



ACADEMY OF
Management

Learning & Education

How to Deal with Rankings When they Disadvantage You? The Case of Business Schools

Teaching Material based on:

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The author consents and encourages other scholars to use this material for their teaching.

Pedagogical Note

These slides present several concepts using the field of higher education (business schools) as an application field:

- Legitimacy.
- Effectuation versus Causation.
- Potential strategic responses of organizations facing unfavorable rankings.

As such, they are well-suited for courses at the postgraduate level, including but not limited to strategy, leadership, entrepreneurship (and intrapreneurship) courses.

Please feel free to get in touch with us for any feedback, questions, or collaboration:

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Characterizing rankings

- A ranking frequently involves at least **three types of entities**:
 - (a) “Ranking makers” or organizations that produce the ranking (e.g., often media such as *U.S. News* or *Financial Times*)
 - (b) Organizations that are ranked (e.g., corporations, business schools or universities)
 - (c) “Ranking users” as individuals (or organizations) who make long-lasting and costly decisions based on rankings, such as students, employers, funders, or business schools. They often use the rank *as a decisional heuristic!*
- From a practical viewpoint, producing a ranking requires at least:
 - (a) defining the dimensions and practical criteria upon which the ranking will be based
 - (b) collecting, processing, and aggregating the data to produce the ranking
 - (c) publishing the ranking.
- To some extent, these three stages are vulnerable to *irrelevance, influence, and manipulation*.

A low rank is often considered as *bad news!*

- A low rank means that the competitors performed better and harms the low-ranked organization's reputation
- A low rank makes the organization less attractive and its recruitment can become more challenging
- A low ranking may affect the organization's ability to secure funding
- A low rank may attract increased regulatory scrutiny...
- ... and so forth!

What can you do when you get a low rank?

- Rankings are *pervasive* in everyday life beyond business schools. Entities are ranked from the best or top performer (#1) to the worst/last one.
 - U.S. News 2023-2024 Best Business Schools, Financial Times rankings.
- Rankings are often considered *zero-sum games* - the gain of a participant corresponds to the loss of another participant
 - If Business School B becomes #1 in 2023, that implies that the Business School A that was #1 in 2022 has lost this position
- The business school is just an example, but *a similar reasoning can apply to all kinds of organizations that consider themselves as victims of a low rank.*

What are the available options to address this situation?

Adopting an Effectual stance rather than a Causal one

- In a **causation-based approach**, *the goal is predefined, and the means are sought to achieve it.*
 - To address a low rank, an entity can attempt to outperform competitors in the dimensions selected by the rankings.
 - Causation metaphor: A chef is tasked with preparing a dinner. The host has predetermined the menu, and the chef must list the ingredients, shop for them, and prepare the meal.
- In an **effectuation-based approach** (Sarasvathy, 2001), *new ends are generated by using and combining available means.*
 - What an entity can do with the resources it has to address a low rank?
 - Effectuation metaphor: A chef is expected to prepare a meal using the available kitchen resources and has the freedom to create or influence the menu based on what is already available.

Effectual approach in the context of Business Schools

Markers of effectuation	Brief description
Bird-in-hand principle	Start with what the business school is/has: An effectual approach emphasizes using the resources currently available to the business school rather than trying to acquire new resources.
Affordable loss principle	A business school should set affordable loss limits, which are the maximum amount of resources that it is willing to invest in a ranking-influencing or making strategy.
Crazy quilt principle	Build partnerships: Entering into new partnerships to reach ranking-related goals can bring the project new resources and directions.
Lemonade principle	Embrace surprises: Mistakes, surprises and unexpected outcomes are inevitable, but they can be used to adjust accordingly and generate new opportunities.
Pilot-in-the-plane principle	Rather than spending too much time on analysis and prediction, effectual deans should realize the future is made and thus focus on activities that are within their control.

Why “Civic” Management Education?

- Civility, from the Latin *civilis*, means “relating to public life” (Online Etymology Dictionary, n.d.).
- The expression “to civilize” is often a synonym for oppression (e.g. the civilizing mission of imperialism and colonialism). On the contrary, here it is used as a synonym for liberation (e.g. from the hegemony of neoliberalism). Reclaiming the term “civility” is a means towards “scaling deep” (Colombo et al., 2023).
- CME is rooted in **civil economy**: (Genovesi, 1757-58; Bruni and Zamagni, 2007). CME advances civil economy by redefining civility as the pursuit of ecological flourishing, inclusive of human flourishing.
- CME relates to the **civic university** agenda in the UK, encouraging this initiative to question taken-for-granted assumptions and move in a more transformative direction.

Phase 1: Turning a Bad Master into a Better One

- The concerned business school still plays the ranking game but becomes more and more a “*ranking maker*” rather than just a “*ranking taker*”, notably by:
 - **Increasing the number of dimensions or reference groups.** One approach to alleviate the pressure of not being a top performer is to excel in another ranking based on different dimensions. Sometimes the ranking can be created *ex nihilo* on the basis of what the school is/has.
 - **Refining (and sometimes reversing) the dimensions** upon which the ranking is based.
 - **Educating ranking users.**
 - **Gaming the system:** subvert and distort measurements, but leave the reported performance data intact.
 - **Promoting approaches beyond rankings** (such as ratings, standards, and benchmarks).
 - **Refusing to participate in rankings.**

Phase 2: Restoring the B-School Legitimacy by Replacing the Taste for Ranking with the Taste for Research

“Trying to rank institutions of higher education is a little like trying to rank religions or philosophies. The entire enterprise is flawed, not only in detail but also in conception.”

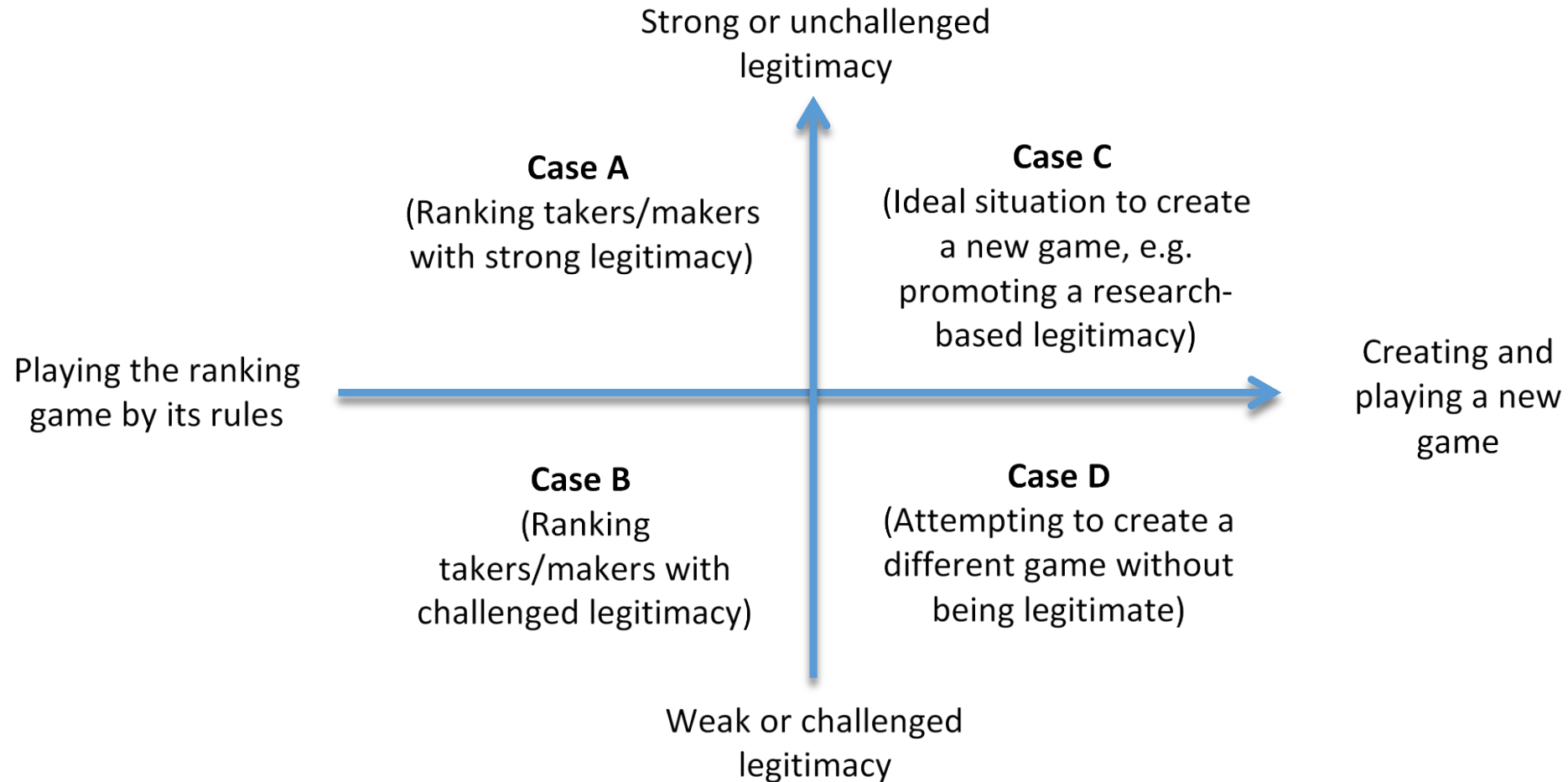
Colin Diver (2005)

Former dean of the Law School of University of Pennsylvania

Redesign the environment & create a new game

- Deans and academics should:
 - Reject the ranking approach as fundamentally flawed
 - Reclaim control over defining their institutions' values, missions, and identity
 - Refuse that non-academic ranking makers set their strategy and dictate their fate.
=> This approach is more likely to succeed if undertaken collectively, notably by including top performers
- Rather than just conforming to the tyranny of irrelevant rankings, business schools can
 - Reaffirm their identity as academic institutions
 - Establish a research-based legitimacy, by addressing rigorously managerial, societal, and ethical issues that can contribute to make the world a better place

Characterizing the strategies of business schools in a simplified framework



Conclusion

- Rankings exert intense isomorphic pressures on business schools to conform to a standardized template, resulting in a loss of autonomy and identity.
 - *These rankings therefore undermine the promised legitimacy they were intended to provide.*
- We propose a two-phased approach:

Phase 1: Becoming ranking makers instead of being simply ranking takers.

- Still participate in the current ranking game but influence the rules of the game.

Phase 2: Rejecting the idea that a rank defines identity and conveys legitimacy.

- Business schools can establish legitimacy based on research that rigorously addresses managerial, societal, and ethical issues to better serve all stakeholders.
- *Attempt to take back control in creative ways.*
- Go beyond the zero-sum game and consider how the entire system can evolve to generate an innovative and positive-sum game in which several winners are possible

Some references to go further

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