Chapter 2
Organizational Effectiveness and University Rankings

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2.1 Introduction

We pay attention to ranking and quality management systems because these mechanisms contribute to institutional quality and organizational effectiveness. Academics have believed that measuring organizational effectiveness in the public sector is much more difficult than in private corporations. The education field, especially higher education, has long been considered as an area where quality measures cannot be applied because professors designed their courses by themselves and they are recognized as having the highest specialty in the discipline areas. However, the perception has been changing with developments in academic theory and practice. For example, institutional leaders and theories have been developing measures of teaching quality by course evaluation and/or by student learning outcomes. Even van Vught (1995) argued that quality was an issue since university was established in the medieval ages. The French model was initiated to assure quality by external control (Catholic Church), while the English model was a self-governing model and the Italy model was by students who had the power of faculty hiring.

Today, higher education is no exception to the trends to assess organizational effectiveness. Government, research institutes, intermediate organizations, and the media are racing to develop quality mechanisms to enhance quality, to provide information to clients, or to expand their business markets. Recently, quality management has been applied in different types of higher education contexts. The growth of college rankings is a noticeable phenomenon worldwide, and every year, we notice that multiple numbers of rankings are released by new rankers, many of them being profit-generating news media. In addition, institutional leaders and board members are taking the ranking reports seriously because policymakers have begun to evaluate institutional leaders according to their ranking positions. The trends lead to much change on campus as institutional leaders react to the

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rankings by adopting managerial reforms to move their organization to a higher ranked position.

Ranking, however, does not guarantee that institutional quality is enhanced by moving toward a higher rank. In addition, higher education institutions spend their energy and resources to align with ranking indicators, although there is no clear evidence that ranking contributes to institutional effectiveness or institutional quality. This chapter discusses the theoretical grounds for organizational effectiveness and tries to link the ranking mechanism with organizational effectiveness perspectives which provide a more fundamental and broader view of ranking, its methodology, and its impacts on higher education.

2.2 Organizational Effectiveness and Quality

2.2.1 Approaches Toward Organizational Effectiveness

Organizational theorists have proposed theory on organizational effectiveness for many years, but organizational effectiveness is still a matter of controversy among academic researchers. Cameron (1981) summarized conventional approaches on organizational effectiveness in terms of four models—goal model, system resource model, process model, and participant satisfaction model.

- *Goal Model*: Effectiveness is measured by the extent to which the organization accomplishes its goals.
- *System Resource Model*: Effectiveness is measured by the extent to which the organization obtains needed resources.
- *Process Model*: Effectiveness is measured by organizational health, efficiency, and well-organized internal processes.
- *Participant Satisfaction Model*: Effectiveness is measured by the extent to which the need and expectations are met by the main constituencies.

(Cameron 1981: 25–26)

Each of these approaches represents a focus of one of the dimensions of organizational effectiveness and has strengths and shortfalls in defining and implementing organizational evaluations. For example, if we emphasize the goal model, we may ignore process or participant satisfaction. Defining organizational effectiveness in a perspective emphasizes only a dimension among multiple dimensions—goal, resource, processes, and participants—of organizational effectiveness. However, organizational emphases are changing even within the organization by changing organizational characteristics or by environmental changes. Quinn and Rohrbaugh (1983a,b) proposed a theoretical model which is known as Competing Value Model to provide a theoretical framework on dimensions of organizational effectiveness. In their competing value model, they classified organizational effectiveness on three dimensions—organizational focus, organizational structure, and organizational processes and goals.

Based on the three dimensions, they proposed four ideal types of organizational effectiveness: Open system model, rational goal model, internal process model, and human relations model (Quinn and Rohrbaugh 1983a,b). *Open system model* emphasizes flexibility and an external focus; *Rational goal model* emphasizes control and an external focus; *Internal process model* emphasizes control and an internal focus; and *Human relations model* emphasizes flexibility and an internal focus (Quinn and Rohrbaugh 1983a,b).

Since Quinn and Rohrbaugh proposed the competing value model, organizational researchers have applied multiple dimensions to explain organizational effectiveness. The *competing value model* contributes to understanding how organizational effectiveness is related to organizational characteristics and organizational culture. Under certain conditions, a specific model might be more effective than other types. For example, the open system model might be effective in the early stages of an organization, the rational goal model might be effective as it grows, the internal process model might be effective at maturity, and the human relations model might be effective when an organization is in turbulent situations (Quinn and Cameron 1983). In addition, organizational effectiveness might depend on organizational characteristics. In such organizations as educational institutions, the close relationships among administrators, teachers, and students are much more important than that with external constituencies. This is particularly true for higher education institutions.

In the recent turbulent challenges, all four of these dimensions might be required to enhance organizational effectiveness to comply with diverse *internal* and *external* demands through *stability* and *flexibility*. In their recent research on organizational effectiveness and culture in the US context, Smart (2003) concluded that "(the) improvement in the educational and managerial performance of college and universities is fundamentally tied to the development of campus cultures that reflect a healthy balance of the attributes reflected in the four cultural types…" (p. 699).

In the quality management field, the emphasis on these four dimensions is shifting from the human relations model toward the market model whether it is called as *academic capitalism* or *new public management* or as some other terms. This trend has been accelerated with the growing number of quality management schemes—ranking, performance-based accountability, or quality assurance. These three mechanisms have shared traits though they are slightly different in emphasis. Above all, they have developed evaluation indicators to measure organizational effectiveness and attempted to link their evaluation results with resources whether finance or reputation. Among these quality movements, ranking has had a huge impact on institutional management and academic society as well as on policymaking. However, this shift has not come without a cost.

2.2.2 From Effectiveness to Quality

Organizational research has focused on institutional quality as an indicator of organizational effectiveness. In organizational research, quality was considered as "the desired attributes of the outcomes produced by organizations"

(Cameron and Whetten 1996: 281). In their comprehensive literature review, however, Cameron and Whetten (1996) concluded that the concept of quality replaced the concept of organizational effectiveness in the mid-1980s. For example, they found that "quality" was the most frequently used term in academic journals and conferences in the early 1990s whereas "effectiveness" has disappeared from academic research.

What then is quality? Although in the recent literature quality is discussed more often than effectiveness, Winn and Cameron (1998) argued that the concept of quality is still under discussion and the literature has been focusing on "processes and procedures associated with reducing or preventing mistakes, controlling variations, or the dynamics associated with production of defect-free products or services" (p. 492). Winn (1996) summarized the definition of *quality* in higher education literature as: resource-based, content-based, outcome-based, value-added, constituency-based definitions, and productivity definition, and reputation definitions (for details, see Winn 1996 or Winn and Cameron 1998).

Compared to organizational effectiveness, Cameron and Whetten (1996) claimed that the concept of quality has three benefits. First, quality enables the integration of diverse perspectives of organizational effectiveness. Second, quality enables the integration of both tools (recourses and processes) and ends (outcomes) in producing better organizational performance. Third, quality has a comprehensive advantage because it covers a broader range of spectrums of effectiveness such as organizational culture.

Although the concept of quality is diverse and still under controversy, the creation of the Malcolm Baldrige National Quality Award by the US Department of Commerce in 1988 promotes the discussions on quality (Winn and Cameron 1998). The Malcolm Baldrige Award criteria have seven quality dimensions that explain *processes*, *procedures*, and *outcomes*: quality leadership, management of process quality, human resource development and management, strategic quality planning, quality information and analysis, customer focus and satisfaction, and quality and operational results. In Europe, European Quality Award was created in 1991. The quality framework includes eight components as its criteria of excellence: leadership, people, policy and strategy, partnerships and resources, processes, people results, customer results, society results, and key performance measures (Rosa and Amaral 2007). Although the dimensions of European award are slightly different from that of the USA, both have similarity in many aspects.

With the emergence of quality frameworks, each dimension of quality is not in competition with another as in the traditional effectiveness literature, but is integrated into a framework of total quality for the organization. Nevertheless, the quality management frameworks are developed to apply in private sector; thus, there have been controversies on the relevance of quality management tool in public sector, especially, education areas. In higher education research, some studies have applied the frame in higher education institutions. For example, Winn and Cameron (1998) applied Baldrige criteria in the US university and found that these dimensions are applicable in the university. They found that leadership indirectly affects outcomes (customer focus and satisfaction, and quality and operational results)

through mediating factors (management of process quality, human resource development and management, strategic quality planning, quality information and analysis). Also, Rosa and Amaral (2007) tested a possibility of applying European Quality Award framework in a Portugal context. The pioneering efforts have contributed to attract institutional leaders' attention to institutional effectiveness in higher education contexts.

2.3 Measuring Organizational Effectiveness

Whether we focus on effectiveness or quality, the practical issue is how to measure these. Because most discussions on quality and effectiveness have been developed through theoretical discussions rather than empirical data, the measure of effectiveness is still controversial. As Cho (2007) argued, organization cannot improve its effectiveness if we do not have clear definitions on what effectiveness is. Considerable research has been conducted by Cameron (1978, 1981), including follow-up studies to bridge the gap between theory and empirical data. The next section focuses on Cameron's dimensions of effectiveness and his follow-up studies.

2.3.1 Measure of Organizational Effectiveness

Cameron (1978) proposed a model of organizational effectiveness, and the model has been widely applied in higher education research. He identified nine dimensions of organizational effectiveness in his study on higher education institutions in the USA—four related to students and five to staff and institutions. The nine dimensions are: student's educational satisfaction, student's academic development, career development, personal development, faculty and administrator employment satisfaction, professional development and quality of faculty, system openness and community interaction, ability to acquire resources, and organizational health. Many researchers have confirmed Cameron's dimensions in different study settings and in different research focus, and even different cultural contexts.

For example, Cameron's instrument has been applied and confirmed in the UK, Australia, and Hong Kong (Kwan and Walker 2003; Lysons and Hatherly 1992; Lysons et al. 1998). Other researchers have used Cameron's instrument to explore the link between organizational effectiveness and organizational culture (e.g., Cameron and Ettington 1988; Smart and St. John 1996), leadership and management (Koh et al. 1995; Williams et al. 1992), and governance and organizational structure (e.g., Kushner and Poole 1996; Schmid 1992). Interestingly, however, these variables were not consistently identified in different research settings although these dimensions of organizational effectiveness contribute to the measurement of organizational effectiveness.

Recently, Kwan and Walker (2003) applied Cameron's instrument in Hong Kong and revised the dimensions of the model. They excluded one dimension (organizational health) of Cameron's nine, and found seven dimensions in their data analysis. They found that student educational satisfaction is combined with student personnel development; integrated ability to acquire resources with professional development and quality of faculty; but they split community interaction and system openness into *system openness* and *community interaction*. Student satisfaction and their personnel development represent student campus life or preparation for more long-term life, and thus both have commonality. External resources were also closely related with institutional reputation which is mainly influenced by faculty performance; thus, both *acquire resources* and *professional development and faculty quality* have commonality. In general, community interaction represents faculty participation in community services, while system openness represents how to satisfy the community's demand on the education program. Both represent different dimensions of organizational effectiveness.

2.3.2 Considerations in Measuring Organizational Effectiveness

In assessing organizational effectiveness, we usually apply an *overall* rating of effectiveness because people tend to compare one organization with others in terms of overall score. The reputation ranking is the overall rating of institutional effectiveness. Cameron and Whetten (1996: 275) proposed seven guidelines for measuring organizational effectiveness: time frame, level of analysis, perspective of effectiveness, domain of activity, purpose for judging effectiveness, types of data being used, and reference of judging effectiveness.

The meaning of these six criteria is clear if we compare organizational effectiveness between different types of quality mechanisms. As an example, we compare ranking and quality assurance because quality assurance is at the other extreme from ranking in terms of quality improvement.

- *Time frame*: Quality assurance is a longitudinal assessment, while ranking is an annual event. Quality assurance has more influence on longitudinal changes, while ranking focuses on short-term change. In reality, institutional changes are not short-term, although, ranking shows how institutional rankings have shifted compared with the previous year.
- *Level of analysis*: Quality assurance focuses on a multilevel structure of institutional effectiveness, while ranking mainly focuses on overall ratings. Quality assurance considers program quality as well as institutional quality overall. In reality, academics are more interested in their program rankings than overall institutional rankings. Thus, institutional administrators are interested in an overall ranking, while academics are interested in program-level evaluation.
- *Main constituency*: Quality assurance emphasizes perspectives from higher education institutions, while ranking focuses on perspectives from media, students, parents, and the general public.

- *Domain of activity*: Quality assurance allows for a higher weighting on teaching quality, while ranking, especially international ranking, focuses on research productivity. However, the difference is not generally applicable in domestic rankings because many domestic rankings weight teaching, too.
- *Purpose of evaluation*: Quality assurance seeks to enhance institutional quality, while ranking is mainly interested in the relative positions between comparable institutions. Thus, quality assurance is more interested in benchmarks and best practices, while ranking is interested only in rank position.
- *Type of data*: Quality assurance is based on qualitative as well as quantitative data, while ranking is mainly based on quantitative data.
- *Reference of judgment*: Quality assurance uses benchmark in many cases, while ranking does not have benchmarks. Quality assurance is therefore able to enhance the quality of institutions, while ranking may or may not.

These comparisons between quality assurance and ranking are in general terms. Clearly different types of quality assurance and ranking might provide different comparisons. For example, rankings by the Centre for Higher Education and Development (CHE) in Germany and Maclean are customer-oriented rankings. These rankings do not provide ordinal ranking but focus on providing institutional information to the public. They have commonality with quality assurance and show deviance from the other types of rankings. Considering the features of CHE and Maclean, both have more in common with quality assurance, while other rankings have quite heterogeneous characteristics from quality assurance.

2.4 University Rankings as a Measure of Organizational Effectiveness

In higher education, various mechanisms for quality measurement have been developed. These are quality assurance, accountability, ranking, academic program review, follow-up studies, total quality management, etc. (Bogue and Hall 2003). Some of them have been developed by the public sector, while others have been developed by private sectors. The relatively well-known mechanisms are quality assurance, accountability, and ranking. In this chapter, we will overview these three mechanisms and will discuss in detail in Chap. 3.

2.4.1 Ranking, Quality Assurance, and Accountability

Although these three mechanisms have much in common because they provide information to the public and enhance institutional quality, they differ in their goals, method of evaluation, publishing of results, and policy links. The differences are caused by their goals and by their target customers. For example, the primary goal of quality assurance is enhancing institutional quality as defined by institutional

mission, while ranking focuses on ranking order and accountability in order for the legitimate use of public taxes. Details of these three types are explained below.

- *Main stakeholders*: Government, higher education institutions, and quality agencies are the main stakeholders for quality assurance; news media for rankings; and government and funding agencies for accountability.
- *Forms of actions*: Accreditation, quality assessment, and quality audit are the main forms of quality actions for quality assurance; rank order for rankings; and performance-based funding/budgeting, and performance reporting for accountability.
- *Indicators*: Teaching has priority in quality assurance; research in ranking especially worldwide ranking; and teaching and service in accountability.
- *Data sources*: Peer review, nationwide data, and survey data are the sources for quality assurance; nationwide data and survey data for rankings; and nationwide (statewide data in the US contexts) data for accountability.
- *Linking with government policy*: Quality assurance is closely linked with an institution's legal status, financial aids, and funding policy; ranking does not have direct linking with government policy; and accountability is directly or indirectly linked with government policy.
- *Main customers*: HEIs and government are the main stakeholders for quality assurance; parents and students, and HEIs for rankings; and government for accountability.

The summary of comparisons between quality assurance, ranking, and accountability is provided in Table 2.1.

Table 2.1 Comparisons between quality assurance, ranking, and accountability

Characteristics	Quality assurance	Ranking	Accountability
Goals	Enhancing quality	Information providing	Financial accountability
Stakeholder	Government/HEIs/ agency	Media/research institute	Government/funding agency
Actions	Accreditation Quality assessment Quality audit Program review Licensure	Ranking by institution Ranking by region or disciplines	Performance reporting Performance-funding/ budgeting
Indicators	Teaching/research/ service	Research/teaching/ reputation/ internationalization	Teaching/research/ service
Data sources	Nationwide data Peer review/survey	Nationwide data Peer review/survey	Nationwide data
Linking with government policy	Institution's legal status Financial aids Research funding Operational funding	Not linking Some developing countries link with policy	Linking or not linking with funding
Customers	HEIs, government	Parents, students, HEIs, enterprise, government	Government

2.4.2 Landscapes of Rankings Worldwide

University rankings have been used in the USA since 1925 when Raymond Hughes reported reputational ranking of US graduate programs. Since then, scholars have conducted rankings in similar ways to Professor Hughes. For example, Hayward Kenisoon in 1959, Allan Cartter in 1966, Roose and Anderson in 1970, Mary Jo Clark, Rodney Hartnett, and Leonard Baird in 1976, and the National Academy of Science in 1982 (Bogue and Hall 2003). These rankings are based on reputations from peers and focus on graduate programs. The turnover on rankings was started in 1983 when the *US News and World Report* published its first ranking report, "America's Best Colleges." The US News ranking report is distinct from other rankings on two points. First, the *US News* focused on undergraduate courses whereas previous rankings focused on graduate programs. Second, the *US News* rankings were initiated by the news media for the business purposes.

Other news media began to enter the ranking market worldwide during the 1990s. For example, the *Guardian* in the UK in 1999, *Maclean* in Canada in 1990, *Jungang Daily* in South Korea in 1997, etc. In addition, worldwide ranking reports have been released in the 2000s. For example, *Shanghai Jiao Tung* (*SJTU*) reported world-class university rankings in 2003 followed by *The Times* in 2004, *Webometric* in 2004, and *Taiwan Higher Education and Accreditation Council* in 2007. According to Usher and Medow (2009), there were 26 rankings in the world in 2007; however, these did not include some of rankings in Asian countries, e.g., *Jungang Daily* in Korea, *Asahi News* in Japan, etc.

There have been two challenges to media-led rankings. Their first challenge is in relation to data reliability and the validity of measures. Secondly, ranking does not provide information on how to improve institutional quality because it simply provides ranking information. Academic research institutes (e.g., Shanghai Jiao Tong, Melbourne Institute, Center for Higher Education, etc.) provide better more valid, and more reliable rankings than the commercially initiated ones and contribute to improving quality rather than the ordinal rating itself.

2.4.3 Measures of Rankings

The primary goal of rankings is to provide information to students and parents for college choice, as well as in relation to the quality of institutions. We analyzed goal statements of rankings from four worldwide and five nationwide surveys. We found that four of them provided information both for college choice and for quality of the organization, while two of them (Shanghai Jiao Tong and Higher Education Evaluation and Accreditation Council) provided only quality information. Interestingly, many rankings are seeking to provide information on institutional quality to the public; yet, the indicators they use are opposite to their stated goals. For example, five of them include reputation as well as teaching and research indicators.

Table 2.2 Comparisons of ranking by goals and indicators

Rankings		Goals		Indicator weights (%)			
		Choice	Quality	Teaching	Research	Reputation	Internationalization
Worldwide	Times	0	0	20	20	50	10
	US News	0	0	20	20	50	10
	SJTU	×	0	30	70	–	–
	HEEAC	×	0	–	100	–	–
Nationwide	US News	0	0	70	–	30	–
	Maclean	0	×	78	–	22	–
	CHE	0	0	–	–	–	–
	Netbig	0	0	63	22	15	–
	Jungang	0	0	43.7	23.8	15	17.5

Notes:

(a) If the ranking officially announces the main goal is to help students' college choice, it is coded as "choice"; if the ranking announces the main goals is to provide information for institutional quality improvement, it is coded as "Quality"

(b) *HEEAC* is worldwide ranking by Higher Education Evaluation and Accreditation Council in Taiwan

(c) *CHE* is a ranking by the Centre for Higher Education and Development in Germany

(d) *Netbig* is ranking for colleges and universities in China

Reputation is a perception of those surveyed rather than a measure of institutional performance or quality. This feature implies that rankings, that are weighted heavily on reputation (e.g., *The Times QS*, the *US News* world ranking), are based on perceptions of those surveyed and do not reflect institutional quality (Table 2.2).

Another feature of ranking indicators is the emphasis on research performance. Rankings, especially worldwide rankings, emphasize research performance. This may be related to the emergence of globalization and the knowledge-based economy. As policymakers recognize higher education institutions as the center of global competition, rankers began to purposely focus on the quality and quantity of faculty research. For example, SJTU ranking focuses on research because their goal is "to find out the gap between Chinese universities and world-class universities" (Liu et al. 2004).

In reality, research performance is one of the rare criteria which enable the comparison of higher education institutions worldwide because there are comparable data, e.g., Institute of Scientific Information (ISI), SCOPUS, etc. However, many other criteria are complicated by socio-economic contexts. Even the numbers of full-time faculty differ depending on national contexts. We can compare faculty-student ratio in the US contexts, but may not compare faculty-student ratio across countries because each country use different terms of full-time faculty. Finally, the top ranked institutions in worldwide rankings are all research-focused universities, which suggest that research performance might be a better indicator than others such as graduates' employment rate, their educational satisfactions, etc.

Compared to worldwide rankings, domestic ranking surveys do not pay much attention to research productivity but emphasize the reputation of each institution. This makes sense because many academics already know the performance of

their peers in their own country and their peers in their competing institutions. Also, reputations among peers reflect institutional quality better than quantified measures; or even reputation has high correlations with performance measures (Williams and Dyke 2008). This chapter will not discuss ranking measures in detail. We will discuss ranking methodology issues in Part II.

The next question to consider is "are ranking measures related to measures of quality or organizational effectiveness?" When considering ranking as a way of measuring institutional effectiveness or performance, it should reflect dimensions of organizational effective or quality. For simplicity, we focus on the measures of organizational effectiveness rather than quality because organization theory developed measures of organizational effectiveness much earlier, and organizational researchers have applied relatively consistent measures of effectiveness in different research settings. To develop our idea on how the ranking measures are related to effectiveness measures, a comparison table is provided in Table 2.3. In the table, the dimension of organizational effectiveness is based on Kwan and Walker (2003), which is the revised version of Cameron's study in 1978. Kwan and Walker's study is the most recent study, which applied Cameron's study out of the US contexts; so, more makes sense to the rest of the world.

Among the seven dimensions of organizational effectiveness, five dimensions have been included in many domestic or international rankings. Exceptions are faculty employment satisfaction and community interaction dimensions. Rankings, whether domestic or international, do not pay much attention to faculty satisfaction, while employee's job satisfaction is a critical factor for other organizations. Here, a question emerges.

Table 2.3 Dimensions of organizational effectiveness and ranking indicator

Dimension	Areas of measure	Method of data collection	Inclusion in ranking indicator
Student educational satisfaction and personal development	Campus life	Graduate survey/ engagement survey	Yes (domestic ranking)
Student academic development	Teaching	Class evaluation/graduate survey/standardized test	Yes (domestic ranking)
Student career development	Teaching	Follow-up survey/employer satisfaction survey	Yes (domestic ranking)
Faculty employment satisfaction	Campus life	Faculty satisfaction survey	No
Faculty professional development and institutional ability to acquire resources	Research	Research productivity (publication, citation)	Yes (worldwide and domestic ranking)
System openness	Employer satisfaction	Employer satisfaction survey	Yes (worldwide and domestic ranking)
Community interaction	Service	Survey	No

Why are rankers not interested in faculty job satisfaction? In some respects academics are not employees but are self-employed, although the university hired them. Historically, faculty has been independent from state or institutional control to some extent. This may be true of prestigious institutions where faculty have greater academic freedom but might not be true of other more recently established institutions, where faculty have heavier workloads and are under-resourced. However, ranking was designed to lead to competition among academics and to enhance institutional quality. Rankers, especially media-led rankers, are not much interested in the quality of academic life; rather, commercial rankers are more interested in how to attract audiences and thus to generate benefits from selling rankings.

In addition, rankers have not paid much attention to community interaction (faculty participation in community activity). In faculty evaluation, a growing number of institutions tend to see community interaction as an indicator of faculty performance (O'Meara 2002, 2005). However, rankers may not find it easy to include community activity as an indicator of ranking because communities where higher education institutions are based have different types of demands on the institutions. If ranking is about the comparisons between similar institutions in its mission, rankers may include community interaction as an indicator, but if it is not, they are unlikely to include it.

In summary, most dimensions of organizational effectiveness have been reflected in ranking indicators, whether it is a worldwide or domestic ranking. Two dimensions that might not match up with rankings were not included in the rankings. Therefore, we conclude that rankings evaluate organizational effectiveness to some extent, though each dimension is represented by a limited numbers of indicators.

2.5 Impacts of Rankings on University Effectiveness

We are moving toward a new question: Do university rankings contribute to organizational effectiveness? It is a more critical question than simply asking whether rankings reflect the dimensions of organizational effectiveness because the question is about the legitimacy of rankings. If they do not contribute to organizational effectiveness, we may no longer need ranking. Alternatively, we may have to simply provide institutional information to the public whether about institutional quality or financial resources, student academic preparation, curriculum, and so on.

There are few empirical studies on the impact of rankings on institutional effectiveness, although academics have argued about the negative effects of ranking on institutional mission diversity, management, and faculty work-life (e.g., Marginson and Van der Wende 2007; Teichler 2008). Many academic researchers have focused on methodological issues related to rankings rather than on their impact on institutional effectiveness. The majority of impact studies have focused on the impact of rankings on a student's college choice, donation, etc. (Bowman and Bastedo 2009; Drewes and Michael 2006; Hazelkorn 2008; Merddith 2004).

To the best of my knowledge, however, there is no clear evidence that ranking contributes to quality or organizational effectiveness. Some studies have found that ranking has an impact on student's college choice, but there is no clear causal relationship between a ranking report and its impacts on institutional quality.

There have also been some studies done on the impact of quality assurance and accountability on institutional performance (e.g., Brennan and Shah 2000; Shin 2010). Brennan and Shah (2000) conducted case studies on 29 institutions from 14 countries and found that the quality assurance framework in each country has impacts on institutional quality, although the impacts are different depending on the mechanism that each country or each institution is based on. Volkwein and Tandberg (2008) and Shin (2010) analyzed the impacts of performance-based accountability on institutional performance in the US context and concluded that accountability did not contribute to institutional performance. In their international comparisons, Huisman and Currie (2004) and Himanen et al. (2009) found that the performance-based accountability did not contribute to institutional performance in the countries they studied.

Notwithstanding the fact that academics have found that ranking has many negative side effects on higher education institutions, institutional leaders and policymakers have not paid attention to these issues. If ranking does not contribute to institutional quality, but simply provides information for college choice, it may lose its legitimacy. Alternatively, government agencies (e.g., education statistics providers), or university associations might provide more comprehensive and reliable information to students and parents, as well as for academic researchers.

What changes does ranking bring to higher education institutions? A consideration of the impact of ranking on institutional quality leads to the question of whether we need ranking given that it may have possible negative effects. As higher education scholars, our task is to scrutinize theoretical and practical issues such as whether rankings have any impact on institutional quality—teaching, research, and service.

2.6 Concluding Remarks

We discussed university rankings from the viewpoint of organizational effectiveness. In this chapter, we compared how the dimensions of organizational effectiveness are matched with those measured by ranking. We showed that the dimensions that ranking measures are quite similar to that of organizational effectiveness, although some dimensions are not included in ranking. We also examined whether ranking affects institutional quality. There is no clear evidence that ranking contributes to institutional quality, while ranking appears to have many negative effects on higher education institutions. The issue is how to minimize the problems that ranking brings to higher education if we still need ranking. This is one of the main purposes of our exploration of these issues in this book.

The contribution of ranking might be similar to that of quality assurance if we develop better ranking systems providing reliable and comprehensive data to

students and policymakers. Good ranking will include qualitative and quantitative indicators, and reflect customer satisfaction as well as expert evaluation in its judgment. It will also contribute to institutional quality. Because ranking, accountability, and quality assurance have much in common, they may eventually converge on a single quality mechanism. They may share indicators and data collection procedures. However, although they share its indicators and data collection, the judgment criteria might be divergent depending on the main goals of each approach.

Finally, we looked at the impacts of ranking on institutional quality. Studying ranking impacts will contribute to further discussions on ranking and its related policy issues. In addition, economic issues should not be underestimated in any study of rankings. What is the cost of releasing a ranking report? The cost paid by the media is only a fraction of the real costs. Higher education institutions and students pay most of costs accompanied by ranking release. Meanwhile, most of benefits might be enjoyed by rankers, profit generating media. These dimensions are not addressed enough by higher education researchers. In the future, therefore, critical research topic is *the economics of ranking* in ranking study.

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