



---

# PURE regional benchmarking tool

---

DRAFT – IN DEVELOPMENT

## Contents

Introduction.....	2
Data .....	3
The quantitative measures of performance.....	4
Qualitative measures.....	5
Understanding the region .....	5
Framework conditions.....	8
Human capital development .....	11
Business Development processes .....	14
Interactive learning and social capital.....	19
Cultural development.....	22
Sustainability .....	24



## Introduction

Benchmarking is becoming a well established element within the process of continuous improvement for companies. Recently however the benchmarking concept is being applied to other areas, such as public services and universities. This document provides a framework for benchmarking regions in order to understand the strengths and weaknesses of a region both in terms of its performance but also the assets and inputs made. It is to be used to help understand if the universities in the region are addressing the main problems faced by the region.

There is a key difference between benchmarking regions and benchmarking businesses. In a business, there are clear hierarchical management responsibilities and business processes or at least departments can be clearly identified. However, in a region it may not always be clear who is actually involved in the production and maintenance of the various development processes that take place within the region.

This tool applies benchmarking principles to regional development, whilst accepting that there needs to be a modification of the approach employed with firms. The modification is that key decision-makers and representatives are brought together to agree on a common conception of the position of the region, from a range of formal organisations and institutions, but without any necessary hierarchy of control.

Previously regional competitiveness has been examined in terms of a wide variety of indicators relating to the economic performance of the region, and the attributes of the firms and people based in that region. This is however only a *partial view* in that it focuses on certain **assets** of the region only, as measured for example by the educational achievements of its population, and does not assess the ambitions, policies or soft factors which are current literature stresses as being critically important for regional economic development.

Some pioneering work in this field has been done at the national level by the Institute of Management Development at Lausanne, and the World Economic Forum in Davos. Each of these two organisations releases an annual study which ranks countries according to their competitiveness. These studies do not merely consider the particular attributes of a country, such as its unemployment or investment in research, but also national-level policies, attitudes and cultural factors. These directly affect the way firms do business and hence affect the competitiveness of their host countries.

This tool therefore seeks to build a framework for the analysis of regional competitiveness, which like the various national competitiveness studies allows direct comparison between regions using a variety of synthetic indicators. However, rather than focusing on a league table approach the tool builds upon company benchmarking techniques of plotting regions on a practice performance grid as a tool for policy analysis and development.



Observatory **PASCAL**

Place Management, Social Capital and Learning Regions



<http://www.obs-pascal.com>

---

## Data

The tool uses two kinds of data

First there are the conventional economic and social indicators, and a subset of generally agreed and internationally available indicators is presented here. Regions should collect together the data on these indicators for their region, and comment on their performance relative to their usual comparators, often the other regions within their country, within the wider EU or OECD areas or compared with other countries in their continental region. Usually this might mean a discussion of the trend and whether the region is diverging or converging from the national position.

Second there is a set of qualitative measures which examine processes to support regional development and which mirror some of the issues addressed in the university benchmarking tool already provided. These should be used as part of a dialogue with regional partners to investigate some of the strengths and weaknesses of the region and the kinds of area where the universities might be expected to provide an input to the process of regional development.

---

©David Charles 2009, not to be reproduced in any form without permission

RMIT University, University of Glasgow, Northern Illinois University



Observatory **PASCAL**

Place Management, Social Capital and Learning Regions



<http://www.obs-pascal.com>

---

## The quantitative measures of performance

The following are standard indicators of performance as typically used by national governments, the EU and OECD to compare regional performance.

GDP per capita in PPS

GDP growth rate over the last 5 years

Value added per employee in manufacturing

Gross fixed capital formation per employee

Rate of formation of new business , new firms per 100 existing

Levels of foreign direct investment - FDI inflow as % of GDP

Gross Expenditure on R&D as a proportion of Gross Domestic Product

Government expenditure on R&D/GDP

Business Expenditure on R&D/GDP

Business R&D personnel per 10,000 inhabitants

Net change in population in the last ten years as proportion of total population

Unemployment level

Male and female activity rates in the workforce

Education participation age 18

Enrolment in tertiary education 18-21 as % of age cohort

% of population aged 25-34 with higher education

---

©David Charles 2009, not to be reproduced in any form without permission

RMIT University, University of Glasgow, Northern Illinois University



## Qualitative measures

### *Understanding the region*

1). Is there a clear understanding of the boundaries of the region and a sense of regional identity

Responses	There is no sense of identity of the region, with many competing definitions	code 1
	Formally defined administratively but without general acceptance	code 2
	The region is defined administratively and there is general acceptance of the importance of these boundaries	code 3
	There is general alignment of administrative and commercial definitions of the region, and an emerging regional identity	code 4
	There is a clear understanding of the region's boundaries, recognised by administrative and commercial institutions, and a strong sense of collective identity	code 5

2). Is there a regional partnership that exerts leadership and creates vision, and does this include wide representation of social partners.

Responses	No sense of regional partnership	code 1
	Beginnings of partnership	code 2
	Limited regional partnership but without clear vision - dissenting voices are strong	code 3
	Coherent regional partnership emerging in a formal sense but excludes some social partners	code 4
	Strong sense of regional partnership that exerts leadership and creates vision, and actively seeks to include wide representation of social partners	code 5



3). Is there a clear vision of the regional strategy, aims and objectives.

Responses	Regional strategy absent; overlapping bodies covering different areas each seeking to achieve their own aims with no sense of regional objectives	code 1
	Regional strategy externally imposed to deliver national service. Little regional input to the planning policy process, but regional actors have incentive to work together towards those external aims.	code 2
	Coherent regional definition by national and external agents ensures common working and offers possibilities for partnership; lack of vision of strategy; lowest-common denominator strategy without grass-roots involvement.	code 3
	Regional actors come together to produce a largely inclusive regional strategy with broad constituency; exclusion of poorly mobilised groups; good potential for coherent action between regional actors.	code 4
	Regional vision generated from a grass-roots perspective addressing the key regional problems to produce an inclusive regional strategy mobilising excluded community and voluntary groups.	code 5

4). Foresight and scenario planning

Responses	No awareness or use of foresight or scenario planning techniques	code 1
	Initial experiments with foresight techniques but no results as yet	code 2
	Limited use of foresight or scenario planning in areas such as technology policy - ad hoc only	code 3
	Foresight becoming more routine and common across many elements of public policy	code 4
	Foresight techniques widely understood and used across public policy as normal part of policy process	code 5



5). Economic research capacity

Responses	All economic research externally driven, lacking knowledge of local agenda and for consumption outside the region.	code 1
	Regional research driven by organisation-specific needs and sources of external funding limiting effectiveness, diffusion and dissemination of research.	code 2
	Devolution of research priorities to regional organisations so regional-specific research is disseminated to the regional community and integrated to inform regional planning process.	code 3
	Strategic regional planning of economic research to identify future trends and current position; research allocated between centres of externally-validated excellence.	code 4
	Research in economic issues at the cutting edge of the field; regional exemplars identified as best practices; new analytic tools developed and exported to lagging regions.	code 5

6). Consultation on regional priorities

Responses	Externally imposed with no attempt at regional buy-in; set up as part of a central planning regime, in line with external requirements.	code 1
	Limited consultation on national-level plans drawn up for the region by national bureaucrats, with balance of power remaining at the national level.	code 2
	Regional priorities set by regional élites, agreed amongst key partners then diffused to others who adopt them to drawn down funding to supplement own funding base.	code 3
	Regional priorities decided by broad consultation, excluded groups mobilised and encouraged to participate; regional strategy priorities have broad regional ownership.	code 4
	Grass-roots inclusive approach to strategy and priorities. Regional strategy and representative inform and lead the national policy regime with innovative policy steps and best organisational practices.	code 5



## Framework conditions

### 1). Landscape quality

Responses	Heavily urbanised and degraded landscape	code 1
	Some areas of good quality landscape	code 2
	Mixed region with nationally recognised area of landscape quality	code 3
	Mixed region with internationally recognised national park	code 4
	High scenic beauty – tourist destination or recognised important wilderness areas	code 5

### 2). Public transport quality and extent

Responses	Very poor/limited provision	code 1
	Adequate, mainly bus provision in urban areas, with serious gaps in rural areas	code 2
	Good urban public transport including rail, but with poor rural provision	code 3
	Islands of high quality multimodal provision, but with more limited services in rural areas	code 4
	Effective, multimodal and integrated including rural areas.	code 5

### 3) Connectedness – Air

Responses	No airport	code 1
	Underdeveloped airport – domestic only	code 2
	Good domestic airport – some international routes	code 3
	International services to c10 countries (daily scheduled)	code 4
	Key global hubs	code 5





4) Connectedness – road

Responses	Poor internal and external links – no motorways	code 1
	Improving A roads and possibly some at motorway standard	code 2
	Connections by motorway but with bottlenecks and gaps	code 3
	Good motorway connections but with congestion problems	code 4
	Multiple motorway connections with good capacity	code 5

5) Connectedness – rail

Responses	No rail	code 1
	Non-upgraded national/regional network	code 2
	Upgraded national network	code 3
	Some TGV quality over restricted routes	code 4
	High speed international connections over several routes (TGV)	code 5

6) Freight handling facilities

Responses	Poor local infrastructure – all goods move by truck	code 1
	Some freight handling facilities enabling transshipment for selected customers – basic service only.	code 2
	Good infrastructure in selected places for selected customers only. Basic services for remaining customers.	code 3
	Good infrastructure available to all firms at several locations, and use of state of the art logistics by some.	code 4
	State of the art logistics available to all firms as basis for regional competitiveness	code 5



7) Effectiveness of regional strategic planning

Responses	Non existent	code 1
	Emerging regional planning framework – elements in place but poor integration.	code 2
	Regional strategic planning framework, but static and unresponsive to competitiveness agenda	code 3
	Planning framework is responsive to competitiveness strategy but tends to be reactive	code 4
	Planning is integral to competitiveness framework, and interactive	code 5

8). Integration of economic, land-use and transport planning

Responses	Poor planning philosophy – local land use only	code 1
	Concentration of designation of land-use with some consideration of the broader implications	code 2
	Planning frameworks developed but with poor integration with other policy areas.	code 3
	Planning considerations determined by the particular needs of economic and social policies.	code 4
	Sophisticated integrated planning to support competitiveness and sustainability	code 5



## Human capital development

### 1.) Strategy for enhancement of skills level in the workforce

Responses	No strategy in place, firms are responsible for training their own staff and make relatively low investment	code 1
	Some provision of training for people in employment by public sector training providers, but with little consultation on industry needs	code 2
	Skills development provision planned on the basis of dialogue with employers, but still mainly formal training and with little direct employer input into strategy	code 3
	Some employer involvement in the development of strategy, and mix of training provision, but lacking broad based engagement.	code 4
	Strong collaborative strategy in place involving firms, education providers and public agencies to provide high level of support for skills development in the workplace and through the provision of offsite training.	code 5

### 2.) In migration and attractiveness of region

Responses	Low attractiveness – outward migration	code 1
	Dated perception of regional image and limited in-migration	code 2
	Average attractiveness – balance of inward and outward migration	code 3
	Widely regarded as attractive on a national basis with in-migration of key skills	code 4
	Perceived as highly attractive – keen competition for jobs in the region on an international basis	code 5



3) Quality of vocational training for young people not in permanent education

Responses	Absence of training for those not in education.	code 1
	Vocational training geared to particular employment tasks – craft oriented	code 2
	Commitment to continual training with a separation between academic and vocational elements	code 3
	Flagship vocational apprenticeships in selected areas with more general training in others	code 4
	Learning continually encouraged to develop the individuals, progressing their careers and continually renewing the regional human capital stock.	code 5

4) Graduate retention

Responses	Very low retention – even local graduates all leave	code 1
	Some retention but overall flow outwards	code 2
	Moderate retention – balanced flows in and out of region	code 3
	High retention – slight net gain	code 4
	High retention of graduates and active attraction from outside	code 5



5.) Scale and social inclusiveness of higher education

Responses	Provision of higher education restricted to elite only and less than 10% of age cohort participate	code 1
	Increasing participation through scaling up without significant reorientation to address social needs	code 2
	Mass higher education (over 30% participation) but little emphasis on widening participation and no special assistance for disadvantaged groups	code 3
	Mass higher education with incentives and assistance programmes to encourage disadvantaged groups but still an overwhelming domination of affluent students	code 4
	Mass higher education with a highly effective widening participation programme and reducing disparities in access	code 5



## Business Development processes

### 1). Regional cluster strategies

Responses	No growth sectors targeted – no analysis of potential synergies	code 1
	Basic awareness of sectoral opportunities and some fragmented support	code 2
	Examples of narrow sectoral strategies and broadening support	code 3
	Analysis of wider cluster groupings and institutional innovation	code 4
	Well established and comprehensive regional cluster strategies with broadly based institutional support including awareness of importance of framework conditions.	code 5

### 2). Success of regional clusters

Responses	Fragmented and latent clusters only	code 1
	Latent clustering – perhaps with old declining clusters also	code 2
	Some working clusters emerging	code 3
	At least one over-achieving cluster and several working	code 4
	Several examples of over-achieving clusters	code 5



3) Provision of finance for existing firms

Responses	No local financial markets and external investors unwilling to lend into the region	code 1
	Emerging local provision but mainly dependent on finance from outside	code 2
	Local financial market for low risk projects but venture funds sourced from outside	code 3
	Availability of funds locally for a wide range of types of projects and with different financial instruments, but low level of innovation.	code 4
	Very sophisticated portfolio of financial provision in place - seen as exemplary	code 5

4) Coherence of regional business support partnership

Responses	Fragmentary and barely existing support provision	code 1
	Business support exists in some fields only but is typically unco-ordinated.	code 2
	Wide-ranging business support available but with a local recognition of the need for greater co-ordination	code 3
	Integration of business support developing in limited areas or fields, and adoption of some good practices	code 4
	Well integrated and process oriented business support – seen as exemplary	code 5



5) Quality of management in the region

Responses	Management quality in the region is very poor and introspective	code 1
	Generally poor, but with an emerging understanding of need to improve.	code 2
	Good quality management exists in some large and externally owned firms, but SMEs generally have poor management skills.	code 3
	Management is generally good with an awareness of global best practices although mainly adopted from elsewhere	code 4
	Region attracts world class managers and is seen as a place where new standards are set	code 5

6) Export orientation of firms in the region

Responses	Oriented to local market only	code 1
	Some internationalisation in highly restricted areas	code 2
	Large firms are active in exports rather than SMEs	code 3
	Good export orientation but difficulties in penetrating some geographical markets	code 4
	Globally competitive	code 5

7). Existence of a comprehensive support network for start-ups

Responses	Isolated advice available from business service professionals only	code 1
	Fragmented business support concentrated on most visible elements of the start up process	code 2
	Widespread business support but lacking co-ordination and a clear point of contact for seamless access.	code 3
	Good signposting of support. Proactive in stimulating potential and grasping new business opportunities	code 4
	Sophisticated and integrated process oriented support infrastructure with considerable private sector support.	code 5

©David Charles 2009, not to be reproduced in any form without permission





8). Culture of acceptance of business failure

Responses	Low acceptance – impossible to get finance if have previously failed.	code 1
	Failure seen as undesirable although some organisations will lend	code 2
	Recognition that failure should be seen positively, but few financial institutions are prepared to act on that basis	code 3
	Failure generally regarded as acceptable and finance is available for those that have failed but it is not always seen as an asset.	code 4
	Failure seen as a valuable learning experience	code 5

9). Quality of Foreign Direct investment – high value added and services

Responses	Restricted to sales and support activities	code 1
	Some basic assembly developing	code 2
	Wide range of production activities	code 3
	Some high value functions emerging – world product mandates	code 4
	High value added manufacturing with R&D and other strategic functions with world product mandates. Significant high level services.	code 5



10). Fit of FDI with existing regional clusters

Responses	FDI is unfocused and market driven	code 1
	Some targeting but based on ambitions rather than existing strengths	code 2
	Targeting seeks to reinforce past strategies and develop clusters	code 3
	FDI builds upon existing clusters	code 4
	FDI is integral element of regional clusters and seeks to gain international competitive advantage by locating in the region.	code 5

11). Change in level of FDI in recent years

Responses	Significant disinvestment	code 1
	Slight reduction	code 2
	No significant change	code 3
	Slight growth	code 4
	Significant growth	code 5



## Interactive learning and social capital

### 1) Commitment to a learning region strategy

Responses	No activity regarding learning region approach	code 1
	Some regional partners are investigating a learning region strategy	code 2
	Region setting out on a learning region strategy and starting to build a partnership for development and implementation	code 3
	A learning region strategy has been developed but is not fully implemented or lacks full participation from all major stakeholders	code 4
	Well developed learning region strategy which is socially inclusive and highly influential in affecting education and other policies	code 5

### 2). General culture of trust

Responses	Contract culture - all interactions based on contracts - lack of personal contacts hinders learning-by-doing; cost minimisation produces opportunism and detrimental competition.	code 1
	Transaction culture - interactions are based on material exchanges; learning in firms concentrated at the boundary points, and the importance of cost to relationships reduces potential for development.	code 2
	Collaborative culture - interactions transcend cost-reduction; longer term development; suppliers and customers seen as recipients of service, and emphasis on meeting their needs.	code 3
	Partnership culture - suppliers and customers seen as strategic resource for information of technical and market change; organisations exist to bring together horizontal competitors to meet external challenges together e.g. training, technical change.	code 4
	Interactive culture - firms use all linkages to generate advantages; firms come together and work as requires to meet challenges; new associations continually falling, old associations do not hinder market entrants	code 5



3). Association formation and activity

Responses	Opaque entry to groupings and networks for mutual benefit, based on kinship, political affiliation, cartels. Patronage and clientelism important.	code 1
	Barriers to success for new firms caused by opacity of associations and an unwillingness to admit outsiders.	code 2
	Association entry limited by seemingly objective criteria, but producing self-selecting and self-reproducing culture; 'not invented here' mentality.	code 3
	Strong civil society encourages participation by all citizens and associations help to support business.	code 4
	Entrepreneurial culture supported by open-mindedness and a willingness to try out new ideas, learn from newcomers and integrate them into a strong society and economy.	code 5

4). Business involvement in social responsibility

Responses	No awareness of social responsibility role	code 1
	Superficial adherence to socially responsible business practices	code 2
	General adoption of socially responsible business practices and large firms engage in corporate social responsibility through 'charity'	code 3
	Most accept that they have responsibilities to the community, and the best are looking to deepen their involvement beyond charity.	code 4
	Business fully committed to social and community development with an appropriate level of involvement through internal and external action	code 5



5). Workplace democracy

Responses	Low unionisation and low worker representation in companies.	code 1
	Emergent forms of representation, resisted by companies.	code 2
	Moderate representation, but conflictual relationship with management	code 3
	High representation of workers with in some cases good partnership with management.	code 4
	High worker participation with strong democratic processes and an effective partnership with management	code 5



## Cultural development

### 1). Cultural assets (museums galleries, theatres etc)

Responses	Few cultural assets, poor quality and of purely local interest	code 1
	Rich base of local facilities but with little of national quality and significance	code 2
	Some nationally significant assets combined with extensive local facilities	code 3
	Region's assets are well recognised nationally and with some areas of international recognition.	code 4
	World class cultural facilities attracting international acclaim and combined with rich local arts scene	code 5

### 2). Distinctive regional cultural offering

Responses	Local culture non-existent or unrecognised.	code 1
	Some recognition of the existence of a local culture but in decline and with no support from market or arts establishment	code 2
	Well developed distinctive local culture with good support inside the region but largely unknown outside of the region.	code 3
	Well developed distinctive local culture, with strong local support and recognition nationally.	code 4
	Well developed and distinctive regional cultural offering with international recognition and attracting international visitors.	code 5



3). Support for grassroots arts activities

Responses	No support for arts	code 1
	Some bottom-up grassroots provision but with little official support and particularly an absence of ongoing funding	code 2
	Ad hoc support for local arts development with some community arts centres, but often struggling to maintain funding and reliant on occasional grants	code 3
	Emerging system of local arts centres and training and development activities, some with recurrent funding as well as capital for new facilities.	code 4
	Well supported local arts scene with comprehensive provision for children and adults to participate, and tight links between grassroots provision and elite institutions.	code 5



## Sustainability

### 1). Recycling activities

Responses	No recycling activity	code 1
	Emerging recycling policies with isolated schemes	code 2
	Central recycling points used by some sections of the population and some adoption within industry and commerce	code 3
	Intensive recycling of some household waste (glass, paper and cans) and growing business recycling policies	code 4
	Very active household recycling system with very localised collection points, and intensive business recycling processes	code 5

### 2). Energy and water use in the home

Responses	Escalating use of resources with no attention paid to domestic conservation measures.	code 1
	Elementary attempts to reduce consumption though adoption of international standards	code 2
	Growing consumer awareness of need to reduce resources and implementation of some public schemes to encourage efficiency.	code 3
	General acceptance by public and attempts to develop new approaches to regulation.	code 4
	General acceptance of good practice in domestic use of resources with high conservation standards for buildings and declining real use per capita	code 5





3). Change in biodiversity

Responses	Severe and continual degradation	code 1
	Moderate and in decline	code 2
	Moderate and stable	code 3
	Good but with some losses	code 4
	Good and maintained or improved	code 5

4). Environmental engagement of companies

Responses	Very low awareness of environmental responsibilities amongst firms	code 1
	Widespread awareness but little direct engagement	code 2
	Moderate engagement – led by a small number of active firms	code 3
	Widespread engagement – some firms seek competitive advantage through environmental engagement	code 4
	High level of informed engagement – networking for sustainability as foundation for regional competitive advantage.	code 5

5). Recycling of industrial and commercial waste

Responses	No recycling undertaken	code 1
	Ad hoc recycling of most obvious and valuable materials	code 2
	Routine and planned recycling of most obvious materials	code 3
	Extensive recycling planning and rudimentary business process change to increase efficiency	code 4
	Integrated and planned for maximum business advantage	code 5



6). Business involvement in community environmental enhancement

Responses	Business has negative effect on local environment – problems with emissions, poor waste disposal, resistance to environmental improvement.	code 1
	Some firms seek to maintain an adequate local environment with good housekeeping policies	code 2
	Most firms have no significant positive or negative effects on local environment, but some isolated enhancement schemes	code 3
	Widely recognised that firms should support environmental enhancement and most practice good housekeeping, but few are proactive.	code 4
	Most businesses seek to actively enhance their local environment.	code 5

7). Level of derelict land – rate of change

Responses	Increasing dereliction – no progress in addressing increasing problem	code 1
	Dereliction rate static with regeneration balanced by closures driven by economic change.	code 2
	Regeneration of major derelict sites but little integrated treatment of small-scale problems.	code 3
	Major improvement and prevention of further creation of derelict land	code 4
	Systematic planning for re-development of derelict land and its integration into the social and economic fabric.	code 5