Chapter 11

Do High Ranked Universities Have Better Graduate Employment Outcomes?

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ABSTRACT

University rankings are increasingly used as a measure of quality and reputation. Institutional leaders are increasingly using the outcomes of ranking in marketing of university courses. Both the critics of ranking and those who support have different viewpoints. Institutions that are ranked high celebrate their achievement however limited research is known on how outcomes of ranking are used to reward academic staff. Likewise some institutions that are not ranked enjoy ongoing student demand with increased diversity of student population, and comparable graduate outcomes. Some research suggests that students consider ranking to determine their choice, however others have ruled out. This chapter reviews the literature on both sides of the argument about ranking and it then presents the graduate employment data related to Australian universities to find out if elite universities have better graduate employment outcomes compared other universities.

INTRODUCTION

Ranking and league tables are increasingly used by universities in many countries. The results of rankings are used in marketing materials to promote to various stakeholders. In Australia, universities are increasingly using the results of ranking with prospective students, and such information is included on websites, marketing materials, and other social media. Studies have shown that top ranked universities

attract a large number of students, and graduates have better employment outcomes. Research has shown that students are using ranking to determine their University choice. Most studies on ranking are undertaken in Europe and the USA. There is limited research in Australian higher education on the impact of ranking on universities and academic work. This chapter provides a thorough review of literature on ranking. It then uses publicly available data from Quality Indicators for Learning and Teaching (QILT) website previously called MyUniversity to compare if graduates from elite universities have better employment outcomes compared to other Australian universities. The chapter also argues that whilst ranking provides a measure of institutional quality and reputation, it does not serve the moral purpose of access and equity in higher education. Ranking largely uses measures such as research and teaching quality and ignores contemporary trends in higher education with increased growth of students from underrepresented backgrounds.

**Review of Literature**

Meredith (2004) noted a reality that every fall, university administrators around the country anxiously await the results of the annual *U.S. News and World Report (USNWR)* college rankings. Many administrators decry the rankings as being superficial, arbitrary, and lacking any real measure of quality. Yet, universities are still quick to fill out USNWR’s questionnaires and to tout a high ranking to prospective students (p.443). Al-Juboori, Na and Ko (2011) described ranking as follows:

*The university rankings are lists of the academic institutions in order of their positions determined on the basis of some defined combination of factors (the criteria). They are subjectively perceived as indicative of quality of the institutions based on some combination of the empirical data or opinion derived from different surveys of scholars, academics, alumni, present & prospective students, employers of the institutional graduates, research publications and their citations etc. Ranking lists are prepared for the institutions, departments, programs, specific subjects or fields etc.* (p.137).

Salak (2010) defined ranking as ‘an established approach, with corresponding methodology and procedures, for displaying the comparative standing of whole institutions or of certain domains of their performance. The majority of ‘rankings’ and all ‘league tables’ attempt to reflect the quality of institutions and/or study programme in an ascendency of the types and domains for which the listing is being done’ (p.2).

**Why Ranking in Higher Education?**

According to Bergseth, Petocz and Dahlgren (2014), worldwide the expansion in higher education has never been greater (p.330). The UNESCO Institute for Statistics (UIS, 2012) reported that 165 million students enrolled in academic studies in 2009, a five-fold increase since the 1970s. A growing trend is also witnessed in cross-border higher education, characterised by the movement of people, programmes and providers across national borders (Bergseth, Petocz and Dahlgren, 2014). According to Webometrics Ranking of World Universities (2014), there were at least 3.6 million students in 2010 that participated in higher education overseas with an increased number of higher education institutions. The growth in students and different types of institutions has resulted in more complexity in universities’ structures.