The influence of rankings on business school students' perception and satisfaction. An exploratory study

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Abstract

Rankings of higher education institutions are used as important marketing tools. Given their competitive environment, business schools increasingly use their position in rankings to attract new students and staff and to communicate about their image and reputation. In parallel, literature has demonstrated the importance of student satisfaction in generating considerable financial and reputational benefits. With few empirical evidence analysing the relationship between the position in ranking and students' experiences, the aim of this paper is to explore the influence of business schools' rankings on students' perception of quality and their satisfaction. The analyses of focus group discussions shows that even if generally students do not pay important attention to the rankings, certain (good) position boosts their expectations towards business schools' product quality (education) and customer service (administration). As a result, they are more critical and less satisfied if they perceive a gap between the position in ranking and the quality of service received.

Keywords: Student satisfaction, student experience, university rankings, perception of quality, customer expectation.

1. Introduction

Rankings of higher education institutions (HEIs) are becoming increasingly important due to the growing tendency of public openness and external accountability (Tandilashvili et al., 2024; Luque-Martínez & Faraoni, 2020; Soo, 2013). Despite an important criticism from the academia on the relevance of the ranking methodology, the possibility to objectively judge the quality of education and the negative impacts of rankings higher education field (Tandilashvili et al., 2024; Morgeson & Nahrgang, 2008), rankings are widely accepted by the public and higher education actors (Ashiru, et al., 2022; Luque-Martínez & Faraoni, 2020; Tandilashvili & Tabatadze,

2016). Ranking in the domestic top 20 and worldwide top 100 have become a source of competitive advantage in the fiercely competitive global market (Warwick, 2014).

Despite the importance of the topic, there is limited knowledge on student perceptions and expectations about the HEI position in the ranking and its impact on their satisfaction. Prior studies have shown that HEIs widely communicate about their top ranking on different channels and use it as an important tool to attract new customers. However, little research has studied the extent to which existing students are influenced by the rankings (Morgeson & Nahrgang, 2008). The few existing empirical studies have shown some contradictory results.

The aim of this paper is to explore the influence of business schools' rankings on students' perception of quality and their satisfaction. With the intention to have a richer understanding of the research topic and in view of generating a data collection tool for future quantitative research, we opted for a qualitative method using a focus group approach. The paper proposes a comparative case study of a French and a Georgian business school which have considerably improved their positions in national rankings. The results show that students do not pay much attention to the position in the ranking. However, once reminded of it, they appreciate a good position, but also express higher expectations in terms of service quality. The results vary per country and institutional context in terms of students' perceptions.

2. Literature Review

2.1. Student Satisfaction

Literature on student satisfaction is rich of examples of the financial and reputational benefits that Higher Education Institutions can generate with satisfied students. Satisfied students lead to higher financial advantages (Dollinger et al., 2018); they are more loyal to their institutions (Tandilashvili et al., 2023); have a more positive attitude and are more involved (Rehman et al., 2020), and recommend their institution to others (Khan & Hemsley-Brown, 2021).

The review of prior studies allows to group the determinants of student satisfaction into purely academic and non-academic elements. Academic aspects are teaching effectiveness, course structure and teaching methods, and the quality of faculty (Khan & Hemsley-Brown, 2021; El Alfy & Abukari, 2020; Sutherland et al., 2019; Tabatadze, 2018). Non-academic factors include services, the general environment, facilities, and the quality of the administrative staff (Tandilashvili, 2019; Herdlein & Zurner 2015; Abdullah, 2006; Mai, 2005; Schertzer & Schertzer, 2004). Additionally, some studies have identified the determinants of dissatisfaction which are the elements which can lead to dissatisfaction when they are taken for granted (Gruber et al. 2012; Tandilashvili, et al., 2023).

Student satisfaction varies per student profile and institutional type. Sociocultural variations among nations and individual student traits that may impact quality perception all contribute to the explanation of the situation. Most research uses demographic variables including age, gender, ethnicity, education level, and religion to explain variance in this area. Other factors are students' abilities and outcomes, motivation and involvement, social integration with other students, relationships with staff, study discipline and level (Herdlein & Zurner, 2015; Lazibat et al., 2014; Abdullah, 2006), the expense of study (Khan & Hemsley-Brown, 2021). Students of business and management seem to be particularly severe when it comes to perceiving the quality of service (Gnusowski & Schoefer, 2021; Ledden & Kalafatis, 2010). Studies have shown that business school students are becoming less satisfied with traditional education services and are demanding more individualized care and attention (Tandilashvili et al., 2023).

2.2. International rankings and student behaviour

National HEI rankings and league tables have existed for many decades and have been used by future students as a comparative tool to make an informed decision. However, the importance of the rankings increased since the 2000s with the introduction of the first international university rankings in 2003 by Shanghai university.

Despite important criticism, rankings and league tables are well established marketing tools in higher education (Gibbons et al., 2015; Davies, 2012). HEIs extensively use their good position in their external and internal communications (Tandilashvili et al., 2024; Hazelkorn, 2011) with the aim to attract new students and faculty and improve their image and reputation (Ashiru et al., 2022; Morgeson & Nahrgang, 2008). Rank is generally the most dynamic attribute, meaning that the rank of a HEI can rise and fall quicker than can the public perception of prestige and reputation (Hazelkorn, 2011). Dramatic changes in rank can lead to action, but gradual shifts may go unnoticed (Ashiru et al., 2022).

Studies have shown that business schools are particularly eager to take advantage of their positions in national and international rankings, given their increased competitive environment (Ashiru et al., 2022). The findings of prior studies reveal that many students consider the business school ranking as a stand-in for the calibre of instruction and overall, HEI experience, despite the ranking system's dubious procedures (Gibbons et al., 2015; Davies, 2012; Morgeson & Nahrgang, 2008). Students also perceive the position in ranking as a promise of future employment. When, companies utilize the applicant's institution as part of the selection process for yearly graduate recruitment schemes, students studying business and related disciplines gain from the social capital of their selected university (Morgeson & Nahrgang, 2008).

Even if most empirical evidence presents rankings as an important symbolic capital of business school to impact students' perception, some studies have conflicting conclusions. For example, for Ashiru et al. (2022) ranking is an important signifier of prestige and quality of the teaching

for the internationally mobile students. Broecke (2012) shows that from 2002 to 2009, UK-domiciled students responded to changes in university rankings. However, Soo (2013) reports that for the period of 2005–2009, the Sunday Times Universities ranking had no impact on student applications.

Interestingly, very few studies have explored the relationship between the HEIs' position in ranking and the perception satisfaction of existing students. The existing empirical evidence has some interesting conclusions. For example, according to Horstschräer (2012), in Germany the position of HEI in international rankings and national league tables were important determinant of satisfaction on some quality dimensions (such as mentoring, faculty infrastructure and the overall students' satisfaction) but not for others (such as research reputation), even if research is a central component of ranking methodologies. Ruigrok et al. (2017) found that rank and reputation were important issues for all student groups but the impact of ranking on students' perception of quality varied per their profile. Students whose parents had university education were more likely to know and consider rankings details and students who had been enrolled longer were less likely to know and consider rankings details.

With very little literature studying the impact of ranking on students' perception and satisfaction, the aim of the present paper is to explore how the rankings influence students' perception and satisfaction in business schools. Even if students' decisions are shaped by gender, nationality and other socio-demographic elements, when it comes to business school context, there seems to be a considerable global convergence in consumer behaviour (Davies et al., 2016). That is why this paper proposes an in-depth analysis of two different context cases. The choice of a comparative study may enable us to better explore this understudied topic.

3. Research Methodology

3.1. Research context

Given the exploratory nature of the study, we opted for a qualitative data analysis. We chose two different but comparable business schools in this study. First, we chose two countries - France and Georgia, with different higher education contexts but similar challenges. Both countries pay important attention to the position of HEIs in local and international rankings due to increased competition and lack of international visibility (Tabatadze, 2018; Harfi & Mathieu, 2006). Additionally, both countries struggle for international visibility at different scales (EU for France and the Caucasus region for Georgia): to attract international students and increase the international exchange rate of their academic staff. Second, we selected business schools with similar institutional characteristics (small, private business school) and similar position in national rankings (top-20). Third, as we wanted to observe the impact of the change in rankings, we selected the schools which have improved their position in national rankings during the last

5 years. We renamed the institutions as French Business School and Georgian Business School to keep them anonymous.

3.2. Data collection and Analysis

Data was collected through two focus groups in each institution during the academic year 2023-2024. In the French Business School (FBS) the groups consisted of 12 and 15 students. In the Georgian Business School (GBS) the groups consisted of 13 and 8 students. Focus group discussions have been used in education research to study similar questions (Ashiru et al., 2022; Pownall et al., 2019; Mazzarol & Soutar, 2002). It allows us to capture novel observations, not foreseen in quantitative data collection methods. To promote spontaneity and candidness, the participation to the group was optional, not graded and students were guaranteed their privacy. Moreover, the questions were asked in a way to promote honesty and free thinking. The focus group discussion was registered and transcribed.

This empirical data was examined with thematic analysis. Using naturalistic inquiry techniques (Lincoln & Guba, 1985), we converted the data into grounded theory. After reading the first material, we were able to create the first-order codes using the NVivo software (Strauss & Corbin, 1998). At the second step of data analyses, the first-order codes were grouped according to their significance. These second-order descriptive codes represent the themes which primarily address trends in the data which are pertinent to the potential influence of rankings on students' perception of quality and on their satisfaction. We determined the "essence" of each topic and the causal relationship between them (Braun & Clarke, 2006).

3.3. Main findigns

Analysing focus group discussions revealed interesting findings. First, we observed that **students do not pay attention to the rankings spontaneously**. Only two students initiated this topic during the four focus group discussions. One student in the French business school mentioned that he had considered the good position of the school when applying. However, once he mentioned the topic, other students also approved the importance of the ranking, some agreeing that they also had checked the school's position in rankings before applying to the school. However, students had different opinion on the outcome of the good position:

> *"Oh yes, it is true. I think that FBS is in the top 20 now. But I do not know if it matters. It does not change anything for us" (FBS, FG2).*
> *"It is good to have a diploma from this school as it will be better known" (FBS, FG2).*

Similarly as the French students, the question of the position in the ranking did not pop up spontaneously in the Georgian sample either. However, they often mentioned the topic indirectly when comparinrg ther school to other HEIs.. Students used the term "reputation" and "acknowledgment" to refer to rankings, considering the position in the rankings as logical expression of schools' reputation and public acknowledgment.

Second, **ranking could be an important predictor of students' perception** even if there is an important difference between the two samples. For the French students, a good position in the ranking is a guarantee of a good service quality while studying and an assurance of a job placement after graduation. For the Georgian sample good position in the ranking is the predictor of the quality of education.

> *"Honestly, I have not thought of it, but I think that rankings should take into account also how students are treated at school you know" (FBS, FG1).*
>
> *"When you are going to study to the well ranked school, you know that you will have the best professors and will receive a good education" (GBS, FG1).*

Third, **students' expectations seem to be largely influenced by business school's position in rankings.** As mentioned above, French students expect better customer service from their school. Some students directly express a relation between the position in the ranking and the expectation.

> *"Frankly, it is not what I expected. You know, sometimes my issue can be very specific, and I cannot find the answer on Moodle. You would think to have better service at the top-20 school" (FBS, FG1).*

As for the Georgian students, they expect 'good education', the 'best lecturer', 'exposure to the business world' from a well-ranked business school. They also expect foreign exchange opportunities and good job placement.

Fourth, we found that **not all students were aware of the existence of national rankings**. An important number of Georgian students did not know that there were some forms of national rankings in the country. For them, it was the accreditation of schools which mattered. Once explained what rankings represent, these students were a bit skeptical in terms of the ranking methodology. They argued that it is the reputation of HEI and the quality of education which matters and not the rankings. In the French sample, if all students were aware of the existence of rankings, most of them did not know the FBS's position despite an important communication from the FBS about the improved position from the top 30 to the top 20. This was surprising to discover, given the number of posts on social media preceding the discussion. Appeared not all students follow the institution on social media and not necessarily read the general communication emails (easily recognised with the email title).

The fifth findings of this study concern the **mixed results in terms of student satisfaction.** The difference is observed across cases, but also between the students of the same focus groups. GBS students were more satisfied with their institution and showed more pride to be part of it. They mostly initiated positive discourse towards the institution in contrast with the French sample where students originated both positive and negative attitudes. Georgian students did not criticise spontaneously nearly any service dimension. Only when asked detailed and comparative questions, they expressed some discontent. In contrast, the French students mostly initiated criticisms towards the service quality and when asked more general questions, also expressed some positive opinions.

4. Conlcusion

This research had the objective to explore the potential influence of position in ranking on the experience and satisfaction of business schools' existing students. Prior studies have widely explored the relationship between the ranking position and student's choice, arguing that good position in national and international rankings, attracts students, especially foreign students (Tandilashvili et al., 2024; Ashiru et al., 2022; Gibbons et al., 2015; Davies, 2012). However, there are very few studies on the impact of the rankings on the perception of existing students. Whereas, this topic is crucial, given the benefits of satisfied students for HEIs, in terms of their reputation, student loyalty, word-of-mouth effect (Tandilashvili et al., 2023; Khan & Hemsley-Brown, 2021; Rehman et al., 2020; Dollinger et al., 2018).

We found that even if students do not pay attention to rankings and most of them are not even aware of them, rankings still influence their experiences, perception of quality and satisfaction. Business school students' attitude to their institutions is similar to customers' attitude towards any service provider. Students believe that high-ranked institutions are expected to have better quality products and better customer service. Thus, they have higher expectations towards their business schools and thus, are more critical in terms of their perception of quality. Students take most of school services for granted and are not easily impressed.

Our findings contribute to the literature on student satisfaction by proposing that the HEIs' position in rankings impacts students' expectations and the relationship between the perception of quality and satisfaction. If students perceive a gap between the position in ranking and the quality of service received, they tend to be more critical in terms of satisfaction. Despite interesting and novel findings, this study has a clear limitation in terms of generalisation of its findings. The choice of a qualitative research method with a focus group approach enabled to detect unforeseen topics, but future quantitative studies are needed to examine further the findings of this research.

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