: none"> <li>1. Consistence increasing performance of lecturers in faculty.</li> <li>2. Types and numbers of tasks given to lecturers to improve on the level of proficiency in teaching and learning, research, publication, negotiation, community services, and leadership.</li> <li>3. Skills' improvement received by lecturers from tasks, courses related.</li> <li>4. Lecturers' level of satisfaction and tranquility towards thier duties as a whole.</li> <li>5. How far the technological and comunication skills applied in the lecturers.</li> <li>6. Numbers and types of job posting in industry based on thier qualification and specification.</li> <li>7. Allocation specialised for faculty and university by sending lecturers to outside courses, presentation, workshops or seminar.</li> <li>8. Observation towards lectures by getting the response and the needs of exercise or tasks that is important or essentials for them.</li> </ol>

It is essential for the university to take extra care towards four (4) perspectives to ensure the lecturers' and students' level of evaluation always matched with the objectives and planning of the faculty and mission of universities as a whole, as applied in private sectors.

### Summary

This research study is based on readings and observations towards the implementation of Key Performance Indicators (KPIs) specifically for academics staff or lecturers and adapting the Balanced Scoreboard System (BSC) which was created by Robert S. Kaplan and David P. Norton [1], [2] that are financial growth, clients, inner development, and learning and innovation. However, this system needs to be matched with lecturers' duties or tasks which have been discussed before such as teaching and learning, research and publication, conference, negotiation and community service. This is because every performance's achievement is important to fulfill the lecturers need and desire whenever the development process and improvement is in full attention someday. Moreover, this will guarantee the quality and achievement of each university and higher education institution which is not only money oriented.

In addition, the Malaysian Administrative modernisation and Management Planning Unit (MAMPU) plays important role to guarantee the successes of the implementation in each university or higher education institution. This is because the quality in each indicators need to be researched and observed previously to ensure the realistic relevance that is able to achieved by each person.

Nowadays, the achievement of this system is very important because each university and higher education institution has thier own big responsibility and challenges in order to acheive the best quality of curriculum by producing excellent learners with more experienced lecturers with outstanding performance in each fields as a whole towards the contributions of nation.

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