ISSUE BRIEF

Impact of College Rankings on Institutional Decision Making: Four Country Case Studies

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Executive Summary

The ranking of higher education institutions is a growing phenomenon around the globe, with ranking systems in place in more than 40 countries and the emergence of international ranking systems that compare institutions across national lines. With this proliferation of rankings come questions about the goals, uses, and outcomes of these systems.

This issue brief seeks to understand the role that rankings play in institutional decision making and how institutions in various countries use rankings in ways that might benefit higher education in the United States. The study is based on interviews with campus stakeholders at institutions in Australia, Canada, Germany, and Japan—countries that have their own national ranking systems as well as a presence in the international systems.

A review of current research suggests that rankings influence institutional decision making in the following areas: strategic positioning and planning, staffing and organization, quality assurance, resource allocation and fundraising, and admissions and financial aid. To better understand these issues and how rankings affect them, Institute for Higher Education Policy (IHEP) discusses the ways by which institutions in the four countries incorporate rankings into their decision-making frameworks.

KEY FINDINGS AND RECOMMENDATIONS

Rankings impact higher education decision making in the profiled countries in many ways that are consistent with research on the topic; however, the interviews suggest some nuances and unique approaches that could prompt new uses for rankings at U.S. institutions. Officials interviewed for this report offered many valid criticisms of rankings: that too much importance is given to rankings over other institutional assessments and practices, emphasizing institutional rankings decreases access for underserved students, and rankings skew institutional resources to favor research over teaching. However, the findings highlight a number of recommendations for how institutions can leverage rankings to do their work in innovative ways.

Improved data-based decision making. Higher education institutions, especially those in the United States, are increasingly called on to use data to inform their decision making and to document student and institutional success. Rankings can prompt institutional discussions about what constitutes success and how the institution can better document and report that success.

Increased participation in broader discussions about measuring institutional success. Rankings can encourage institutions to move beyond their internal conversations to participate in broader national and international discussions about new ways of capturing and reporting indicators of success. The participation of individual institutions in these discussions will become an increasingly important way for articulating how rankings can be used to measure and improve institutional practices.

Improved teaching and learning practices. While the case study institutions continue to point to their changing practices that alter input indicators—increasing selectivity, favoring research over teaching, and strengthening the faculty profile—a number of institutions are also reporting changes to practices directly related to student learning and success. Institutions that use their rankings to prompt change in areas that directly improve student learning experiences demonstrate that rankings can lead to positive change in teaching and learning practices.

Identification and replication of model programs. For some institutions in the study, the peer benchmarking function of

rankings is leading to identification and replication of model programs. Institutions should be open to using rankings to identify and share best practices.

Increased institutional collaboration. Rankings are often perceived as instigators of competition among institutions, but the case studies suggest that they also foster collaboration, such as research partnerships, student and faculty exchange programs, and alliances. Rankings can be important starting points to identify institutions with which to collaborate and partner.

In highlighting ways ranking systems can positively impact institutional decision making, this issue brief also underscores the continued need for attention to potential negative effects of rankings. These include the degree to which rankings—and an emphasis on developing world-class universities—undermine college access for disadvantaged student populations; an unbalanced emphasis on research over teaching; the ratio between full-time and adjunct faculty; the improvement of key rankings variables as a substitute for comprehensive, institution-generated strategic planning; and the funding of world-class institutions at the expense of institutions that further other national goals. Institutions should consider the concerns raised about the effects of rankings as catalysts for direct policy actions to mitigate potential negative impacts.

College rankings are an entrenched phenomenon around the world. This brief documents positive and negative institutional responses to rankings, and suggests ways institutions can leverage them to improve internal and external practices. It can be a starting point for institutions that are seeking new tools for institutional change and new ways of responding to their rankings in national and international systems**.** ▨

Introduction

The United States is not alone in the phenomenon of college and university rankings. Building on the foundation originally established with the *U.S. News and World Report* ranking of undergraduate colleges in the 1980s, numerous magazines, newspapers, organizations, individuals, and government agencies around the world publish university rankings. At least 40 different nations now have some form of rankings that are regularly published, with more added each year. The criteria vary significantly; the best known and most influential ranking schemes evaluate institutions primarily on the basis of academic factors, but some ranking systems use the number of new patents acquired, climate for female students, environmentally friendly practices, and a host of other characteristics.

Ranking tables (referred to as league tables in the United Kingdom) serve many purposes, depending on the audience and on the nature of the rankers. The organizations that rank colleges include media, government agencies, independent nonprofits, and academic research centers. These organizations have different goals. Some are responding to demands from consumers for easily interpretable information on the standing of higher education institutions, often stimulating competition among those ranked. In some cases, ranking systems are used to allocate funding, to highlight distinct missions, or as a means of accountability for external audiences. Rankings may include only the institutions in a single nation, or they may include universities around the world. (**BOX 1**)

As the variety and popularity of ranking schemes have increased, so have concerns about their impact. Controversy surrounding their influence on students, institutions, and governments has become a ubiquitous topic in higher education literature and the mainstream press. Critics say that quantitative rankings do not accurately capture an institution's true strengths and weakness, or the quality of education it provides students; that they are biased toward certain types of institutions and against others; and that the weightings of certain factors are unjustified and run counter to the mission of higher education. Much research has been conducted on the subject, giving stakeholders ammunition to use in pushing for change or developing rankings that best meet their goals. Rankers, critics, academic researchers, and other interested parties have begun to collaborate informally in the International Rankings Expert Group (IREG), leading to the development of a set of principles to guide best practices in the use of rankings.[1]

Ranking systems have both positive and negative effects, and understanding the full impact of rankings is no small task. Rankings are used in many different ways by a wide variety of stakeholders in the academic enterprise, including students, institutions, government, and the public.

This brief addresses one piece of the equation: how rankings influence decision making at institutions, including how they are used and what types of decisions they drive. Although much of the research on this issue pertains to the United States, especially to the *U.S. News and World Report* (*U.S. News*) rankings, evidence suggests that many of the same trends and impacts are occurring around the world. For example, a recent study on the impact of rankings on institutions globally found that 63 percent of responding institutions were taking "strategic, organizational, managerial, or academic actions" in response to rankings; only 8 percent indicated that they had taken no action.[2] The brief looks at how institutions in four countries—Australia, Japan, Germany, and Canada—use rankings in their institutional decision-making processes. It also includes a review of the relationship between rankings and institutional decision making, to frame the issue and illustrate how these four countries leverage rankings to improve campus practices.

Methodology

This study relied heavily on qualitative data-collection methods to examine the effects of rankings on institutional decision making. Ellen Hazelkorn, director of research and enterprise, dean of the Graduate Research School, and director of the Higher Education Policy Unit at the Dublin Institute of Technology, and Patti McGill Peterson, senior associate at IHEP—conducted semi-structured onsite interviews and focus groups.[3] To gauge the influence of

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[1] The Berlin Principles of Ranking in Higher Education and other IREG information are available online through the IHEP Ranking Systems Clearinghouse at www.ihep.org/research/rankingsystemsclearinghouse.cfm.

[2] E. Hazelkorn, "Impact and Influence of League Tables and Ranking Systems on Higher Education Decision-Making," *Higher Education Management and Policy* 19(2) (2007): B7-110.

rankings on different institutional structures, the researchers included various higher education constituencies at more than 20 institutions in the four countries. The schools represent an array of institution types, from competitive research universities to small colleges. IHEP secured consent to participate in the study from each institution's president, and many of the site visits were orchestrated with the assistance of an institution's Office of Institutional Research. To encourage candid participation in the study, institutions and respondents are anonymous.

Interviews and focus groups were conducted between January and August 2008. Unless otherwise noted, all quotes in the text are from those interviews. Questions and discussion points were used to investigate how ranking systems affected four broad categories: academic standards and decisions, management decisions, institutional strategic development, and organizational culture. A wide range of campus constituencies participated,

including senior administrators, planning and marketing personnel, faculty and academic staff, and students. The participation of diverse stakeholders allowed researchers to probe deeply into varying perspectives on a controversial topic. The interviews and focus groups were summarized for each case study, to develop some overarching findings.

It is difficult to separate the impact of rankings on institutional decision making from the general impact of competitive forces and other factors in higher education. This brief reflects the perceptions of those interviewed regarding the role of rankings in institutional decision making on their campuses; it does not attempt to disaggregate the influence of rankings from other institutional variables. This qualitative analysis is meant to provide a better understanding of how campus stakeholders view rankings, the role rankings play in the interviewees' work, and the perceived impact of rankings on institutional planning and priories. ✄

³ Hazelkorn: Australia, Germany, Japan; Peterson: Canada.

Understanding the Ranking Systems Landscape

Ranking approaches and systems, like higher education institutions, vary extensively and are often tied to the unique higher education context of a given nation. In general, however, each system or approach tends to include a similar, logical set of elements. First, data are collected, either from existing sources or from original surveys. Then variables are selected from the information gathered. Next, the indicators are standardized and weighted from the selected variables. Finally, in most cases, calculations are performed and comparisons made so that institutions can be sorted into rank order.

In a national ranking system, all or nearly all of a country's universities are measured against one another. This was the original university ranking format, pioneered by *U.S. News* in 1981 and widely copied in other countries. In most cases, all universities in a country are compared; although in some cases—such as Canada (*Maclean's*) and the United States (*U.S. News*)—the universities are grouped according to certain institutional characteristics and compared within those groups.

Global institutional ranking systems are a variation on national rankings. The two most prominent systems are the *Academic Ranking of World Universities* from Shanghai's Jiao Tong University (SJT),[4] first released in 2003, and the *QS World University Rankings* from the *Times Higher Education*

Supplement of Britain (THES),[5] first released in November 2004. Because of the difficulty of comparing data across countries, both global ranking systems rely more heavily on research output and student data than do national rankings. The THES ranking system makes substantial use of online surveys to determine its "Academic Peer Review" score. Other factors include employer reviews, faculty citations, and international reputation. The SJT ranking system is quite different, focusing on research and using purely quantitative data such as the number of faculty and alumni receiving Nobel prizes or Fields medals, as well as the number of faculty with published or cited work.

International ranking systems have received even more criticism than national systems for ranking universities by a standardized criteria, an evaluation technique that discounts the wide differences in educational practices and goals among nations. Nonetheless, in many parts of the world, these global rankings are assumed to accurately reflect a country's standing in worldwide competition.[6]

⁴ See www.arwu.org/rank2008/EN2008.htm.
⁵ See www.topuniversities.com/worlduniversityrankings/.
⁶ Based, in part, on excerpts from the 2007 IHEP report, *College and University Ranking Systems: Global Perspectives and American Challenges*. The full report is available online at www.ihep.org/assets/files/publications/a-f/CollegeRankingSystems.pdf.

What the Research Tells Us

To understand the context of rankings within the countries selected for this study, it is important to take into account what is already known about how rankings influence institutional decision making. Because ranking systems have the longest history in the United States, much of the existing research explores this relationship within the American context.[7] Although the research is limited in scope, it suggests five primary, interrelated areas in which rankings influence institutional decision making: strategic positioning and planning, staffing and organization, quality assurance, resource allocation and fundraising, and admissions and financial aid.

Strategic Positioning and Planning

As ranking systems have grown in number and popularity, examples have begun to surface of their impact on strategic planning and positioning. The most obvious example is that of an institution explicitly setting a goal of rising in the rankings and tying resource allocation, hiring, and other decisions to this goal.

For example, in 2004, the president of the University of Minnesota (UMN) began an institution-wide strategic positioning process to make UMN "one of the top three research institutions in the world." The initiative is not tied to any specific ranking system, but many of the changes that have been undertaken reflect common ranking criteria—for example, measures to increase the number of national and international awards received by faculty and to improve graduation rates.[8] Similarly, Baylor University's Vision 2012 strategic plan aims to make the institution one of the *U.S. News* Top 50 by 2012. Related goals include attracting top-notch faculty, improving student graduation and retention rates, and improving facilities.[9] Around the world, universities are adopting strategic plans linked to global rankings. Macquarie University in Australia aims to be among the top eight research universities in Australia and one of the top 200 in the world by its 50th anniversary in 2014.[10] Warwick University in the United Kingdom has also announced plans to be in the top 50 world universities by its 50th anniversary in 2015,[11] and Tohoku University in Japan announced plans to transform itself, "within the next 10 years, into a world-class institution that will be ranked overall among the top 30 leading universities in the world."[12]

At other institutions, rankings-related goals are not as explicitly stated, but their impact is still evident. For example, in 1994, Berea College, a private liberal arts institution in eastern Kentucky, was reclassified by the Carnegie Foundation for the Advancement of Teaching from a Comprehensive II to a Baccalaureate I institution,[13] which shifted it from the *U.S. News* regional category to the more competitive national category. After its ranking plummeted, Berea appealed the decision and was reclassified as a Baccalaureate II institution, which shifted it back to the regional category. Thus, despite the fact that the Baccalaureate I classification is more prestigious, Berea determined that prestige was outweighed by the negative impact of a drop in the rankings and chose to position itself to achieve a higher ranking.[14]

The term "world-class" has begun to appear in higher education discussions, institutional mission statements, and government education policy worldwide, reflecting a desire for institutions to be considered among the world's top universities. For example, the Pontificia Universidad Católica de Chile, one of the few research universities in Latin America, has set a goal of becoming a world-class institution by its 150th anniversary in

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[7] The only other country-based study was funded by the Higher Education Funding Council for England. See Centre for Higher Education Research (CHERI), Open University, and Hobsons Research (2008). C*ounting What is Measured of Measuring What Counts? League Tables and their Impact on Higher Education Institutions in England*, Hobsons Research (2008). Retrieved on March 30, 2009 from www.hefce.ac.uk/pubs/hefce/2008/08-14/.

[8] University of Minnesota, *Advancing the Public Good: Transforming the University of Minnesota into a World-Class Research University.* (Minneapolis, MN: 2007). Retrieved on July 7, 2008, from www.academic.umn.edu/provost/reports/dec2007update.pdf.

[9] E. F. Farrell and M. Van Der Werf, "Playing the Rankings Game," *Chronicle of Higher Education* 53(38) (2007): 38a.

[10] S. Schwartz, Statement by the Vice-Chancellor. Retrieved on April 6, 2009 from www.mq.edu.au/university/index.html.

[11] N. Thrift, Vision 2015: A Strategy for Warwick: Message from the Vice-Chancellor. Retrieved on April 6, 2009 from www2.warwick.edu.ac.uk/about/vision2015.

[12] A. Inoue, Inoue Plan 2007—Rap Map to Becoming a World Class University. (Paper prepared by the university president, March 29, 2007). Retrieved on April 6, 2009 from www.bureau.tohoku.ac.jp/president/open/plan/Inoue_Plan.pdf.

[13] The Carnegie Classification of Higher Education Institutions is a tool developed by the Carnegie Foundation for the Advancement of Teaching to distinguish between mission and program offerings at U.S. institutions. For more information about Carnegie Classifications, go to www.carnegiefoundation.org/classifications.

[14] A. Machung, "Playing the Rankings Game," *Change* 30(4) (1998): 12–17.

2038.[15] In many instances, particularly in countries in which the higher education system is centrally controlled, such as China,[16] the government targets certain institutions to be elevated to world-class status. Although debate exists as to what constitutes a world-class university, the practical manifestation is often tied to an institution's rank or the factors that are taken into account in ranking schemes.

Staffing and Organization

Although the evidence is primarily anecdotal, many staffing and organizational decisions at institutions worldwide have been affected by ranking-related goals and outcomes. These decisions affect staff and offices of all types, at all levels of the institution, starting at the very top. One of the biggest changes is the growth and development of international offices tasked with increasing the number of international students, an important metric in THES, for example. Comprehensive universities are discovering what many professional schools—e.g., business, law, and medicine—have previously known, that rankings are important for recruitment and admissions offices need to be equipped to respond.[17]

Rankings are also thought to be driving the appointment and dismissal of some institutional presidents,[18] and less dramatic organizational changes—such as creating new organizational units to deal with ranking-related initiatives—are increasingly common. In one institution, a new section was established to monitor and improve institutional indicators; another institution appointed a team of stakeholders to manage ranking-related information and data.[19] Ranking outcomes may have significant status and employment consequences for administrators who are responsible for monitoring and improving their institution's performance. For example, in 2001, after a data reporting error resulted in a lower than expected *U.S. News* ranking for Hobart and William Smith College, the senior administrator responsible for the error was fired.[20]

Rankings can influence faculty staffing decisions, especially with regard to recruitment and hiring. For example, as a result of the emphasis on faculty awards in Shanghai's Jiao Tong University (SJT) *Academic Ranking of World Universities*, Irish and British universities are seeking to hire Nobel laureates in greater numbers.[21] There is concern that the use of faculty compensation as a rating factor in the *U.S. News* rankings may encourage institutions to hire more non-tenure-track faculty, because their lower salaries free resources that can be used to raise the salaries of permanent faculty.[22] The increasing reliance on non-tenure-track faculty in the United States is well docu-mented, but further research is required to determine the extent to which this trend is related to rankings.

Quality Assurance

Many people look to rankings for a measure of the academic quality of institutions. Although the extent to which rankings accurately measure quality is fervently debated, they do appear to influence institutions' decisions in the quality assurance realm. Research suggests that this impact is often positive; as a result of rankings, institutions may be motivated to improve the quality of their academic programs. Institutions report that lower than expected rankings are prompting curriculum review, new teaching and learning practices, and new academic programs.[23]

Rankings can be particularly beneficial where formal quality control measures are lacking. Rankings often serve in place of formal accreditation systems in countries where such account-ability measures do not exist or are rudimentary, providing the institutions and their external stakeholders with mechanisms to benchmark their performance over time and improve institutional practices.[24] In Pakistan, for example, a national ranking of institutions developed by the Higher Education Commission in 2002 allows comparison between their inputs and outputs. The Pakistani government uses the rankings to identify and

[15] P. Rosso and N. Velaso, "A Latin American Private University Strives to Become World Class," *International Higher Education* 43 (Spring 2006). Retrieved on July 8, 2008, from www.bc.edu/bc_org/avp/soe/cihe/newsletter/Number43/p18_Rosso_Velasco.htm.

[16] K. Mohrman, "World-Class Universities and Chinese Higher Education Reform," *International Higher Education* (Spring 2005). Retrieved on July 8, 2008, from www.bc.edu/bc_org/avp/soe/cihe/newsletter/News39/text013.htm.

[17] For example, see M. Sauder and R. Lancaster, "Do Rankings Matter? The Effect of *U.S. News and World Report* Ranking on the Admissions Process of Law Schools," *Law and Society Review* 40(1) (2006): 105-134.

[18] B. Bollag, "College Rankings Catch on Overseas," *Chronicle of Higher Education* 53(38) (2007): A17.

[19] E. Hazelkorn, "Rankings and the Battle for World Class Excellence: Institutional Strategies and Policy Choices," *Higher Education Management and Policy* 21(1) (2009).

[20] R. G. Ehrenberg, "Reaching for the Brass Ring: How the *U.S. News and World Report* Rankings Shape the Competitive Environment in U.S. Higher Education" (paper prepared for the Macalester Forum on Higher Education, St. Paul, Minnesota, June 12–13, 2001).

[21] Bollag, 2007.

[22] R. G. Ehrenberg, "Method or Madness? Inside the *USNWR* College Rankings" (paper presented at the Wisconsin Center for the Advancement of Postsecondary Education Forum on the Use and Abuse of College Rankings, Madison, Wisconsin, November 20–21, 2003).

[23] Hazelkorn, 2009.

[24] J. Salmi and A. Saroyan, "League Tables as Policy Instruments: Constructive Uses for the Benefit of Higher Education," *IAU Horizons: World Higher Education News* 13(2–3) (2007): 2–3. Retrieved on July 7, 2008, from www.unesco.org/iau/newsletters/iaunew13-2-3-en.pdf.

reward institutions that are performing well and to support needed change. The ranking system provides institutions with the information they need to assess their own performance, as well as the resources they need to maintain or enhance quality.[25]

Even when performance is not tied to funding—as is generally the case with commercial ranking systems—the ranking systems put pressure on institutions to enhance quality to attract students. In countries where commercial rankings are conducted by a well-known media outlet and are a primary source of information for students and their parents in making choices about institutions, this pressure may be substantial; two examples are Japan's *Asahi Shimbun* rankings and Poland's *Perspektyvy* rankings. In Colombia, commercial rankings have resulted in increased participation by institutions in the national accreditation system. When the system was established in the mid-1990s, institutions had little incentive to participate, and few chose to do so. However, since the country's main newspaper started publishing a list of accredited programs in 2000, more institutions have felt pressure to join the accreditation process, thereby enhancing its effectiveness in ensuring institutional quality nationwide.[26]

Although rankings have the potential to positively affect quality in many contexts, when rankings take graduation rates into account—as *U.S. News* does—there are potential negative effects as well. An institution can improve its graduation rate (and possibly its ranking) in two ways: (1) by improving educational practices and offering added financial support to students or (2) by lowering graduation requirements. If a ranking system focuses on graduation rates and does not reward or penalize institutions for the methods they use to achieve that outcome, students may suffer.[27]

Resource Allocation and Fundraising

Rankings may have an impact on various financial decisions in an institution. First, rankings can affect compensation for administrators and faculty. For example, in 2007, the Arizona State University Board of Regents approved a contract that will give the president of the university a $10,000 bonus if the

institution's *U.S. News* rank rises;[28] a similar arrangement was made for the vice chancellor of Macquarie University in Australia for whom a bonus of A$100,000 (approximately US$70,250) is linked to raising its ranking.[29] Ranking systems that take faculty salaries into account may spur institutions to increase faculty compensation, which in turn may enable them to recruit and retain higher quality faculty, potentially leading to higher quality education for students and greater research output. On the other hand, this tactic can divert resources from other high-priority areas. In addition, as noted earlier, if the faculty compensation metric considers only tenure-track faculty, institutions might rely more heavily on non-tenure-track faculty for teaching, so they can increase tenure-track faculty salaries and thus their performance on this indicator.

Second, ranking systems that consider average expenditure per student can force institutions to make difficult decisions about financial priorities. If cutting expenditures per student will negatively affect an institution's ranking, it can be hard to keep tuition in check. At a time when funding for higher education is decreasing worldwide, demands for accountability are rising, and higher education is under pressure to cut costs, rankings that encourage increased expenditures can create significant financial burdens for institutions.[30]

Finally, rankings can influence decision making in the development and fundraising realm. A high ranking can raise an institution's profile and make investment more appealing to donors.[31] A higher ranking may give institutions the confidence to seek new sources of funding or more money from existing donors, and help them build a convincing case to back up the request. Rankings can also influence whom institutions target for fundraising. For example, because the *U.S. News* rankings take into account the percentage of alumni who donate but not the amounts of donations, an institution might be motivated to put development resources into maximizing alumni giving percentages rather than total money raised.[32]

[25] Ibid, p. 2.
[26] Ibid.
[27] Ehrenberg, 2003, p. 9.

[28] Farrell and Van Der Werf, 2007.
[29] H. Alexander and G. Noonan, "Macquarie Uni Falls in List, " *The Sydney Morning Herald* (November 9, 2007). Retrieved on March 30, 2009, from www.smh.com.au/news/national/macquarie-uni-falls-in-list/2007/11/08/1194329413250.html.
[30] Ehrenberg, 2001, p. 17.
[31] Hazelkorn, 2009.
[32] Ehrenberg, 2003, p. 11.

Admissions and Financial Aid

In the United States, higher education admissions are greatly affected by rankings. Because selectivity (measured by percentage of applicants accepted, yield rate, and average SAT score) is a key component of the *U.S. News* ranking, institutions that seek to rise in the rankings might take a variety of actions.

An institution might try to increase the number of applicants while maintaining the same number of students it accepts, thereby decreasing its acceptance rate. One institution profiled in a recent study on this topic discouraged less qualified students from applying; however, in response to trustees' concerns about rankings, this institution considered actively soliciting applications from underqualified students to lower its acceptance rate.[33]

Or an institution might focus on certain admission criteria over others, depending on which indicators will contribute to a high ranking. For example, because SAT scores are singled out in *U.S. News* as a measure of selectivity, some institutions place greater emphasis on these scores as a determinant of admission than on other factors, such as high school grade point average or application essay. Thus, they might accept candidates with the highest SAT scores to the exclusion of those whose strengths lie in other areas.[28] Some institutions try a different approach—they make the SAT optional. Because only candidates with high scores are likely to submit them, the average SAT score among applicants is likely to be high. At the same time, this practice attracts candidates who would not have applied if the SAT were required, thereby increasing the size of the applicant pool and decreasing the acceptance rate.[34]

An admissions office can improve the institution's yield rate in two ways. One is to increase the percentage of the incoming class that is admitted through the "early decision" process.[35] Candidates who apply for early decision sign an agreement that if they are admitted, they will enroll; thus, the yield rate for this group approaches 100 percent, which has a positive effect on the overall yield rate for the class. A second strategy is to increase the amount of available merit aid and make extremely attractive offers to the highest achieving candidates in the pool.[36] Modifying admission policies to improve institutional ranking has important consequences for access and diversity. The average SAT scores of minority and socioeconomically disadvantaged students are lower than those of their non-minority peers; when institutions emphasize SAT scores in admissions, minority candidates are often at a disadvantage.[37] More merit-based financial aid often means less need-based aid, which hurts minority students and decreases the likelihood that they will enroll.[38] Finally, the early decision pool tends to be disproportionately white and Asian, so accepting a greater percentage of the entering class through early decision is likely to lead to a less diverse class.[39] For this reason, a number of institutions have recently modified or eliminated their early decision options, putting pressure on all U.S. institutions to respond accordingly. The degree to which these changes will impact rankings is not yet known.

The research focuses primarily on how rankings influence admission practices in the United States; the impact in other countries is less clear. The United States is unique in the high level of autonomy that individual institutions have in the admission process and the variety of factors taken into account in selecting students. In many countries, admission is based entirely or almost entirely on a candidate's performance on one or more exams: secondary leaving exams, government or institutionally administered entrance exams, or standardized aptitude tests. In some countries, such as China, the admission process is centrally controlled; individual institutions play virtually no role in selecting students.[41] Thus, the impact of rankings on admissions in other countries is likely to be much more limited than in the United States. ▨

[33] Ehrenberg, 2001.

[34] P. Schmidt, "Researchers Accuse Selective Colleges of Giving Admissions Tests Too Much Weight," *Chronicle of Higher Education*, Today's News, May 2, 2008. Retrieved on May 21, 2008, from http://chronicle.com/daily/2008/05/2707n.htm.

[35] Ehrenberg, 2001.

[36] Machung, 1998.

[37] Ehrenberg, 2003.

[38] Schmidt, 2008.

[39] M. Clarke, "University Rankings and Their Impact on Students," *QS Top Universities*, January 6, 2007. Retrieved on July 9, 2008, from www.topuniversities.com/worlduniversityrankings/university_rankings_news/article/university_rankings_and_their_impact_on_students.

[40] Ehrenberg, 2001.

[41] R. M. Helms, *University Admission Worldwide* (Washington, D.C.: The World Bank, forthcoming).

Country Case Studies of the Impact of Rankings on Higher Education

Research on rankings reveals some of the ways in which rankings have influenced institutional decision making in the United States and, to some extent, in the rest of the world. However, an examination of how rankings influence institutional decision making at institutions in other countries is valuable for U.S. institutions that are seeking new ways to use rankings as positive drivers for institutional change. The four case studies—Australia, Germany, Japan, and Canada—offer insights into the relationship between rankings and decision making at the institutional level. Each case study includes a policy context for how institutions operate in that country and some of the factors that influence how institutions regard and use rankings. Institutions in three of the four countries—Australia, Germany, and Japan—focus primarily on how global rankings have affected their institutional decision making. Institutions in the fourth country—Canada—focus more on the impact of national rankings on their work.

In general, colleges and universities in the United States tend to focus on national rather than global rankings, with the exception of certain research universities. However, this is likely to change as the higher education market becomes more competitive and other countries create world-class universities. It is important for stakeholders in the United States to learn how other countries are raising their international profiles, as U.S. institutions may find themselves trying to keep pace with these efforts in the future.

AUSTRALIA

Australia, like the United States, has a federal system of government. Powers that are not specifically assigned to the Commonwealth government belong to the states. Education is in the latter category; however, in 1974, the Commonwealth government assumed full funding responsibility for universities and colleges of advanced education (CAEs).

Australia adopted the Unified National System (UNS) for higher education in 1989. This was a reversal of a 1961 decision to establish a binary system of (1) universities that support research and offer bachelor's and advanced degrees, and (2) CAEs that provide vocationally oriented diplomas and bachelor's degrees. CAEs primarily functioned as teaching institutions. Although CAEs were not prevented from undertaking research, they were not funded for it. CAEs were perceived as a cheaper version of higher education institutions. Throughout the 1980s, the higher education system dealt with funding issues and demographic pressure as the two parts of the system grew larger, leading to a complete overhaul of the sector (the Dawkins reforms) and the creation of the UNS. In 1991, 18 universities and 47 CAEs became 30 universities; by 1995, there were 35 universities.

"It's a reputation race/game and, in this, research is sexy. Reputation, unfortunately, is always based on research . . . and research attracts the best talent."

Standings of Australian Institutions in 2008 World Ranking Systems

INSTITUTION	THES (TOP 200)	SJT (TOP 100)
AUSTRALIAN NATIONAL UNIVERSITY	16	59
SYDNEY UNIVERSITY	37	97
MELBOURNE UNIVERSITY	38	73
QUEENSLAND UNIVERSITY	43	—
UNIVERSITY OF NEW SOUTH WALES	45	—
MONASH UNIVERSITY	47	—
UNIVERSITY OF WESTERN AUSTRALIA	83	—
UNIVERSITY OF ADELAIDE	106	—
MACQUARIE UNIVERSITY	182	—

THES: *QS World University Rankings* from Times Higher Education Supplement
SJT: Shanghai's Jiao Tong University's Academic World Rankings

SOURCE: THES, SEE WWW.TOPUNIVERSITIES.COM/WORLDUNIVERSITYRANKINGS/; SJT, SEE WWW.ARWU.ORG/RANK2008/EN2008.HTM

Twenty years later, the Dawkins reforms still permeate almost all conversations about Australian higher education, with many debates reiterating the pros and cons of the UNS. All universities are represented by the policy advocacy group Universities Australia, but differences are perpetuated through peer grouping mechanisms for mission-specific lobbying. Diversity of institutional mission, widening access and supporting regional and national economic growth are major policy objectives, especially given Australia's geographic and demographic challenges. Many tensions arise from increased competition for declining funding under a one- size-fits-all model. From 1995 to 2004, per-student funding declined by 27 percent—a decline second only to that in Hungary and significantly behind the Organization for Economic Cooperation and Development (OECD) average of 6 percent growth across all countries.

Funding is also complicated by internationalization. Australia is one of the top the student-importing countries in the world. The country's economic development compared with that of its neighbors and its need to diversify income contribute to this trend. In 2005, international students made up 19.3 percent of the student population at Australian universities, exceeding the OECD average of 6.7 percent. In some universities, international students comprise more than 50 percent of total students. Australia is also heavily involved in developing campuses in Malaysia, Vietnam, and South Africa, and in partnership arrangements with private institutions; and distance education. In 2008, education was the third largest export sector in Australia, representing a A$13.7 billion industry (approximately US$9.8 billion)—behind coal and iron ore, and ahead of tourism—which is the cause for both celebrations and anxiety. The anxiety is due to increased global competition for international students and global growth in capacity, especially at the undergraduate level. In 2007, tuition fees accounted for 39 percent of overseas student expenditures in Australia, with the balance representing spending by foreign students on goods and services such as food, accommodation, transportation and entertainment.[42] It is hard to see how the government or alternative income sources could replace this revenue, which explains why the global positioning of Australian higher education has prompted a pre-occupation with rankings among institutions and commentators.

[42] See reports from Austrade and Reserve Bank of America. Retrieved on March 15, 2009 from www.austrade.gov.au/Education/default.aspx; www.rba.gov.au/PublicationsAndResearch Bulletin/bu_jun08/aus_exports_education_services.html.

"Rankings are having a good effect. Now degrees are more portable, and competing with other universities and comparing their models makes for better universities."

The newly elected Labor government recently commissioned a review of higher education, led by the former vice chancellor of the University of South Australia, a member of the Australian Technology Network group. The aim of the review was to advise the government on "key objectives for higher education in Australia . . . and how these could be achieved through reform of the sector and changes to regulation and funding arrangements." Released in December 2008, the *Review of Australian Higher Education* calls for major changes, particularly in the areas of student access and choice, institutional autonomy, and institutional accountability. A new agency would oversee accreditation and issues of quality. It remains to be seen how many of the suggested changes will be adopted and implemented.[43]

If universities do become more autonomous with regard to courses of study and student enrollment, rankings may become more important as a tool for student choice and institutional mission differentiation. A number of ranking systems are used in Australia. When global rankings first appeared, the University of Melbourne funded the development of an Australian version. The University's Melbourne Institute of Applied Economics and Social Research publishes an annual *Index of the International Standing of Australian Universities*, which looks at how Australian institutions fare in the global context. Other systems with a more national focus include *The Good Universities Guide*, an annual rating system published by Hobson Guides; a number of rankings compiled by the Australian Universities Network; and a one-time ranking, published by the *Australian* newspaper in 2005, that focused on teaching and learning practices at Australian institutions.[44] The Australian institutes are also regularly included in the major international ranking systems (**FIGURE 1**).

Institutional Responses to Rankings
Rank-consciousness is strong among the higher education leadership in Australia. Many officials believe that rankings are here to stay and ranking systems are a form of external recognition. Although some higher education leaders suggest a more benign approach, institutional planning departments seem to prefer rank designations. Several institutions use detailed mapping and tracking exercises to determine where the university ranks according to various metrics. Most universities engage in regular reporting and discussion by the senior team and public announcements or critiques by the vice chancellor. Many faculty members report discussions at the departmental level. The overall effect is to inculcate rank-consciousness throughout the institution.

Overall, there is a strong preference for multiple rankings, primarily at the discipline or departmental level. The availability of multiple rankings dilutes the impact of any particular ranking, while disciplinary-specific rankings provide more accurate benchmarking information for the university and students.

Concern about the impact of rankings is felt across the system, among both top-ranked and not-ranked universities. The former are fearful of falling from grace, while the latter are concerned about their ability to survive in a competitive international student market. The public mauling of Macquarie University and some of its senior staff when it plummeted from 82 to 168 in the 2007 *Times QS Ranking* is an example of the focus on rankings.

Universities use rankings as a political lever to lobby for additional funds and for marketing purposes: "[We] use whatever accolades [we] have and ignore everything else." Universities at the top recognize the double edge of this strategy:

> "[Y]ou could, in a perverse way, argue that it's a disadvantage to be ranked too highly because government may look to spend funding elsewhere. So there's almost an argument to be nearly there but not quite there and say, well, look, if you give us an extra couple of million dollars, we reckon we can get over the line."

Impact on strategic thinking and options
Australian officials noted that rankings force universities to focus their attention on quality and performance. They are regularly used as a benchmarking mechanism, from which university leaders and planners "play against a basket [of rankings] and link it to your mission." Rankings are a "rod for management's back," providing the evidence for change despite questions about methodologies.

> "[T]he fact that you can link an international student driver and a domestic research driver and a government agenda and a philanthropist all through the one mechanism is quite a powerful tool in the arsenal of management, so

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[43] The full report is available online at www.deewr.gov.au/HigherEducation/Review/Pages/ReviewofAustralianHigherEducationReport.aspx.
[44] Additional information about Australia's ranking systems is available online at the IHEP Ranking Systems Clearinghouse, www.ihep.org/Research/rankingsystemsclearinghouse.cfm, and from World Education Services at www.wes.org/ewenr/06aug/australia.htm.

I actually think it's been good for the sector in being able to drive change and create a vehicle or a discussion point that then gives management more impetus. . . . "

Conversely, rankings may present a management challenge. Higher education leaders often need to deal with public ignorance concerning what rankings actually mean, especially misinterpretation of results and annual changes.

In certain professional disciplines, such as business, rankings are considered the equivalent of professional accreditation. While there are differences between rankings and accreditation, some similarities in the indicators and their influence exist:

• They measure the number of graduates and professors, and the research output;

• They bring international recognition; and

• Prospective students use them to identify a good place to go to school.

Professional accreditation enhances portability and opens the door to future employment. While there is some disagreement about whether professional accreditation affects rankings, its absence could be a stumbling block. One faculty member said that professional bodies are influenced by rankings, and that it could affect professional accreditation.

Rankings are often critical for peer assessment and partner identification. Membership in national and global higher education networks is considered vital. Networks enable internationalization of the brand, opportunities for bench-marking with appropriate peers, exchange programs for faculty and students, and research development. Everyone involved in these partnerships uses ranking information. As one faculty member said, the institution "would be unlikely to consider research partnerships with a lower ranked university unless the person or team was exceptional."

Impact on curriculum
Faculty at different types of institutions expressed some concern about the effects of rankings—or, as in the case below, the Australian teaching and learning assessment—on academic matters, such as curriculum. One interviewee described the discontinuation of a program that offered the initial years at one institution and enabled students to transfer elsewhere for completion, noting that counting graduation rates can be a disincentive:

> "It's actually driving some negative decision making in the sense that we are deliberately pulling back on offering one-year feeder courses to other institutions because it's a complete disincentive based on how the universities are assessed."

Another way of looking at this issue was described by an interviewee at a different type of university. The university spent considerable resources and time revising its curriculum while its competitor spent the same time and money building up research. The former university was fearful of losing its high ranking because it invested in curriculum instead of research.

Impact on academic practice
Across all universities, faculty members appear to perceive rankings as having a greater impact on the university than higher education leadership acknowledges. Among faculty, there is a strong feeling that rankings influence decisions, academic work, and the allocation of duties.

> "In my department, it has had an impact on allocation of duties by heads of department, with emphasis on giving some degree of lesser teaching to people who come up in the metrics as high-productivity researchers. . . ."

Faculty members perceive increased pressure for research output in specific journals. Similar pressure was recorded in response to the Australian Learning and Teaching Performance Fund—a government program instituted in 2006 to recognize institutions with strong teaching and learning practices. Some faculty claim that "teaching quality is being more closely monitored by the university." Others expressed concern about the impact on professional disciplines—such as engineering, business, and education—which do not have a strong tradition of peer-reviewed publications.

The overall effect of rankings is to generate anxiety, resulting in a great sense of pride if the university is doing well but anger or shame if it is not. One vice chancellor noted that a less-than-desirable outcome in the teaching and learning rank instilled a "fight-back" response. The following comments are from faculty at two different institutions:

> "I think the university needs to calm down. We've had two 'career panic days'—that's what I call them. They're like communist training sessions, where everyone has to stand up and say what they are doing to improve their career."

> "There's certainly a perception in some areas of this university that teaching is used as a punishment for people who don't get grants. I've had people actually say that to me."

Across all universities interviewed, faculty performance is linked to the type of measures that drive rankings. Because contracts are set at the enterprise level, each university can set targets appropriate to its own ambitions. While faculty express concern about this practice, one senior administrator said, "[S]taff have not responded negatively." Critics of rankings are concerned that the importance placed on mid-career scholars with good research records negatively affects recruitment of postdocs, younger scholars, and women (who often have reduced activity during the child-rearing years). On the other hand, a senior

administrator acknowledged that in working at a lower ranked university, he traded "the security of reputation for the opportunity to make a difference."

The Future of Rankings in the Australian Context
Despite the fact that most domestic undergraduate students attend their local university, Australian higher education operates in a very competitive environment, both domestically and globally. Competition is encouraged primarily through funding policy, pushing universities to earn an increasing share of their funding from international recruitment and to receive funding based on performance measurements. Accordingly, Australian institutions and higher education leaders are very market savvy.

Traditionally, domestic students have used *The Good Universities Guide*. Not a ranking but a rating system, the guide has had only a minor effect on student choice. So far only a small percent of high-achieving students are mobile. Some universities are beginning to develop programs to recruit these students with attractive packages. Meanwhile, research income and teaching and learning funding are used as a type of ranking, as well as international standing, which guides the Melbourne Institute of Applied Economics and Social Research's *Index of the International Standing of Australian Universities*. The consistent high rank of two Australian institutions, in particular, has drawn both positive and negative attention. For many, it signals greater attention outside the country for select Australian institutions, which raises the overall higher education profile for the country. Others argue that Australian institutions would have greater international presence if the country abandoned its institutional egalitarianism in favor of a more competitive model for key institutions. However, one vice chancellor expressed the following concern:

> "if the government agrees to fund universities trying to get into international ranking positions, the institutions catering to lower socioeconomic students will suffer and development of Australia will be threatened."

The government has made it clear that it wants the "higher education system to be world class so wherever students are in this country, whatever institution they're at, they're getting a world-class education."[45] Australia may be able to reconcile the tension between equity and excellence through more competitive and targeted funding linked to institutional missions (as called for in the *Review of Australian Higher Education*) and by using the complementary Review of the National Innovation System[46] to target research excellence.

Australia clearly wants (and needs) to play on the global stage. Rankings are ratcheting up the level of competition, introducing a new dynamic into the system and into the debate about higher education. Rankings generate a debate about the role and purpose of mass higher education, which reawakens arguments about the Dawkins reforms: How can Australia meet the investment needs required to compete at the highest level internationally while funding all universities at the same level? Are there too many universities with similar missions? If teaching is differentiated from research, what happens to regionally-focused research?

A systemwide concern is present in Australia's higher education sector; the sector is so dependent on international students that rankings exposure creates high stakes. Officials worry that although it is unlikely in the short term, the international market might dry up—there is some evidence that universities are shifting their attention to international postgraduate recruitment. At the same time, higher education stakeholders realize that domestic undergraduate students, especially high achievers, are likely to become more mobile. Both the University of Melbourne and the Australian National University belong to global networks; they use them to benchmark performance and as a semi-autonomous higher education system through which partnerships are made on a range of levels. Australian foreign policy under Labor is likely to be increasingly multi-lateral and more Asia/Pacific-focused compared with previous government policy, which was tied to the United States and to other countries in the Commonwealth. A multilateral shift holds major implications for Australian higher education: An Australasia network could be a powerful counterbalance to the European Union and the Americas.

At the same time, consumers believe that rankings, especially national rankings, work. Students admit using the ranking as a "bargaining tool with university management" to win important financial concessions. By "naming and shaming," rankings have forced universities to respond in ways that other less public actions may not have done. Rankings appear to work as a public accountability mechanism, forcing compliance and adoption of "good practice." This function is widely appreciated across the sector, from management to faculty to students—all of whom attribute changes in attitude and policies to rankings.

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[45] J. Gillard, Mister of Education, *Employment and Workplace Relations* (February 20, 2008): Radio interview. Retrieved on March 30, 2009 from www.deewr.gov.au/Ministers/Gillard/Media/Transcripts Pages/Article_081017_151131.aspx.

[46] Retrieved on March 30, 2009, from www.innovation.gov.au/innovationreview/Documents/ACallfor Submissions(28Feb2008).pdf.

GERMANY

The Federal Republic of Germany is composed of six *Länder*, each of which has its own constitution, government, and responsibility for education. The system is usually described as binary: the main division is between universities, which offer classical, discipline-based programs of study, and *Fachhochschulen*. The latter were established in 1970 to provide professionally oriented programs; since 1992, they have included applied research and development. Recently, in response to competitive pressures and boundary blurring as a result of the Bologna Process (see below), many *Fachhochschulen* have started calling themselves universities of applied sciences. Additionally, some Länder now use the simpler term "university"—for example, Reutlingen University. Germany has 372 higher education institutions (HEIs): 167 Fachhochschulen and 102 universities plus colleges of art, film and music; private universities and church-based institutions.[47]

German higher education policy is strongly influenced by European Union strategies: the European Higher Education Area (EHEA), the European Research Area (ERA), and the Lisbon Agenda. The EHEA and ERA aim to create an integrated educational system and build research capacity, while the Lisbon Agenda attempts to make the EU "the most dynamic and competitive knowledge-based economy in the world . . . by 2010."[48] The gap between these ambitions and the perceived poor standing of German universities, as illustrated by the SJT *Academic Ranking of World Universities*, is an important driver for other changes in German higher education.

A primary goal of German higher education policy is a shift from egalitarianism to a competitive system. The *Exzellenzinitiative* (Initiative for Excellence), introduced by the federal chancellor and German states in June 2005, marks a significant shift from the traditional emphasis on egalitarianism toward competition and stratification. The initiative aims to promote top-level science and research through the creation of a German "Ivy League" and focuses on internationally renowned publications to reclaim Germany's historic leadership position in research.[49]

As part of this effort, there has been a trend toward increased institutional autonomy. Traditionally, HEIs have been considered part of the public sector. The Länder determined the allocation of posts, appointment of professors, establishment or elimination of departments, and internal decision-making procedures; while faculty (especially professors, who have lifetime appointments) decided most academic matters. Since 1998, a modernized agenda has granted German universities greater autonomy, although the amount of flexibility is determined by each Land. *The Hochschulfreiheitsgesetz* (Higher Education Liberation Act), which took effect January 1, 2007, grants institutions more financial discretion and the right to charge tuition and make organizational changes. Meanwhile, participation in the Bologna Process (1999) aims to create a common higher education system across Europe via several initiatives such as: introduction of a three-level system (bachelor's/master's/doctorate), quality assurance, and recognition of qualifications and periods of study. A by-product of this process is the weakening of traditional distinctions between universities and Fachhochschulen, which now offer bachelor's and master's degree programs and engage in applied research and development. Bologna is also an important driver of competition. With the removal of historic and elite barriers between institutions, German institutions now find themselves competing with other institutions domestically and throughout Europe. The ability to move easily across boundaries places greater power in students' hands.

These trends have made consumer information and benchmarking all the more important. The Centre for Higher Education Development (CHE), in association with the German Academic Exchange Service (DAAD) and the weekly newspaper *Die Zeit*, publishes an annual ranking of universities.[50] The CHE ranking is different from traditional ranking systems in that it uses interactive multimedia technology to provide multi-dimensional information and enables users to rank higher education institutions according to their own preferences. In fact, rather than ranking numerically, CHE bands institutions into three categories: top, middle, and bottom. It also allows users to view information by subject/discipline across institutions. Widely considered the most progressive ranking system, the CHE system maintains separate university and Fachhochschulen lists, and relies heavily on survey and reputational data from students and professors. In light of the success of its under-

[47] DAAD, German Academic Exchange Service. Retrieved on March 30, 2009, from www.daad.de/deutschland/hochschulen/hochschultypen/00414.en.html.

[48] European Communities, *Facing the Challenge: The Lisbon Strategy for Growth and Employment*, report from the High-Level Group chaired by Wim Kok (Luxembourg: Office for Official Publications of the European Communities, 2004), p. 6. Retrieved on April 8, 2008 from http://ec europa.eu/growthandjobs/pdf/kok_report_en.pdf.

[49] See, for example, M. Chambers, "Germany Aims to Rebuild Research Strength," *International Herald Tribune*, November 22, 2007. Retrieved on April 19, 2008, from www.iht.com/articles/2007/11/22/business/gbrain.php.

[50] See www.daad.de/deutschland/hochschulen/hochschulranking/06544.en.html and www.wes.org/ewenr/06aug/germany.htm#german.

graduate ranking system, CHE recently developed a graduate program ranking system. Many other non-commercial, commercial, and discipline-based systems exist in Germany, such as those by Humboldt, the German Research Foundation, *Der Spiegel*, *Karriere*, and *Wirtschaftswoche*. All these systems and the international ranking systems in which German institutions are also included (**FIGURE 2**) are considered important sources for student information, benchmarking tools, and useful marketing techniques.[51]

Institutional Responses to Rankings

Ranking consciousness has risen sharply in recent years, especially since the introduction of the Excellence Initiative. While national rankings have been around for many years, global rankings are becoming increasingly important. There is an almost unanimous view that the German government is strongly influenced by global rankings: "Very clearly, the Excellence Initiative came from the observation . . . that German universities were not named in the Shanghai ranking."

Many perceive that higher rankings bring benefits; for example, rankings influence the recruitment of high-achieving students, which positively affects reputation. As a result, rankings are regularly discussed within the rectorate, the senior university staff, and several universities indicated that they compile a host of data for strategic benchmarking, identifying targets and actions, monitoring peer performance, and critiquing ranking systems for public comment purposes. Although the level of scrutiny varies, all German institutions appear to watch rankings carefully, regardless of where they rank: "[We] must take rankings into account, because others do."

Rankings in Germany are primarily used to inform strategic thinking and identify options. For example, two interviewees described their institutions' strategic ambitions using ranking terminology:

> "To be number 2—that would be good—and to be among the first 10 universities in Germany is also a goal. We are 10 or 11 . . . ; we might reach number 5 or 6. . . . "

> "That's one reason why we are ranked very high, because we were aware of rankings and the importance of rankings."

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[51] Additional information about Germany's ranking systems is available online at the IHEP Ranking Systems Clearinghouse, www.ihep.org/Research/rankingsystemsclearinghouse.cfm, and from World Education Services at www.wes.org/ewenr/06aug/germany.htm.

FIGURE 2

Standings of German Institutions in 2008 World Ranking Systems

INSTITUTION	THES (TOP 200)	SJT (TOP 100)
HEIDELBERG UNIVERSITY	57	67
TECHNICAL UNIVERSITY OF MUNICH	78	57
LUDWIG-MAXIMILIANS UNIVERSITY, MUNICH	93	—
FREE UNIVERSITY OF BERLIN	137	—
HUMBOLDT UNIVERSITY OF BERLIN	139	—
FREIBERG UNIVERSITY	147	96
EBERHARD KARLS UNIVERSITY OF TUBINGEN	155	—
GOETTINGEN UNIVERSITY	166	90
UNIVERSITY OF FRANKFURT AM MAIN	169	—
TECHNICAL UNIVERSITY OF BERLIN	188	—
STUTTGART UNIVERSITY	190	—
MUNICH UNIVERSITY	—	55
BONN UNIVERSITY	—	97

THES: *QS World University Rankings* from Times Higher Education Supplement
SJT: Shanghai's Jiao Tong University's Academic World Rankings

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SOURCE: THES, SEE WWW.TOPUNIVERSITIES.COM/WORLDUNIVERSITYRANKINGS/; SJT, SEE WWW.ARWU.ORG/RANK2008/EN2008.HTM

"It is obvious that the future structure of the university—over the next five or 10 years—will be different. There will be a faculty weakening and others will get more important, with more money and more visibility."

Rankings are used to help identify strengths and weaknesses, and to help clarify and refine profile and mission. Rectors may engage their entire senior staff at an annual retreat, or the discussion may occur at the departmental level, but the aims are similar: to facilitate organizational change, underpin quality assurance, set key performance indicators, inform resource allocation and investment, identify peers and networks, and improve reputation.

Organizational change

Interviews with various stakeholders suggest that universities are carefully examining their organizational structure and practice. Many use rankings to help identify peer institutions that offer best practice models, for example, in how to structure research, such as developing interdisciplinary centers or specialized institutes. Some universities are reorganizing departments—merging small units into larger ones to enhance their visibility and critical mass and to achieve greater efficiency.

A common theme is the expansion of marketing techniques, international offices, and public affairs offices, with particular emphasis on profiling higher education institutions outside the country, either to recruit master's and PhD students or to establish partnerships. Marketing techniques are leading to enhanced professionalization of higher education management functions, such as the appointment of marketing personnel with experience in the "real" world. One interviewee said his university brought in "change management" consultants.

Quality assurance

Rankings help identify good and weak performance, and are influencing the development of quality assurance processes in Germany, which is at an earlier stage than other countries in the development of an audit culture. At the same time, the higher education community is engaged in a parallel discussion about the importance of accreditation. Quality assurance differs from accreditation and rankings, and many universities see accreditation as more important than rankings for certain disciplines, such as business. Because accreditation specifies minimum standards (e.g., number of academic staff, publication output, and number of graduates and their employment history), it functions similarly to rankings in reassuring students and employers. Business schools that are not accredited by the Association to Advance Collegiate Schools of Business (AACSB) or the European Quality Improvement System (Equis) might find their rankings affected. Accordingly, universities are

restructuring departments to improve recruitment and output to achieve accreditation in much the same way they do to improve their ranking.[52]

Key performance indicators and resource allocation

Rankings are regularly used to help identify internal benchmarks. The common argument is that if these measures are used by external organizations, it makes sense to use them internally. The benchmarks can be at the university, faculty, or individual level, and are increasingly a factor in resource allocation, fueling the "battle about finances within the department." However, the effect may be counterintuitive:

> "[F]aculty who are weak are getting more resources to improve."

Identify peers and networks

Rankings have enabled institutions to identify peers for the purpose of forming partnerships (academic exchange, student exchange, and research) or reaffirming the value of an existing partnership, and this trend is likely to increase in the future. Institutions ranked low or not at all seek to identify other attributes, such as their niche or location. Several universities specifically mentioned that they benchmark their performance against that of their peer group or against the next higher group. Membership in international networks is considered to be vital.

Impact on academic staff

Ranking consciousness is high among academic staff, and rankings are discussed at the departmental level and in social environments. The interviews suggested that faculty experience greater pressure from rankings than the higher education leadership acknowledges. For example, many faculty members agree that there is increased emphasis on research output, especially with regard to certain journals and standard institutional referencing. Rankings are used to identify performers and underperformers, and to inform decisions about departmental budgets, resource allocation, and structure. Additionally, authors of peer-reviewed papers are financially rewarded.

Many factors combine to affect reputation, but the quality of the academic staff is seen as a major factor. Since legislative changes allowed higher education management to adopt a

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[52] For more information, see www.topmba.com/mba_admissions/mba_admissions_advice/article/accreditation_of_business_schools_does_it_matter. See example from Reutlingen University at www.sib.reutlingen-university.de/index.php?id=media-rankings&L=1.

more direct role in recruitment, more attention has been focused on head-hunting high-achieving academics and PhD students. These recruitment efforts are seen as vital, contributing to the institution's reputation, which in turn attracts more high-achieving academics. Changes are also evident in international recruitment. For example, one rector noted that recruitment ads need to be placed in English, rather than just in German.

The Future of Rankings in the German Context
Several trends are likely to affect how rankings are perceived in Germany. Inter-institutional competition has been rare in Germany. Students historically attend the university closest to their home, and all graduates are perceived as equal, with the exception of the distinction between universities and Fachhochschulen. This is all changing. Arguably, university rankings (national, global, and discipline-based) play an important role in persuading the government and universities to rethink core national values. These changes are broadly welcomed by higher education leadership, students, and staff, who tend to equate competition with progressiveness and even national pride.

Few doubt that the German government is influenced by global rankings, as evidenced by its Excellence Initiative. For many observers, the most interesting aspect of the initiative was how the universities responded, which suggests that even relatively small amounts of money can successfully drive institutional behavior. Ironically, whether intentional or not, the Excellence Initiative is interpreted as a new type of ranking, evoking similar responses from all stakeholders. In addition, rankings are accelerating competition between Länder as each vies against each other. The success in the Excellence Initiative for the universities in Bavaria and Baden-Württemburg was not surprising because of those states' wealth and level of investment. In other states, institutions are using their position in the rankings—both good and bad—to lobby their Länder for additional funding.

Internationalization and modernization continue to affect the German higher education sector. Historically, Germany has been an international leader in higher education and research, but language and culture have presented some barriers. This is changing, and many programs, especially at the postgraduate level, are being offered in English. Rankings are playing a role in this process. Not only do universities realize that Germany needs to actively head-hunt top academic researchers and PhD students from around the world, but there is also a concern that demographic changes after 2015 will lead to a shortage of

domestic students. In this scenario, international recruitment is vital. In addition, competition for high-achieving domestic students is heating up. Increased institutional autonomy and the right to charge fees are influencing how institutions respond to recruitment pressures. Already, some universities are focusing more resources and time on recruitment and partnership formation. Competition will likely lead to changes in the academic profession and work practices; new performance measures and recruitment practices will challenge the traditional power of the professoriate and individual professors.

These developments are changing the way German institutions have historically operated. Not only is the governance structure changing—broadly in line with international trends for greater autonomy with accountability—but German institutions also are learning how to live with competition. This is evident in the development of more professional approaches to management, strategic planning and decision making, and in the approach to academic recruitment and human resource management. The wind of change is felt across the organization, even if the leadership is reluctant to admit the extent of the changes felt by academics.

Another trend is the continued development of benchmarking and monitoring. Many people in the German higher education community see a strong correlation between rankings and quality and everyone wants to ensure that their university is highly placed in the relevant ranking system (e.g., CHE, discipline, business, and global). Rankings are beginning to be used as a quality assurance measure, in an environment in which formal quality assurance processes are still relatively immature. As discussed earlier, a correlation is also seen between rankings and accreditation. While rankings are viewed as a beneficial tool for improving German higher education—presenting "an image of the reality and giving real information"—many people are concerned about the indicators used by ranking systems:

- SJT emphasizes traditional academic measures such as citations, which do not credit Germany's strong technological bias;

- CHE uses student and academic surveys that rely on reputational factors that are subject to gaming; and

- *The Times* QS uses peer review, which reflects its Anglo bias.

As one interviewee said,

> "In a university in Bavaria, the professors told the students to make the department sound better than it actually was . . . because they are afraid that universities that are better will get more money. . . ."

Many people are concerned about reliance on quantitative rather than qualitative data, and the connection between rankings and reputation compared with benchmarking and institutional improvement.

Competitive pressures, exemplified by rankings, are likely to ensure that collaboration will become increasingly important to achieve greater critical mass and visibility to strengthen an institution's position globally. Increased global presence may contribute to the reconfiguration of German institutions, with mergers between universities, between universities and Fachhochschulen, and between universities and research institutes. The current autonomous status of the research institutes means that a key component is not included in the global rankings of universities, which contributes to Germany's low standing.

Given EU policies and Germany's geographic position, collaboration may not be confined within national boundaries. Institutions may find that their best collaborators are within a cross-national region. Many people believe that national boundaries may become less important. Inter- and intra-institutional collaboration may further strengthen as institutions use rankings or similar indicators to identify appropriate peers with whom they can form "networks of excellence" and with whom they can conduct an increasing amount of business, such as benchmarking, research, program development, and student/academic exchanges. As universities form regional and global networks, their relationship to their individual nations—not only in the EU context—may take a different form.

JAPAN

Japanese higher education is characterized by a limited public sector controlled by national and local governments, and a very large market-driven private sector. As of 2005, Japan had 726 universities, divided into three types: 87 national universities, controlled by the Ministry of Education, Culture, Sports, Science, and Technology (MEXT); 86 public universities run by local or regional governments; and 553 private universities.[53] In 2005, 74 percent of the 2,865,051 students attended a private university.

Since 2000, the government has introduced a series of legislative and policy initiatives aimed at increasing institutional autonomy and management capabilities, enhancing evaluation, emphasizing quality, and developing internationally competitive research via centers of excellence, global centers of excellence, and graduate schools.[54] The government hopes that these initiatives will effect a transformation of the higher education system, replacing traditional public/private distinctions with differentiation based on market-sensitive profiles; and emphasizing teaching, research, and community service along international, national, and regional lines. Most of the initiatives follow a similar pattern to that adopted by other governments.

Legislation introduced in April 2004 granted independent corporation status to the 87 national universities. The intent was to transform the way public universities are governed and managed, and to encourage universities to adopt private-sector characteristics. Although universities are still part of the public sector, staff will no longer be civil servants, and universities will be able to set their own tuition levels within national parameters. In 2006, the government began decreasing funding for national universities by 1 percent annually. Private institutions are essentially self-financed by tuition, application and entrance fees, donations, and income from auxiliary services; state subsidies for private universities have decreased since 1980, and the proportion of subsidies for current expenditures is only 12 percent.

Meanwhile Japan, like many OECD countries, is facing a demographic transformation: fewer prospective higher education students, more older people, and a financial crunch at a time

[53] See www.mext.go.jp/english/statist/06060808/pdf/078.pdf.
[54] See www.jsps.go.jp/english/e-21coe/index.html, as well as Oba, "Incorporation of National Universities in Japan," *Asia Pacific Journal of Education* 27(3) (2007): 291–303.

when global competition is demanding greater investment in higher education. Protected in the past by geography from the full effect of competition, Japan's universities are facing considerable pressure and urgency to reform and modernize.

In an effort to overcome some of these problems, the government aims to increase the number of international students from the current 100,000 to 300,000 by 2020. In 2005, MEXT inaugurated the Strategic Fund for Establishing International Headquarters in Universities[55] to establish and strengthen "international strategy headquarters" within universities and research institutions. The program is aimed at creating an internationally competitive research environment to attract outstanding researchers from within Japan and abroad. The abundance of ranking systems in Japan reflects, inpart, the increasing pressure for transparency and excellence at Japanese institutions. The most popular ranking is produced by *Asahi Shimbun*, one of the leading newspapers. It began publishing the *Daigaku [University] Ranking* in 1994. Unlike many other systems, *Asahi Shimbun* uses as many indicators as it can find information for and does not aggregate the result into a single comprehensive rank. Currently, *Asahi Shimbun* collects data on more than 70 indicators for various aspects of performance annually. The rankings were meant to provide more information about Japanese universities to students preparing for entrance examinations, but the publication's main audience is not students but rather faculty and other stakeholders.

Rankings through Student Surveys, by Recruit Ltd., are produced as university guidebooks as well as in the organization's magazine, *College Management*, which is distributed to people interested in higher education management.[56] The *Yomiuri Shimbun*, another leading newspaper, is developing a new ranking system that reflects the government's attention to quality assurance and faculty development issues. The aim is to create a source of information about various aspects of universities to which high school students can refer when they are choosing a school. Titled *The Ability of the University*, this system aims to improve the quality of education and includes answers to questionnaires filled out by presidents of four-year universities, both public and private.[57]

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[55] See www.jsps.go.jp/english/e-quart/13/index02.html.

[56] S. Yonezawa, I. Nakatsui, and T. Kobayashi, "University Rankings in Japan," *Higher Education in Europe* 27(4) (2002): 373–382.

[57] Additional information about Japan's ranking systems is available online at the IHEP Ranking Systems Clearinghouse, www.ihep.org/Research/rankingsystemsclearinghouse.cfm, and from World Education Services at www.wes.org/ewenr/06aug/japan.htm.

FIGURE 3

Standings of Japanese Institutions in 2008 World Ranking Systems

INSTITUTION	THES (TOP 200)	SJT (TOP 100)
UNIVERSITY OF TOKYO	19	19
KYOTO UNIVERSITY	25	23
OSAKA UNIVERSITY	44	68
TOKYO INSTITUTE OF TECHNOLOGY	61	—
TOHOKU UNIVERSITY	112	79
NAGOYA UNIVERSITY	120	—
KYUSHU UNIVERSITY	158	—
HOKKAIDO UNIVERSITY	174	—
WASEDA UNIVERSITY	180	—
KOBE UNIVERSITY	199	

THES: *QS World University Rankings* from Times Higher Education Supplement
SJT: Shanghai's Jiao Tong University's Academic World Rankings

In addition to domestic rankings, global rankings have increased inter-institutional and international competition. **FIGURE 3** highlights the degree to which Japanese institutions are featured in international ranking systems. Higher education leaders, senior staff, and international offices are especially attuned to the new competitive climate but, according to those interviewed, they face a range of challenges getting their institutions into shape.

Institutional Responses to Rankings

Japanese universities are increasingly conscious of national and global rankings since the introduction of competition into the system. Higher education institutions have been forced to become aware of their strategic positions and institutional goals. In several universities, the president refers to rankings in speeches to students and new faculty, and with other stakeholders. Rankings are used to promote the university both internally and externally.

The government knows which universities are highly ranked, and many people believe that universities with good rankings receive more attention from the government. As one official said, "The government uses the rankings when it decides on the allocation of public funds for the universities." The government and the Ministry for Education, Culture, Sports, Science and Technology (MEXT) have different approaches to institutional rankings. The ministry, which is a permanent civil service, has a more cautious view of the importance of rankings for its own decision making purposes, while admitting that the government does appear to be influenced by rankings.

Institutional responses to rankings are ambiguous. Leaders say that they are "influenced" but not "controlled" by rankings. Rankings are used "as a kind of technique to improve performance . . . it's an ambivalent situation." The response also depends on whether the university receives most of its funding from the government (national universities) or student tuition (private universities). One higher education leader observed that national universities are more likely to use rankings to lobby the government for additional money, while at private universities, "satisfaction of the student is much more important . . . so how to use rankings . . . differs from university to university."

Higher education leaders believe that rankings—especially new evaluations—influence the Japanese government, although the government does not comment on them officially. They also believe that rankings influence the community, which is important now that universities are seeking to raise additional funds through philanthropy. The community and industry like to know that they have a good university. Rankings are also used to identify peers, particularly in specific disciplines and at the department level.

For institutions, especially newer regional universities, rankings bring visibility. For them, it is not just about being highly ranked;

it is about being recognized. Many university leaders at all levels in the popularity stakes (as in Germany and Australia) commented that rankings made their institutions better known, both nationally and internationally. While some universities vie for high rank, for many others, just being mentioned can be beneficial and can help overcome local bias or tradition.

Institutional position and strategy

Higher education leaders and their senior teams are beginning to develop strategic plans, although this process appears to be at a relatively early stage in most universities. High-ranked universities appear to have more sophisticated methods for reviewing the rankings, through either the president or the vice president for international relations. One university recently produced a comprehensive strategic plan directly correlated to rankings:

> "This strategic plan . . . reflects our unswerving commitment . . . to transform our university, within the next 10 years, into a world-class institution that will be ranked among the top 30 leading universities in the world."

While several universities indicated that they are aiming to be in the top 50 globally, the top-ranked Japanese university was confident about retaining its position. And an external stakeholder said the Japanese government would do whatever it takes to ensure that the Universities of Tokyo and Kyoto remain competitive relative to Beijing University, National University of Singapore, and Seoul National University—all of whose governments are investing considerable sums. Higher ranked universities, both national and private, are honing their fundraising skills to support their ambitions. Regional universities are also getting into the fundraising process.

All Japanese higher education institutions are becoming more strategic, identifying research strengths and niche competencies, reviewing resource allocations, recruiting international scholars, and adapting their curricula. There is a difference in tone between international institutions and newer, regionally focused universities. International institutions exude greater confidence on the basis of their experience operating and recruiting on the world stage, although they are aware of the challenges. Regional universities acknowledge their weaknesses with respect to the research competence of faculty, percentage of international faculty and students, and facilities. Nonetheless, these institutions refer to rankings to help improve performance and international standing. Faculty members seem less aware of the competitive challenges

"We are in the process of enriching programs for foreign students, including increasing the number of courses taught in English and providing assistance for smoother settlement in Japan. We are also expanding exchange programs with globally prominent institutes, including Harvard and Yale."

of rankings, although some admitted that they would have to change to survive. In general, institutions appear to be largely passive with respect to student recruitment—they have tended to wait for students to come to them.

Specific developments

Japanese institutions are beginning a process of institutional reform. They may not be making changes simply to affect the indicators, but there is a strong correlation between the two. For example, according to one school official,

> "We analyze these different elements (e.g. staff/student ratio, publishing papers in English, increasing international students, improving peer reputation) . . . [W]e talk to the dean of each school and to the board members. Then we find a method to improve the ranking. So that's the agenda."

A common characteristic of these processes is to internationalize Japanese higher education as much as possible. This includes making institutions more attractive to international students and faculty, embedding Japanese institutions in global networks and international activities, attracting high-achieving domestic students, and improving teacher quality. Improving teacher quality is a prime government objective that is pursued through faculty development programs, including the following:

Curriculum
- Building up science and technology disciplines (e.g., medicine, engineering, environmental sciences, life sciences), especially at the postgraduate level.

- Developing postgraduate activities to attract international faculty and students, with an emphasis on English-language provision.

- Improving teaching quality. Some universities said that faculty members have traditionally focused primarily on their research and not enough on education.

- Increasing the use of student surveys and faculty development programs.

- Expanding the number of courses taught in English, as well as Japanese language programs for incoming international students.

- Allocating "more international activities: alliances, exchange programs, overseas offices, scholarships, housing, etc." and strengthening fundraising activities to "advance internationalization."

- Improving the staff-student ratio to enhance the teaching environment.

Recruitment
- Recruiting gifted international students and expanding international student facilities, dormitories, and so on.

- Recruiting high-achieving, internationally focused faculty using attractive financial packages based on performance/merit.

- Recruiting high-achieving Japanese students via a new university scholarship system.

- Improving the admissions test. Currently, each university administers its own test, and there is some controversy about how many subjects are tested over how many days, and whether test schedules are accidentally or purposefully in conflict with those of competitor universities.

Impact on faculty

Reform of Japanese teaching is a strong theme across all universities. New recruitment procedures and appointment of faculty are more likely to be through public competition than traditional methods, such as peer references or family connections. Institutional flexibility enables universities to offer various tenure arrangements and salary packages to entice internationally competitive scholars. For example,

> "In the first-year contract, they have a list of targets or requirements, and there is a formal evaluation that includes both research and publication. That's the new system that was introduced last year."

In the past, all Japanese national universities operated under a single salary scheme; the new legislation allows some flexibility. At one university, exceptional scholars can earn up to twice their baseline salary on the basis of their performance; other universities are introducing similar initiatives. Knowledge of Japanese is not required, because these scholars will teach at the postgraduate level, with international or internationally focused students.

"English-speaking universities are highly ranked, but almost all Japanese universities are managed in Japanese and taught in Japanese . . . so we guess that's why, in general, Japanese universities are ranked relatively low."

The Future of Rankings in the Japanese Context

Reform of Japanese higher education coincides with the emergence of global rankings; in turn, rankings are an impetus to modernization. According to the 2008 SJT or THES rankings, Japan has either nine or 10 universities, respectively, in the top 200 and is ranked fifth in the world. But if the THES data is controlled for population or GDP, it falls to 18th.[58]

Given Japan's culture, history and global position, status and prestige as defined by rankings are important. This may partially explain why the government's desire to develop 30 top world-class universities has not been openly opposed, at least not among the people interviewed in this study. Instead, rankings are viewed as a positive development.

A major challenge is whether Japanese universities can change fast enough to compete. This is not merely a question of the level of investment, although this factor is mentioned with regard to dormitories and other facilities for international students. Rather, it is a question of changing from a traditional authoritarian system into one where universities are more autonomous, strategic, competitive, and distinctive. Rankings illustrate the preparedness of universities to compete.

Internationalization is the most pressing issue in Japanese higher education. The THES rankings use internationalization as an index of global competitiveness for a good reason, but this is Japan's Achilles heel. Culturally and linguistically (as well as politically and historically), Japan is relatively sheltered; if it wants to compete globally, it will have to change. Reaching the ambitious targets set by the government seems a tall order to most university presidents.

Readying Japanese higher education for an influx of international students means upgrading campuses and transforming programs and activities into English, even though over 92 percent of foreign students come from Asia (60 percent from China and 15 percent from Korea).[59] English is the common language and is essential for publication in the international journals captured by the bibliometrics used by the different ranking systems. However, not a lot of faculty members in Japan can teach in English, and not many international students,

especially at the undergraduate level, understand Japanese. All higher education leaders see the transition to English-language programs as a positive development. No one is reflecting on the longer term sociocultural implications of transforming sections of the higher education system into English.

Because of the language challenges, most of the universities target specific disciplines, especially the sciences. Japanese universities already have a reputation that is likely to be attractive to international students; this, in turn, can attract international faculty. Universities tend to invest in programs that are most appealing in the global market. This strategy means concentrating resources on a select range of fields. The downside is the relative neglect of humanities and social sciences, which are more likely to be taught and researched in Japanese, and a lack of undergraduate programs in English.

Japanese institutions face other challenges in addition to language. In a comparison of competitive advantages of different countries, the Observatory of Borderless Higher Education indicates that Japan's only advantage is low tuition. There are restrictions on student visas, the cost of living is high, and no preparatory lessons are available before the start of classes.[60]

Finally, demographic changes and rising costs have already led to the closure of several private universities. This trend is likely to continue and may be welcomed. Too many small private universities exist in Japan, and the government would like to concentrate on building excellence in a few institutions. The higher education environment is becoming more difficult, and inter-institutional competition for students, faculty, research funding, and sponsorship is escalating. Many people believe that "in order for Japanese institutions to compete globally, the government will close down some regional and private universities and direct money to the major universities" or that some institutions will become teaching colleges only. "The traditional view—that teaching should be informed by research—is changing."

[58] E. Beerkins, "Higher Education, Science and Innovation from a Global Perspective," Beerkens Blog. http://blog.beerkens.info/index.php/2007/11/thes-ranking-2007-by-country/#more-273.
[59] Japan Student Services Organisation, International Students Statistics (2007). www.jasso.go.jp/statistics/intl_student/data07_e.html.

[60] S. Jaschik, "The Mobile International Student," *Inside Higher Ed* (October 10, 2007). www.insidehighered.com/news/2007/10/10/mobile.

"Did you know? The University of Toronto, University of British Columbia, McGill University, and McMaster University are all ranked in the top 100 world universities in a 2006 study conducted by the Shanghai Institution of Higher Education."

—www.considercanada.org

CANADA

In Canada, as in most other countries with well-developed federal systems, the jurisdiction for education rests with the provincial or territorial governments. Unlike several comparable countries, Canada has no federal ministry of education and no formal accreditation process. Some organizations share data and benchmarks for various programs, but none undertakes accreditation, as the regional accrediting organizations in the United States do.

Canada has more than 90 degree-granting institutions. With few exceptions, they are publicly funded. They include research universities, which offer undergraduate as well as graduate and professional degrees, and university colleges, which offer only bachelor's degrees. Canada also has more than 200 community colleges that offer mostly career-oriented certificate and diploma programs. Student tuition and fees are set by the provincial governments and vary from province to province. Tuition also varies, depending on institution type and level of study. About 70,000 foreign students represent approximately 7 percent of postsecondary enrollment. About 50 percent of foreign students are from Asia, and nearly half of those are from China. There is growing concern that world rankings will influence the choices of foreign students.

Although the provinces have jurisdiction over education, the federal government has always been interested in higher education, and this interest has increased recently. Federal support covers only about 12 percent of the total budget for Canadian universities. A primary source of funding is through three granting agencies that support research and graduate students. In 2006, these agencies had a combined base budget of approximately $1.65 billion. Smaller budgetary initiatives over the past decade focused on hiring and retaining outstanding faculty and attracting exceptional graduate students. However, Canada falls behind other developed countries in its support of postsecondary education. Its expenditures for research are below the average for the G-8 countries, and its per-student contribution to operating and research budgets was $5,000 less than that of the U.S. government.

In recent years, increasingly limited funding has been a growing concern for institutions, as it affects faculty numbers, class sizes, and the overall academic program.[61] With few job prospects and low wages compared with the United States, faculty members are leaving the country for work elsewhere. Student-faculty ratios, and thus class sizes, are growing, which some people believe is limiting opportunities for student learning and negatively affecting academic quality. Limited funding is also causing tuition increases, which affect student access and affordability. These pressures come at a time when Canada, like the United States and other industrialized nations, is facing shifting labor markets and concern over how the higher education system can provide students with the skills they will need in a changing economy.

However, compared with the changing environments in the other countries in this study, the Canadian higher education system and the policy context in which it operates are relatively stable. Despite some small steps to change the system—such as the recent opening of the country's first small, private liberal arts institution as an alternative to the large, publicly funded institutions—the issues are being worked out within a well-established, provincially controlled system.[62]

Canada's oldest and most prominent ranking system is published annually by *Maclean's*, a weekly current affairs magazine similar to *U.S. News*. The *Maclean's* rankings are grouped by institutional mission: primarily, undergraduate institutions with no sizable graduate focus, comprehensive institutions that have a range of graduate programs and a focus on undergraduates, and medical/doctoral institutions with a primary focus on research. With a consumer-based audience, the *Maclean's* indicators include a range of data such as entering student profile, class size, faculty pedigree, reputation, library holdings, and institutional expenditures. In recent years, a second ranking system, *Canada's Top 50 Research Universities List*, has been published annually by RE$EARCH Infosource Inc., an independent research organization. These rankings measure institutional research intensity by focusing on research dollars and the extent to which faculty and graduate students are engaged in research.[63]

[61] C. M. Beach, R. W. Boadway, and R. M. McInnis, "Introduction," *Higher Education in Canada* (Ontario, Canada: John Deutsch Institute for the Study of Economic Policy, McGill-Queen's University Press, 2005). Retrieved on December 20, 2008, from http://jdi.econ.queensu.ca/Publications/HigherEducation.html#contents.

[62] K. Birchard, "A New College Challenges Canada's Public Model," *Chronicle of Higher Education*, May 9, 2008. Retrieved on January 5, 2009, from http://chronicle.com/weekly/v54/i35/35a02201.htm.

[63] Additional information about Canada's ranking systems is available online at the IHEP Ranking Systems Clearinghouse, www.ihep.org/Research/rankingsystemsclearinghouse.cfm, and from World Education Services at www.wes.org/ewenr/06aug/japan.htm.

FIGURE 4

Standings of Canadian Institutions in 2008 World Ranking Systems

INSTITUTION	THES (TOP 200)	SJT (TOP 100)
MCGILL UNIVERSITY	20	60
UNIVERSITY OF BRITISH COLUMBIA	34	35
UNIVERSITY OF TORONTO	41	24
UNIVERSITY OF ALBERTA	74	—
UNIVERSITE DE MONTREAL	91	—
MCMASTER UNIVERSITY	117	89
QUEEN'S UNIVERSITY	117	—
UNIVERSITY OF WATERLOO	129	—
UNIVERSITY OF WESTERN ONTARIO	159	—
SIMON FRASER UNIVERSITY	164	—
UNIVERSITY OF CALGARY	170	—
DALHOUSIE UNIVERSITY	197	—

THES: *QS World University Rankings* from Times Higher Education Supplement
SJT: Shanghai's Jiao Tong University's Academic World Rankings

SOURCE: THES, SEE WWW.TOPUNIVERSITIES.COM/WORLDUNIVERSITYRANKINGS/; SJT, SEE WWW.ARWU.ORG/RANK2008/EN2008.HTM

Institutional Responses to Rankings

In many Canadian institutions, the national ranking schemes, particularly *Maclean's*, are more widely known and discussed than world rankings. The research-intensive universities are most aware of world rankings and their possible impact on an institution's global reputation (**FIGURE 4**). They realize that the forces of globalization and national competitiveness mean that only world-class universities will be regarded as major players in research initiatives and desirable academic destinations for the best students of all national origins. The leaders of Canadian institutions expressed concern about the flawed methodologies of both national and world ranking systems. In fact, in 2006, 25 universities decided to boycott the *Maclean's* rankings. Nevertheless, most institutional leaders acknowledge the permanence of rankings because of their commercial appeal and the ability of *Maclean's* and others to gather data from public sources. Opinions differ as to how much attention should be paid to the rankings and whether it is worthwhile to try to improve the ranking methodologies. Overall, Canadian universities, particularly the strongest ones, do not appear to be focusing on rankings in their strategic plans.

At the same time, some institutions have responded directly to the rankings. One instance cited as an attempt to influence the rankings was a major university's decision to move its large-enrollment classes to the spring semester, because *Maclean's* gathers class enrollment data from the fall semester. Another example was an institution's decision to allocate more funds to its library because of the rankings. And, not surprisingly, institutions that are ranked high feature this news in their publications. For most institutions, however, the effects of the rankings and the discussions that swirl around them are indirect. As a result of the criticism of the methodologies of ranking systems, Canadian institutions are more interested in accurate, transparent, and comparative data for institutional planning, and in the establishment of benchmarks to track progress toward institutional goals. What one sees in Canada is the steady development outside the rankings of alternative ways to collect and monitor these kinds of data among cooperating institutions. Evidence-based decision making is clearly being strengthened. These are the most constructive spin-offs of the controversies surrounding the rankings.

"Someone in the Planning Office looked at all the variables for the rankings and told us that if we wanted to affect rankings it would be possible to choose a few variables and drive our rankings up. No one wanted to pursue this. We are mission-driven."

The Rashomon effect

"It all depends on who you talk to" (the Rashomon effect) is an appropriate response to the question of how important rankings are in Canadian university life. Discussions with people in different positions in their academic organizations reveal that where you sit makes a difference in your response. Frontline administrators in admissions, marketing, and development see rankings as a relentless reality. The jobs of recruiting students, keeping the alumni happy, and attracting donors make those who hold them pragmatic about rankings. They tend to agree that high rankings can be a good thing and low rankings can make their work more challenging. One senior development officer said, "Our job is to spread good news, and high rankings are good news." However, if you ask them whether their institutions should chase a high rank just for the sake of it, they uniformly say that would not be appropriate and point to the importance of an institution following its own goals and objectives.

The farther away administrators are from the frontlines, the more equivocal they tend to be about rankings. No one at the upper reaches of university administration seemed consumed by rankings or viewed them as a priority. However, this group understands that rankings are not going away and that they need to make sure institutional performance data are collected and monitored in a way that ensures that the rankings are fair. They also understand the need to challenge a ranking that they believe is wrong. Leaders of globally competitive Canadian institutions focus on the effect of world rankings on their institution's reputation. In discussing global competition, they acknowledge that it is virtually impossible to compete for prestige in all fields and that it is necessary to choose departments and programs in which they can be among the best in Canada and around the world. In addressing these challenges, top-level administrators do not indicate that rankings, either national or global, drive their institutional plans or decision making. They are more likely to say they want to track performance on a set of indicators that are critical to the institution's success in carrying out its mission, and they hope attention to performance will bring them broad recognition, including in the rankings.

Faculty

While faculty members are less well informed than administrators about rankings, they seem to have a sense of foreboding about them. In one Canadian university, the issue of rankings was a topic for discussion in the University Senate. Administrators were quick to say that rankings do not influence academic decisions. Faculty members, however, expressed concern that rankings have an impact on the attractiveness of the institution to students and on faculty recruitment. This, they say, will have an effect on the quality of the academic enterprise. Particular concern exists about the relationship of world rankings to foreign graduate students' choices. When they were asked whether students make choices on the basis of the ranking of the institution or the reputation of the particular department or academic specialty, faculty response was layered. One group said that the department's reputation is most important, but the general reputation of the institution and its record of research and publication are also important. With regard to the issue of a university choosing certain fields in which to excel, faculty members are reluctant to make those kinds of distinctions and strategic decisions. The general response was: "We all want to be the best."

The planning function and informed decision making

This is an area in which rankings have had a beneficial effect. It is not an exaggeration to say that the rankings have made Canadian institutions and their administrators far more conscious of the need to collect reliable data on a longitudinal basis. Several administrators said that they are collecting better data in response to ranking systems. One university had traditionally assigned the delivery of data to national ranking surveys to a low-level office. Recently, the institution elevated this function to the provost's office and established a group that regularly reviews the collection of data and its uses within the university. The group developed performance reports in numerous areas—a much broader review than that of *Maclean's*. It scrutinized many of the variables that are used in the rankings and shared with *Maclean's* its concerns about such variables as how professors and publications are counted and how financial support is measured. The group is currently considering the appropriate nature of its interaction with world ranking systems. Overall, data collection has become a higher priority task and the review of data occurs at a higher institutional level because of the rankings. As a result, more and better information is available for administrative decision making.

The Future of Rankings in the Canadian Context

In August 2006, the presidents of 11 research-intensive universities sent a letter to *Maclean's* magazine stating their intention to boycott the annual ranking survey. The presidents

said that the concerns they had raised over several years regarding the flawed methodology of the rankings had gone unheeded. The number of institutions in the boycott eventually grew to 25. All participants endorsed the view that thoughtful collection and comparison of data had been trumped by market-driven goals to sell magazines. *Maclean's* responded that the rankings would go forward using publicly available data, and that it planned to introduce rankings for professional schools and graduate programs.

Rather than relying on rankings, Canadian government and higher education leaders are seeking viable alternatives that will provide data that allow prospective students, their families, and the public to compare institutions. There are good reasons besides the negative reaction to the rankings to pursue these alternatives. When the OECD published its annual *Education at a Glance* in 2007, Canada was unable to provide reliable data for about half the variables. Many Canadians agree that creating a common database on a broad set of variables should be a high priority. Some people believe that this effort should spread beyond Canada; they suggest discussions with other governments to develop a broad agreement for nationally and internationally comparable standards and metrics for data collection and reporting.

The Canadian Education Statistics Council, a joint initiative of StatsCan and Council of Ministers of Education, Canada (CMEC), is trying to play a coordinating role between the government and the higher education community. And universities are pursuing their own data strategies; for example, Common University Data Canada (CUDC) builds on Common University Data Ontario (CUDO), an online information tool that offers a broad set of data about Ontario's higher education institutions. CUDO collects information at participating Canadian universities on variables such as applicants and registrants by type of program, domestic and international student enrollment, types and number of degrees awarded by programs and departments, class size, undergraduate student engagement, research grants and awards, number of instructional faculty, library collections, and general revenue and expenses. The CUDO and CUDC initiatives have predecessors in the G-10 (G-13), which includes Canada's leading research-intensive universities. The group was formed in 1999 and is similar to

Australia's G-8 and Europe's Coimbra group. It was founded to facilitate comparative analysis and benchmarking through formal and informal exchange of data sets; initially, it was modeled after the Association of American Universities data exchange consortium.

No one points directly to controversies surrounding the rankings as a wellspring for these initiatives, but it is clear that higher education leaders want alternatives to commercially driven rankings as the basis of comparison among institutions. One administrator said that the ranking comparisons are invidious and unproductive.

> "Accountability," he said, "is important, but what we need is honest and easily understood data that will allow anyone to review an institution with his or her specific interests in mind."

These efforts are related to quality indicators for academic departments and professional schools: Administrators and faculty members alike say that while broad spectrum information about institutions is important, many prospective students (both undergraduate and graduate) and faculty are primarily interested in the quality of a particular department or school. Existing national and international rankings often fail to address this in their ranking schemes. There is general agreement that the network of an academic discipline tends to create its own tenacious, informal ranking system. One person observed that old reputations die slowly, even when a department has slipped in the quality of its faculty, graduate students, and research output. She said that having some way to measure change, improvement, and slippage might be a good idea, although the discipline organizations themselves would be very reluctant to get into the ratings game. Meanwhile, *Maclean's* is ready to move ahead in this terra incognita. ▥

Key Findings and Recommendations

On the whole, the case studies suggest that institutions, despite their different contexts and the extent to which they are tracking national or international ranking systems, respond similarly to rankings. Particularly when they are focusing on competition and modernization, institutions seek to shore up areas that relate directly to ranking indicators, such as faculty profile, research production, and student selectivity. They integrate these changes into broader strategic planning initiatives and situate them in changing national and international higher education policy contexts. When institutions are highly ranked the rankings prompt outreach to potential faculty and students alike. In some cases, rankings can trigger a shift of institutional resources to nonproductive uses. However, they can also provide evidence of institutional effectiveness and make the case for additional government funding.

Many of the ways in which higher education institutional decision making is influenced by rankings in the four profiled countries are consistent with other research on the topic. However, some nuances and unique approaches in these four countries might suggest new uses for rankings at U.S. institutions and those in other countries. These key findings can serve as recommendations for institutions that hope to leverage rankings for new ways of doing work.

Improved data-based decision making: All higher education institutions, especially those in the United States, are increasingly called on to use data to inform their decision making and to document student and institutional success. For the Canadian institutions in this report, rankings are additional tools for refining the data that are collected and used for internal and public assessment and quality assurance, and the way these data are reported to rankers. This process was less explicit in the other three countries, but it was implied, especially where a ranking system is emerging as a form of accreditation or quality assurance. German institutions, for example, reported using rankings to help identify key performance indicators and internal benchmarks. Rankings can prompt institutional discussions about what constitutes success and how the institution can better document and report that success.

Increased participation in broad discussions about measuring institutional success: Institutions are moving beyond their internal conversations to participate in broader national and international discussions about the effectiveness

of rankings and new ways of capturing and reporting indicators of success. Some institutions in Canada—and, more recently, in the United States—have responded to rankings by boycotting the process, hoping to apply external pressure to modify a system that they believe does not recognize their work in meaningful ways. Other institutions have chosen to prompt change by working with rankers. A 2007 Institute for Higher Education Policy report described the ways in which institutions have worked with *U.S. News and World Report* over the years to refine indicators in response to methodological critiques.[64] Institutional representatives from around the globe are participating in international conferences on rankings, offering feedback and direction on ways to improve ranking systems within national and international contexts. These responses signal a commitment on the part of participating institutions to contribute to the rankings landscape by focusing on issues that matter to them and the success of their students. Participation in these discussions is an increasingly important way to articulate how rankings can be used to measure and improve institutional practices.

Improved teaching and learning practices: While the case study institutions illustrate changing practices that alter input indicators (e.g., increasing selectivity, favoring research over teaching, and strengthening the faculty profile), a number of institutions also report changes directly related to student

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[64] Institute for Higher Education Policy (IHEP), *College and University Ranking Systems: Global Perspectives and American Challenges* (Washington, D.C.: IHEP, 2007).

learning and success. Japanese institutions, for example, report using student surveys and faculty development programs to improve the quality of teaching. Given Japan's historical focus on research, this significant departure signals greater attention to student learning. Rankings capture an array of institutional variables, suggesting success along a spectrum of institutional areas of emphasis. Institutions that use their rankings to prompt change in areas that most directly improve student learning experiences illustrate the potential for rankings to encourage positive change in teaching and learning practices.

Identification and replication of model programs:
For some institutions in the study, the peer benchmarking function of rankings is leading to new ways to identify and replicate model programs. For example, German respondents say that they use rankings to identify successful programs at peer institutions that they might modify for their own work. They were especially interested in how other highly ranked institutions structure their research programs and how those programs might affect the institutional structure. Institutions must be open to using rankings to identify new ways of doing work and to sharing their model programs with other interested institutions.

Increased institutional collaboration: Rankings are often perceived as instigators of competition among institutions, but the case studies suggest that they also prompt collaboration. A number of institutions reported using rankings to seek out new partners, especially international partners. For Australian respondents, rankings lead to new global exchanges and help institutions identify peers with whom they can partner in such areas as research and student exchange. German respondents noted that rankings have prompted new partnerships within the country and regionally to build "networks of excellence."

For Japanese institutions, with their focus on internationalization, the emphasis is on developing new international partnerships to improve the global visibility of their institutions. For all these institutions, rankings led to new ways of engaging peer institutions, new research partnerships, student and faculty exchange programs, and alliances. Rankings can be an important starting point for identifying institutions with which to collaborate and partner.

Another finding of the study is that all four countries focused on the issue of attracting (or retaining) foreign students. This is just one aspect of the competitive nature of global higher education. U.S. institutions have paid less attention to global rankings, but this may change if other countries are successful in their efforts to create world-class universities and attract the highest achieving students and faculty. It is important that U.S. higher education leaders are aware of how other countries seek to increase their international profiles. The United States may find itself trying to keep pace with these efforts in the future, while at the same time maintaining a commitment to recruiting a diverse mix of American students.

The general findings might be useful for many institutions, but the cautions raised by individual case studies also need to be considered. The negative effect of rankings on access for disadvantaged student populations is well documented in the United States and will likely become an increasingly important issue worldwide, as international ranking systems introduce or entrench stratified systems revolving around world-class universities.[55] Some other concerns raised in this brief are the potential impact of rankings on the emphasis on research over teaching, the ratio between full-time and adjunct faculty, and the funding of world-class institutions at the expense of institutions that further other national goals. Institutions might use the concerns raised about the effects of rankings as catalysts for direct policy actions to mitigate potential negative impacts.

This brief describes a range of institutional responses, both positive and negative, to rankings. The key findings highlight ways institutions can leverage rankings to improve internal and external practices. Because college rankings are firmly entrenched on campuses around the world, it is essential to determine how they can be better used. If rankings are used judiciously and in combination with other tools, they can be a starting point for institutions that are seeking new approaches to competition and accountability. ▧

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[64] M. Clark, "The Impact of Higher Education Rankings on Student Access, Choice, and Opportunity," in *College and University Ranking Systems: Global Perspectives and American Challenges* (Washington, DC: Institute for Higher Education Policy, 2007).