

KEC IMPLEMENTATION SERIES 2022: MEASURING NON-FINANCIAL IMPACT

WEBINAR PRESENTATIONS - SUMMARY

Wednesday 14th September 2022

Overview

This summary presents a snapshot of the conversation on measuring non-financial impact, as it emerged during the first webinar of the KEC Implementation Series 2022.

The summary ties together the key points and questions raised by our speakers according to four sub-topics: the nature of the problem; approaches for developing non-financial metrics; examples for metrics; and some potential next steps for the KE community.

We hope that this information may help participants to clarify further their thinking about the subject of this webinar, as well as to build on and identify new directions for practice.

We will continue to revisit these insights throughout the KEC Implementation Series 2022 and beyond, with the aim of testing and building on these learnings to make collective progress that helps knowledge exchange flourish.

In addition to this summary, we encourage the reader to consult the accompanying **Breakout Group Discussion Summary** for further ideas on metrics and policy implications. We have also collated **a list of resources, tools and further reading**, as recommended by our speakers and participants. The full webinar recording and speaker slides are also available **here**.

This summary was written by:

Dr Ariadna Tsenina

Policy Researcher - Knowledge Exchange Concordat, Universities UK

All errors are author's own.

For any questions, please contact ariadna.tsenina@universitiesuk.ac.uk

PRESENTATIONS AT A GLANCE

THE PROBLEM:

- Financial metrics are useful proxy indicators of KE performance because they capture valuable and easy-to-understand information in a practical way.
- At the same time, financial measures do not capture the full value and diversity of the contributions made through knowledge exchange. Over-reliance on such measures may discourage variety and limit our ability to deliver, and assess our performance, on key strategic objectives.
- Yet, developing non-financial metrics is not an easy endeavour.

ADVICE ON GENERAL PRINCIPLES:

- Set clear tests for suitable indicators
- Prioritise simplicity and flexibility
- Acknowledge that success is relative by accounting for regional, institutional and disciplinary context in any benchmarking and comparisons

ADVICE FOR ORGANISATIONS:

- Start with your 'why'
- Connect metrics to mission and theory of change
- Combine qualitative and quantitative data
- Unlock the power of story-telling
- Engage with SMEs throughout the process
- Recognise that this is a learning process

EXAMPLES OF METRICS AND ACTIVITIES THAT COULD BE MEASURED:

- Existing frameworks, such as the ESRC impact framework and toolkit
- HE provider benefits, such as new knowledge and expertise, new avenues for research enquiry, and professional development in teaching and research
- Social accounting techniques, including social return on investment (SROI)
- Partner benefits, such as the use of shared physical space and infrastructure; understanding history and theories of practice within one's own domain; understanding of one's audience at a local, national and regional scale; updating knowledge and practice; access to research and expertise; help with new content; and many others
- Emerging insights from research on the benefits of cultural partnerships (Bath Spa University)

NEXT DIRECTIONS:

- Continue and build on this conversation
- Work towards common 'currencies'
- Connect non-financial metrics to policy

KEY TAKEAWAYS

I. Why do we rely on financial metrics and why are non-financial metrics needed?

- **Financial metrics are useful proxy indicators of KE performance because they capture valuable and easy-to-understand information in a practical way.**

Ellen Bamford noted that income-based measures are often used as a metric for KE performance because they are *auditable*, *comparable* and are relatively *simple to construct*. Paul Manners argued that financial measures, such as income, make compelling metrics of impact and performance because they represent a widely-accepted *currency* with an obvious value. Such metrics appeal to policymakers and political office-holders, who feel reassured by investments that deliver an economic return.

- **At the same time, financial measures do not capture the full value and diversity of the contributions made through knowledge exchange. Over-reliance on such measures may discourage variety and limit our ability to deliver, and assess our performance, on key strategic objectives.**

Ellen Bamford recognised that an over-reliance on income-based measures can underrepresent some types of KE activity within the bigger conversation on the value of KE. Ellen suggested that non-financial measures may therefore be particularly relevant for helping us to understand and recognise the *breadth* and *depth* of external KE partnerships and activities. This thinking is also broadly in line with the insights emerging from the recent reviews of the Knowledge Exchange Framework (KEF) and the ongoing review of the HESA HE Business and Community Interaction (HE-BCI) survey.

Reflecting on recent conversations with leading representatives from the arts and humanities sector at the National Centre for Academic and Cultural Exchange (NCACE), Suzie Leighton noted the widespread agreement on the need for more creative measurements of KE impact and engagement. Suzie also highlighted the sector's concern about the risk that quantitative metrics are encouraging organisations to focus on *outputs* rather than *outcomes*. It is felt that this approach can constrain institutions when it comes to understanding and showcasing the full value of their KE work.

In addition to noting the limitations of financial measures, our speakers agreed that there is plenty of demand for more holistic measures and frameworks that give insight into the non-financial dimensions of KE impact. Crucially, this demand originates both from within the HE sector and beyond.

Drawing on his experience as an entrepreneur, [Peter Ptashko](#) highlighted that, today, many organisations are driven by a 'triple bottom line', which places *social* and *environmental* impact alongside *financial* impact. [Wray Irwin's](#) reflection on his work at the University of Northampton suggested that some organisations might be increasingly focusing on the additional fourth dimension of *cultural* impact.

[Evelyn Wilson](#) cited a recent NCACE survey which shows that, whilst financial considerations are important, it is the non-financial motivations that tend to *drive* external partners towards collaboration with the HE sector in the sphere of arts and humanities. Such motivations are based on social impact, as well as other values, such as place and networks.

[Suzie Leighton](#) also noted that many in the arts and humanities sector feel that the increased emphasis on Levelling Up in the civic agenda may represent an opportunity for developing new proxies that are better at capturing the value coming *out* of a university, rather than the income coming *in*.

- **Yet, developing non-financial metrics is not an easy endeavour.**

[Ellen Bamford](#) emphasised the difficulty of constructing non-financial metrics of KE impact that are as robust and practical as their income-based counterparts. [Suzie Leighton](#) argued that a major factor complicating the conversation on non-financial metrics is the huge range of work that falls under the KE umbrella, which makes finding a one-size-fits-all tool incredibly challenging.

Yet the challenges surrounding the construction of non-financial metrics does not mean that such attempts are not worthwhile. [Polly Crockett](#) noted that if something is difficult to measure, it is often talked about less - and, as argued by [Professor David Charles](#), we want to avoid a situation in which HE providers and other organisations stop valuable activities simply because they cannot be measured. As a result, our speakers agreed that it is important to continue to reflect and refine our thinking on this challenge, whilst sharing insights into the things that work or, indeed, do not work so well.

II. Advice on approaches for the development of non-financial metrics

Collectively, our speakers recommended a holistic approach that considers carefully the purpose, design and application of non-financial measures, whilst also recognising that it will be difficult to come up with a framework that would be suitable for all activities and contexts.

Recommendations for general principles:

- **Set clear tests for suitable indicators**

Drawing on examples of tests for suitable indicators used at Research England, [Ellen Bamford](#) suggested that we should ask whether potential indicators are:

- *meaningful* (directly informative about KE impact)
- *robust and reliable* (based on strong and accurate data)
- *complete across the sector or the sample of interest* (universal and comparable data)
- *verifiable*
- *low-burden*

- **Prioritise simplicity and flexibility**

Our speakers acknowledged that achieving simplicity is a challenge but warned against the temptation for over-specification when it comes to creating frameworks and metrics for non-financial impact. [Paul Manners](#) noted the need to strive for balance between *accountability* and *innovation* - a lack of robust frameworks can undermine our collective responsibility to be accountable to government and communities, yet setting too many rigid expectations for evaluation may curtail innovative practice.

- **Acknowledge that success is relative by accounting for regional, institutional and disciplinary contexts in any benchmarking and comparisons**

Using financial metrics as an example, [Professor David Charles](#) noted that whilst KEF compares HE providers along their institutional profiles, there is little recognition for the way in which *regional context* can affect the insights produced by metrics. Regional differences in wealth, infrastructure, industry and investor appeal may mean that some HE providers will find it easier to secure partnerships and large-scale investments than others. As a result, some HE providers may be locked into the lower end of an indicator (such as funds raised from partners), despite demonstrating extraordinary proactivity and good practice behind the scenes - whilst others are more likely to achieve high numbers, despite being less active and doing less well in terms of practice. As a result, David encouraged the sector to be more sensitive to context when using metrics for benchmarking and comparison.

Recommendations for individual institutions and organisations:

- **Start with your 'why'**

[Paul Manners](#) argued that the design and use of non-financial metrics speak to two related but separate aims. First, there is an *external* aim of communicating to an outside audience the value of KE and the contribution that HE providers make locally, nationally and globally. Second, there is an *internal* aim of understanding the quality of the work undertaken by an HE provider, how this compares to others, and how this can be improved.

[Professor David Charles](#) emphasised the importance of internal aims for the development of non-financial metrics. He advised a careful use of such metrics at an institutional level, encouraging HE providers to use the insights generated from these metrics to work out how they can be *better* in terms of impact and engagement within their particular *context*. This was echoed in [Wray Irwin's](#) reflection on his experience at the University of Northampton when he noted that the *process of understanding* is perhaps more important than the specific metrics developed by institutions.

[Peter Ptashko's](#) recommendations aligned with the above when he argued that this challenge is ultimately about *measuring what matters*. Peter asked HE providers to begin by reflecting on what matters to them and what matters to their key communities and stakeholders.

- **Connect these metrics to your mission and a theory of change**

[Suzie Leighton](#) highlighted that much of the work in this field is *mission-led* and often concerned with social goals and imperatives, with the United Nations Sustainable Development Goals coming increasingly into focus. This makes frameworks and metrics that allow for reporting against mission particularly important at this time.

Reflecting on the subject from an SME perspective, [Peter Ptashko](#) recommended that every university should have a *theory of change*, which links their core mission and institutional objectives with the impact that they seek to have on the various communities that they serve. Moreover, those institutions with an existing theory of change should also consider how well this theory is known, both internally and externally.

This was echoed by [Paul Manners](#) in his recommendation of a recent report commissioned by Research England, which examined some novel methodologies for evaluating knowledge exchange, including contribution analysis, theories of change, and logic models. This project subsequently recommended theories of change as a useful approach that breaks down the process of change and provides a mechanism for reflecting on and evaluating the difference that has or has not been made. (A link to this report may be found in our [list of resources](#).)

[Jenny Young's](#) discussion on the steps currently being taken at Anglia Ruskin University represented an excellent breakdown of a mission-led approach for the identification and use

of non-financial metrics at an institutional level. Jenny highlighted some key stages of the ongoing process at ARU and shared examples of the resulting strategic goals, which will be linked to performance indicators during the next phase of this work.

- **Combine quantitative and qualitative data**

Dr Julianne Pigott's discussion on the approach to evaluation adopted by the Arts and Humanities Research Council (AHRC) represents an excellent example that may be relevant for other organisations. A key feature of this approach, which is also led by a theory of change, is the equal value placed on qualitative and quantitative data. Julianne noted that, whilst quantitative metrics represent a key type of data that resonates particularly well with BEIS and other government stakeholders, AHRC's broader approach treats qualitative data as an important component that complements this quantitative information. This approach allows AHRC to be better at recognising and responding to what works in a diverse range of programmes.

- **Unlock the power of story-telling**

Peter Ptashko emphasised the importance of tying metrics and other information into one story because of the power that rests within such an approach - well-told stories are more *emotive* and stay with the audience for *longer*. Dr Julianne Pigott highlighted HUG (by Laugh) as an excellent example of story-telling. Whilst HUG raised a relatively modest amount in spinout funding, its story reveals the true scale of the project's footprint and its partnerships with public and charity sector actors. By including testimonials in its story, HUG was able to create a *holistic message* that speaks to transformative change in the world. Julianne emphasised that a key priority for AHRC is to focus on how we can tell as strong a story as possible and thus combine qualitative and quantitative evidence to the best effect.

- **Engage small and medium-sized enterprises (SMEs) in the process**

Peter Ptashko argued that engagement with SMEs and social enterprises is key for evaluating and communicating the impact of KE activities. He advocated for this engagement to be 'a *cradle to grave*' process, where HE providers work hand-in-hand with SMEs throughout the academic year. Recognising that specific approaches might vary across institutions, Peter emphasised the importance of creating a space (online or in person) that supports the conversation with local community-based SMEs. Peter noted that such conversations would work best at a local or regional level - ideally, in collaboration with other HE providers in the region.

- **Recognise that this is a learning process**

Reflecting on the presentations made by other speakers, as well as his own experience at the University of Northampton, Wray Irwin concluded that the development and the use of non-financial metrics might best be thought of as a *journey*. Wray noted that mission and

theories of change served as starting points for the development of such metrics at the University of Northampton, but also that the logic and thinking about these metrics had changed multiple times as the University engaged with and learned from different stakeholders. Wray's advice for colleagues is to *"get on the rollercoaster and do something that's meaningful for your organisation, your communities and that is relevant to you - but then engage in and share that practice."*

This reflection was echoed in the AHRC approach discussed by [Dr Julianne Pigott](#). Julianne noted that colleagues at AHRC understood the organisation's approach to evaluation as a learning journey. The team recognises this as a *reflective* and *responsive* process, which is evidence in AHRC's engagement with its communities and council members, and subsequent learnings about what works and what does not work.

III. Examples of metrics or activities that could be measured

- **Existing frameworks**

[Paul Manners](#) recommended the *ESRC impact framework and toolkit*, which is used in his work at the National Co-Ordinating Centre for Public Engagement (NCCPE). This framework represents a good example of a common language for describing the breadth of different types of impact, such as conceptual impact, capacity-building impact, and instrumental impact. For each type of impact, the framework describes the kinds of outcomes that might be expected and gives a common point of reference for describing the value of what organisations do. Further information on this and other recommendations made by Paul Manners can be found in our [list of resources, tools and further reading](#).

- **Internal benefits**

[Suzie Leighton](#) suggested that examples of measures that communicate the gains that KE brings to an institution include new knowledge and expertise, new avenues for research enquiry, and the positive ecologies that nurture and support academic excellence in teaching and research.

- **Social benefits**

[Peter Ptashko](#) suggested that HE providers could learn from the social accounting approaches used by government departments. He recommended considering techniques such as social return on investment (SROI), which talks about social impact in financial terms, with every pound of investment creating a certain amount of pounds in social value.

- **Partner benefits**

Drawing on the outcomes of a major NCACE survey that asked the arts and humanities sector about their attitudes towards collaboration with the HE sector, [Evelyn Wilson](#) shared examples of the benefits that KE can generate for external partners. These insights may be helpful in directing institutions towards metrics that capture the value and impact of KE from the partner perspective. Examples of valuable outcomes for partners included:

- *Sharing and understanding audiences at a local, regional and national scale*
- *Opportunities to share physical space and infrastructure*
- *Access to engaging with research and expertise on artistic practice and interests*
- *Helping to better understand history, experience and theories of practice even within one's own domain*
- *Develop research frameworks and improve evaluation practice*
- *Helping to strengthen specific arts and cultural sub-sectors within specific regions*

- *Helping to map pathways through collections*
- *Help with the creation of new content and practice*
- *Keeping practices up-to-date and encouraging peer-networking*

- **Emerging insights from research on cultural partnerships**

Discussing an ongoing research project led in partnership with Dr Anna Walker at Bath Spa University, [Polly Crockett](#) shared emerging insights which point to broader categories of benefits from *cultural partnerships*. These early findings may also be relevant for those seeking to develop an institutional framework for measuring the non-financial benefits of KE. The next phase of this project seeks to build a robust model for identifying the most appropriate metrics of non-financial benefits in cultural partnerships.

The categories of benefits identified by this project are:

- *Funding*
- *Students*
- *Opportunities*
- *Diversity*
- *University development with local community*
- *People*
- *Governmental returns*
- *Teaching*
- *Alumni and careers*
- *Research*
- *Audience development*
- *Mutual benefits*

IV. Next directions

- **Continue and build on this conversation**

Our speakers agreed that, whilst there are no easy answers to the question of how to measure non-financial impact at present, those passionate about knowledge exchange should continue to reflect on current practice and share their insights with others. [Paul Manners](#) noted that the more we discuss and consider how we can improve the rigour of these metrics together, the more progress we will be able to make as a community. [Wray Irwin](#) also highlighted the importance of collective spaces, such as this webinar, where colleagues can learn from others and share their own experience. The realisation that ‘white noise’ in this sphere is normal is a meaningful result of these conversations, as this can help colleagues to stay motivated and reassure them that the steps they are currently taking might be small but nevertheless important advances in this field.

- **Work towards common ‘currencies’**

[Paul Manners](#) argued that more work can be done to develop a more robust set of common frameworks and currencies around non-financial impact. He suggested that the idea of ‘currency’ might be helpful for the HE sector - a currency is a common language that lets us talk explicitly and robustly about the value we are trying to create. For public engagement and KE, there may be multiple alternative ‘currencies’ to money that we could use to describe the value of what we are creating.

- **Connect these metrics to policy**

As illustrated in the preceding sections of this summary, our speakers agreed that the development of non-financial metrics should be connected to purpose and an organisation’s desire to improve. A key challenge highlighted by many of our speakers is that of connecting these metrics and stories to policy - including the improvement of links to local strategies and thinking more creatively about how this information can be used to make positive contributions to local and national policy.

THANK YOU

We would like to express our sincere thanks to our panel of speakers for taking the time out of their busy schedules to explore this subject and share valuable expertise and experience.

We hope that this webinar represents a useful next step in the conversation on how we can enhance the capture and communication of KE impact, and use these insights to inform and improve our work. We look forward to many more opportunities for collaboration on this subject in the future.

Our speakers:

Ellen Bamford (Head of Data and Evidence, Knowledge Exchange), Research England

David Charles (Professor of Enterprise and Innovation), Northumbria University

Polly Crockett (Lecturer for Business and Management), Bath Spa University

Wray Irwin (Director of Enterprise and Employability), University of Northampton

Suzie Leighton (Co-Director), The Culture Capital Exchange

Paul Manners (Director), National Co-ordinating Centre for Public Engagement

Dr Julianne Pigott (Senior Evidence Manager), Arts and Humanities Research Council

Peter Ptashko (Founder & CEO), Cambio Consultancy

Evelyn Wilson (Co-Director), The Culture Capital Exchange

Jenny Young (Director of Research and Innovation Development Office), Anglia Ruskin University

KEC IMPLEMENTATION SERIES 2022

Our other webinars in this series:

- **Engaging Academics**

Wednesday 12th October 2022

- **Defining what 'good' looks like**

Wednesday 9th November 2022

- **Aligning KEC with institutional strategy**

Wednesday 7th December 2022

For more information, please visit:

<https://www.keconcordat.ac.uk/events/kec-implementation-series-2022/>

Or contact Ariadna Tsenina at ariadna.tsenina@universitiesuk.ac.uk