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HOW QUALITY OF HIGHER EDUCATION SHOULD BE MEASURED BY UNIVERSITY RANKINGS?

Quality of higher education is one of the key priorities in higher education. However, it is interesting to note that there is a variety of interpretations what quality of higher education really means. For example, national or international accreditation schemes have diverse interpretations of quality and how it should be evaluated on an institutional or on a programme level. Some of them are concentrated on achieving the minimum standards, others are focused on research productivity, internationalisation or on teaching excellence. The same goes for university rankings which measure the institutional or programme quality with broad variety of indicators and different priorities. If we ask the students what quality of higher education means to them, we will probably get additional interpretations mostly connected to teaching quality and employment opportunities. On the other side employers request for professional/specific skills and teaching and learning activities that are responsive and relevant to demands from society (Global Employability University Ranking 2015 via <https://goo.gl/kZDfxN>). Obviously there are as many definitions of quality in higher education as there are stakeholders.

Nevertheless, it could be summarized that the quality of higher education has been linked to three main fundamental pillars, such as: knowledge transfer, knowledge creation and service to society. In terms of knowledge transfer it is expected that higher education institutions prepare students for the labour market and contribute to their social and personal development (see 2015 WISE Education Survey on <https://t.co/aqq35ktAWx>). Regarding the knowledge creation - one of the primary missions of higher education institutions is the development of new knowledge and transfer of an existing one. Service to society is understood as an institutional engagement in local and wider society and its contribution to development of local and wider environments with relevant educational offerings.

Following huge impact of university rankings and their subsequently implications how quality of higher education has been understood and widely interpreted among higher education institutions themselves and other key stakeholders, this discussion tries to identify how fundamental pillars presented in this discussion have been covered by major uni-



versity rankings, such as: Academic Ranking of World Universities (ARWU) and Times Higher Education (THE). Because we work in the field of management and business education, this discussion paper is focused on the quality indicators used by ARWU and THE for subject rankings (business, management, economics). Additionally, we concentrate also on quality indicators used by Financial Times (FT) for Business School Rankings and by QS for 200 Business Schools Report. Table 1 presents quality indicators used by ARWU, THE, FT and QS.

If we look at ARWU and THE quality indicators and compare them with the fundamental pillars presented above we can summarize that both of them evaluate qua-

lity of teaching and quality of research, but not one of them evaluates how higher education institutions contribute to the development of the local and wider society. Moreover, quality of teaching is evaluated by "Alumni of an institution winning Nobel Prizes in Economics" (ARWU) or by THE indicators, such as: reputation survey, staff-student ratio, doctorate-to-bachelor's ratio, doctorates awarded-to-academic staff ratio, institutional income. These indicators represent only proxy measurement of teaching quality, because they do not evaluate whether higher education institutions prepare students for the labour market and contribute to their social and personal development. Both rankings measure quality of research using different but similar indicators measuring research productivity and citations. Still, not one of the chosen rankings concentrates on impact of higher education institutions and their contribution to local and wider business and social environments, and whether higher education institutions performance and education offerings are really relevant to business and social development needs. Furthermore, if we concentrate on FT and QS rankings we can conclude that FT evaluates quality only in terms of salary growth (MBA, EMBA) and the percentage of the most recent graduating class that was in employment three months after graduation (important only for schools that can provide employment data). QS takes into account only survey results among employers and academics. Neither FT nor QS measures quality of teaching, quality of research or what impact an individual higher education institution has on local and wider society.

Table 1: Quality indicators used by ARWU, THE, FT and QS

ARWU	THE
Alumni of an institution winning Nobel Prizes in Economics since 1961 – 10 %	<i>Teaching (the learning environment): 30 %</i>
Staff of an institution winning Awards in Economics and Business – 15 %	Reputation survey: 15 %
Highly cited researchers in Economics/Business Category – 25 %	Staff-to-student ratio: 4.5 %
Papers Indexed in Social Science Citation Index in Economics/Business fields – 25 %	Doctorate-to-bachelor's ratio: 2.25 %
Percentage of papers published in top 20% journals of Economics/Business fields to that in all Economics/Business journal – 25 %	Doctorates awarded-to-academic staff ratio: 6 %
	Institutional income: 2.25 %
	<i>Research (volumes, income and reputation): 30 %</i>
	Reputation survey: 18 %
	Research income: 6 %
	Research productivity: 6 %
	<i>Citations (research influence): 30 %</i>
	<i>International outlook (staff, students, research): 7.5 %</i>
	International-to-domestic-student ratio: 2.5 %
	International-to-domestic-staff ratio: 2.5 %
	International collaboration: 2.5 %
	<i>Industry income (knowledge transfer): 2.5 %</i>
FT	QS
"The schools' performances in the MBA, EMBA and MiM rankings account for 25 % each. For executive education, the scores obtained for customised and open programmes both account for 12.5 %" (Financial Times).	Employer survey – survey among employers – 85 %
MBA, EMBA: The average alumni salary three years after graduation and salary increase (%)	Academic reputation – survey among academics – 15 %
MiM: Weighted salary and employment at three months	

According to ARWU, THE, FT and QA proxy quality indicators it should be acknowledged that interpreting the ranking position of an individual higher education institution needs to be taken with caution. The ranking position identifies only performance of chosen quality indicators, therefore it should not be generalized as the overall quality of the institution. Furthermore, it should be recognized that chosen rankings do not measure the social impact and service to society which should represent the third fundamental pillar of higher education institutions.

Concluding remarks: Due to the fact that university rankings (may) have significant implications for level of quality of higher education institutions and their (non) response to social changes which is critically needed, it is highly recommended that rankings include also indicators connected to the social impact and assessment whether education offerings are relevant to local and wider busi-

ness and social environments. This could be the best way how the university rankings themselves could serve to society and contribute to the development of dynamic changing societies.

Interesting reading:

- 1) Are we obsessed with university rankings? prepared by Francisco Marmolejo in 2015 via <http://goo.gl/X9WS3D>
- 2) Reimagining Business Education: A World of Ideas prepared by Boston University in 2015 via <http://goo.gl/9JXu41>