

**Dialogue at Davos: On Business School Rankings (23 January 2019)
At the Invitation of Corporate Knights and Principles for Responsible Management Education**

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We are delighted to share this report from the January 23, 2019 thought leader *Dialogue at Davos*, co-sponsored by [Corporate Knights](#) and [PRME](#). It was my honour to be invited to facilitate the discussion on “[Business School Rankings for the 21st Century](#)”, a timely report co-authored by David Pitt-Watson from Cambridge Judge Business School and Ellen Quigley of the Centre for the Study of Existential Risk (CSER) and Centre for Endowment Assessment Management (CEAM), Cambridge University. This report was released simultaneously at Davos and the [European Foundation for Management Development](#) (EFMD) meeting for Deans and Directors in Shanghai, for maximum impact. The meeting was opened with welcoming remarks from Lise Kingo, UN Global Compact CEO and Executive Director, and Toby Heaps, CEO and Co-Founder, Corporate Knights.

During the session I was also pleased to briefly highlight the work of [Katrin Muff](#) and colleagues of the [Mission Possible Foundation](#), which has been sponsoring a 2-year global process of developing a new Positive Impact Rating in consultation with dozens of engaged scholars and stakeholders in and around the business school community. Due to be released in early 2020, its initial version will involve a student-led rating system in an effort to systematically capture the impressions of students concerning the quality and nature of their learning experience and the culture of the business schools in which they study.

The notes that follow are a snapshot of the reflections of those in attendance (see participant list at end); leading business school deans, recognized by PRME and the UN Global Compact as [PRME Champions](#); business executives honoured at Davos by Corporate Knights [as members of the 2019 Global 100](#) for their leading commitment to sustainability; and UN Global Compact representatives and other honoured guests.

At the heart of our *Dialogue at Davos* was the explicit recognition that many existing business school ranking systems (with notable exceptions – such as Corporate Knights) have had perverse (unintended) consequences on the focus of faculty research, curricular and pedagogical innovation, and the student experience (particularly for undergraduate students). Driven by the desire to be well-ranked (with the concomitant rewards that such rankings engender – such as significantly enhanced brand and credibility amongst potential donors, faculty, students and senior university administrators), business schools have been strongly incited to “play the game” and engineer results, particularly in the areas of student salaries and faculty research. In the search for acceptance within the academy – in the quest for growth in financial resources and MBA programs - what has been lost? Participants were reminded that the situation in which many business school deans find themselves has parallels with the Academy of Management Executive Classic, [On the Folly of Rewarding A, While Hoping for B.](#)

Current rankings clearly signal a strong preference for certain programs, students and faculty work, at the expense of others. Whilst full-time MBA programs comprise only a small fraction of business-related enrollments, many rankings, inappropriately lauded as “business school rankings”, have contributed to the impression that the MBA is the only program – or the only program of worth – on offer. To what extent has this redirected resources away from undergraduate education or other novel graduate degrees? At some universities, large undergraduate programs in business actually reside outside their business schools altogether. Innovative business schools that welcome the opportunity to teach undergraduate students 21st century skills, and have lowered the drawbridge to their institutions at large, offering courses in business, entrepreneurship, corporate social responsibility, leadership, etc., to students from multiple disciplines, receive little if no recognition from current rankings and often no financial support from their own institutions for doing so. Yet they do it anyway. Why? Because it is the right thing to do – for students, for society and for the achievement of the [UN Sustainable Development Goals \(SDGs\)](#). These institutions are enabling the development of essential skills and helping produce the talent that leading organizations and society so badly need.

The current obsession with student salaries (well-explained in the Rankings Report and helpful for justifying the cost of premium MBA programs) may be also be disadvantaging organizations that hire university graduates, by unwittingly contributing to unrealistic salary expectations of today’s graduates. Some employers are now expressing a preference for hiring business students from undergraduate programs (over MBA grads), who they believe to be equally – if not more - knowledgeable, while being more affordable, easier to mentor and more effective at working collaboratively in team environments.

Finally, the focus on particular lists of peer-reviewed publications (such as the [FT50](#)), has perhaps had the most significant impact on what business schools value and decisions that are made, including: who gets hired into faculty roles (PhDs with a strong record of publication in “top-tier journals”), the focus of tenure and promotion decisions, and other faculty reward structures (such as attractive financial bonuses for “ranked” publications). While rankings such as these may serve as a useful proxy for quality, particularly in long-standing disciplines resulting in considerable pride amongst the faculty publishing in these journals, it is highly questionable if they serve emerging areas, emerging business schools and interdisciplinarity equally well. The problem with this scenario was aptly described in a paper by [Thomas Dyllick](#) (2015), who attended the Dialogue:

Increasingly business school research refers exclusively to publications in refereed, discipline-based academic journals, published in English and included in the Social Science Citation Index, or the list of publications used by the Financial Times for their Business School rankings. In addition, most management research is currently from Europe and North America with questionable relevance to other cultures and regions. In particular, it has not embraced the new global context, still basically ignoring the major growth areas of the world in Asia and South America (Russell and Saunders, 2011). And it is criticized for concentrating on “reporting research,” recreating and explaining past developments instead of creating new knowledge for creating a different future. Business school research only rarely addresses societal issues and informs important public policy questions, relating to issues like public education, poverty or sustainability.

Despite these limitations, given the tremendous benefits that rankings accrue, ranked publications are considered a particularly precious commodity. This has led to well-resourced business schools “poaching” faculty from schools that are unable to match high salaries or accommodate expectations for low or non-existent “teaching loads”. Taken to its extreme, this seems to have created a class of “academic mercenaries” – faculty with “CVs for hire” – who are paid for the impression of there being a formal association with a business school, despite the fact that they may never step foot on campus.

Faculty who produce more accessible research (who publish in lower-tier, more applied or interdisciplinary journals or other scholarly work such as books and industry reports), or who present their work at industry associations, can receive little credit if any for such activity. Yet, much of this work can have significant impact on business practice and society. Faculty who are passionate and innovative teachers, or who focus on emerging areas of inquiry (such as corporate social responsibility) are likely to be and feel significantly undervalued.

Hence, we seem to have created a system (both within and beyond the academy) that is in many ways out of alignment with what our stakeholders (including society) may need. Our *Dialogue at Davos* was one moment within an important and ongoing conversation. Already we are seeing shifts in the rankings context, with the [Financial Times](#) announcing it is preparing for a fundamental rethink of its rankings (2019).

The next step is to share these notes with the attendees (listed below) and our collected communities for further input. Two upcoming opportunities to continue this conversation will be at the [AACSB Deans Conference](#) in February 2019 in Vancouver, Canada and at the GRI [Deans and Directors Cohort](#) in Burlington, Vermont in March 2019. Those interested in contributing to the work of Mission Impossible should contact [Katrin Muff](#). We also look forward to revisiting this important conversation in Davos, 2020, to take stock of the progress that has been made and to push further, for additional change.

Session Overview

Following opening remarks from Lise Kingo, Toby Heaps acknowledged the importance of the report *Business School Rankings for the 21st Century* and thanked those who contributed to its development, including Aviva Investors. David Pitt-Watson emphasized his own commitment to the project. Ellen Quigley made a special point of acknowledging GRI Executive Director John North for his role in facilitating several discussions with key stakeholders, including accreditation agencies that helped enhance awareness and bring the report to its published conclusion. Key findings were highlighted in a brief presentation by Ellen, which included reducing the weight of the salary differential measure, awarding credit to schools that train students for NGOs and the public sector, and shifting or transforming the inclusion and weight of GMAT scores due to potential offset effects on diversity. (Please see the Report for the authors’ full list of recommendations.)

From there, three questions were posed for discussion at each of three tables, with highlights shared with the whole:

1. Why do rankings matter and to whom?
2. What is most unfortunate about the current rankings?
3. What is our desired future state; what changes would we most like to see?

Please see below for synthesized responses to each question. It is important to note that at their table discussions, the participants explicitly recognized the challenges inherent in defining and measuring “quality”. Much of what was shared in this regard echoed what was highlighted in the Rankings Report. Some fresh insights were also raised. The comments below might most accurately be described as “points raised”, organized by theme, but should not be taken in any way as the unanimous position of the group. Indeed, a variety of perspectives were raised.

Responses

Question #1: Why do rankings matter and to whom?

Varies by stakeholder group:

- **Students** use rankings to help them choose their programs and evaluate their potential return on investment (potential salary increase vs. tuition). While most rankings narrowly focus on the MBA, the business school’s overall reputation is affected, impacting undergraduate student interest as well. Ironically, the more a school focuses on its MBA and research, the more “starved” the undergraduate experience may be. Yet MBA rankings have become a proxy for overall business school quality.
- **Faculty** pay attention to rankings in terms of how they prioritize their time and the activities they value (towards research and away from teaching), and what journals they target. This is often strongly reinforced through promotion and tenure decisions and financial bonuses that align with ranked journals (pay for papers).
- **Publishers** favour rankings because rankings issues are popular with the public and consequently can be the year’s “best-selling” issue. Choosing a university or program is a significant commitment in terms of time and money. Parents and students want to choose well but are often unsure how to make the best decision. While potentially ill-informed as to what is behind each ranking, they place a lot of trust in magazines that publish rankings issues.
- While **employers** tend to hire from the schools they work with most closely, there is a “prestige factor” in hires from highly ranked schools.
- **Alumni** use rankings to boost their own prestige and career prospects.
- **Donors** want to be associated with “winning” (i.e., “ranked”) schools.

- **For Deans**, positive rankings can be a way to preserve, protect, and grow internal resources (University Presidents value rankings). Deans also desire to capitalize on the benefits outlined above. Rankings confer enhanced credibility and influence, regardless of what is ranked and what metrics are used. They are a powerful stamp of quality and approval. Achieving a top ranking, or improved positioning, can be reflected in a dean's performance review and bonus.

Question #2: What is most unfortunate about current rankings?

- **Reinforce the status quo.** They are a self-fulfilling prophecy. Reputation is based on past performance yet has incredible "staying power". One year's ranking builds reputation, which informs future reputational rankings. Cognitive dissonance results from saying that we are educating the next generation of leaders but continuing to operate our institutions in outmoded ways. A self-reinforcing cycle has been created that overemphasizes a small number of institutions and select programs and behaviours within those institutions, attended by only a fraction of business school students.
- **Overstates differences.** While rankings create the impression of difference, often the numerical scores that differentiate between the top "100" are exceptionally small, and would not necessarily pass the bar of being statistically significant.
- **Lack of diversity.** Different students would likely thrive in different types of schools and programs. Different faculty have different strengths and interests. Rankings encourage convergence; the drive towards one set of desired characteristics in a school (in its students and its faculty). Just as agriculture is now challenging the concept of mono-crop agriculture, we need a rankings system that appropriately reflects quality and confers prestige yet honours local conditions and innovations and embraces diversity.
- **Focus on research at expense of teaching and curricular innovation.** With the pressure to publish in "FT 50" journals, innovation in curriculum and pedagogy are not adequately incentivized. Business schools who want to do well in the rankings tend to hire for faculty CV's rather than for business experience or teaching passion and expertise. It is clear that most rankings have little to do with curriculum - what students' study, how well they learn, or the support they receive. There is so much innovation occurring today in how students can earn academic credit – completing consulting projects for not-for-profits and disadvantaged communities, competing in case competitions and debates, volunteering, starting entrepreneurial ventures. These types of innovations seem to be poorly captured in the rankings and penalize schools who make such activities a priority.
- **The ivory tower.** Many business schools can be described as ivory towers within ivory towers. Many operate independently from other faculties, having established their own financial and other systems and methods of operating. What is needed to deal with the world's problems of today is inter-disciplinary learning, facilitated by breaking down institutional silos, such as Grand Challenges that bring together students from across the university. It is hard to see how the rankings encourage these types of pan-university activities.

- **Focus on student salary differential.** Graduate salaries (and increases) don't necessarily account for differences in geography (jobs in bigger cities tend to have higher salaries), sector (finance graduates tend to earn more out of school than sustainability graduates), or interest rate fluctuations. Business schools can rise or fall in the rankings based on currency valuation (factors entirely outside their control). Focus on salaries can instill a sense of entitlement in recent graduates who may have unrealistic salary expectations. Such metrics often assume that the only program worth assessing is the MBA. Interest in the MBA in some markets is in decline as employers value other skill sets.
- **False impression.** "Gaming the Rankings" – some schools that are highly ranked tend to be focused on "playing the game", narrowly focusing on the metrics that are valued by the ranking. Faculty CV's are "purchased" undermining the teaching mission. Qualified students may be steered away from the MBA, if their salary profile doesn't "fit". Most rankings are for MBA programs, yet the headlines claim to be ranking "business schools" in general. If the desire is to impact the quality of education for the majority of students, undergraduate education deserves much more focus, as do other types of graduate programs.
- **Work load.** Rankings require significant effort in terms of data collection and reporting. Given multiple rankings and accreditation systems, there must be some efficiencies to be gained through a more integrated approach.

Question #3: What is our desired future state?

- **Encourage curricular and pedagogical innovation** (assess core/required novel learning experiences and innovative electives that provide the opportunity for experiential learning, the development of critical thinking, problem posing and solving, development of "soft" or "human skills" such as team work, leadership and emotional intelligence).
- **Encourage deep personal learning, rather than immediate career and income gains. Track future success.** Seek evidence ("assurance of learning" data through portfolios and other novel assessments) that will prepare students to be effective and responsible managers and leaders in business and society over 30 plus year careers. Use social media (LinkedIn) for tracking career trajectory of alumni. Measure social advancement.
- **Bridge teaching and research.** Look for evidence of students and faculty working collaboratively on the exploration of complex real issues in business and society, which involve interdisciplinary teams and collaborative, evidence-based approaches. Measure actions that demonstrate interconnectivity between the SDGs in teaching and research.
- **Broader definition and valuing of research.** Value a diversity of scholarly work, including the Scholarship of discovery, application, integration and teaching ([Boyer](#)). Value peer-reviewed publications in non-mainstream journals and a variety of dissemination strategies. Find new ways to assess the quality of scholarly work, including measures of impact.

- **Encourage embedding sustainability, ethics and the SDGs** throughout the curriculum, rather than in isolated elective courses. (Even when these issues are on the syllabus, they can be de-prioritized by the instructor, leading students to the idea that these topics aren't truly important.)
- Assess the **diversity** of business schools, including governance, students, faculty, staff and the curriculum. Assessment should not be just a simple percentage count, but should also include evidence of efforts to support inclusion and advancement. Eliminate barriers to access to business programs, such as standardized entrance exam data.
- **Simplify reporting and enhance reliability**, by collaborating with PRME and accrediting bodies, to access data already collected. This could lead to efficiencies, as well as enhance the legitimacy and authenticity of how we report on our institutions' successes.
- **Multiplicity**. Recognize the appropriateness of multiple rankings; it shouldn't be a surprise that some schools do better on some rankings and not so well on others. Ranking agencies shouldn't conflate the ranking of a particular program with the ranking of the business school at large.
- **An undergraduate ranking is badly needed**. It should pay attention to average class size, active/community-based learning, curricular choice (customization), co-curricular learning (athletics, student clubs and associations), commitment to work-integrated learning (co-op), learning and mental health support, career development resources, etc.
- **Rankings aren't the only problem**. We need to recognize that there are entrenched, systemic barriers faced by business schools and the academy at large. Rankings are just one part of the system. What are we prepared to change internally?
- **Ignore rankings** if they don't change or suit, and (continue to) focus on doing the right thing for our students and society (that we need business schools to be doing), in support of the SDGs and UNGC.
- **Include "perception" data** of key stakeholders (those who know the institution best), including students, faculty, employers, alumni, donors. Measure the perceptual gap between responses from different stakeholder groups, to identify where change is needed.
- **Avoid "box-ticking" when reporting on the SDGs**: engage in deep reflection (and provide evidence) on contributions to progress.
- **Community engagement**. Measure engagement of schools with business and society – Universities are great conveners and influencers. How are they contributing to public dialogue and advancement?
- **Practitioner engagement**. Measure the involvement of the community and practitioners with students – as guest lectures, mentors, research sites.
- **Use rating bands instead of rankings**. Support collaboration and continuous improvement.
- **Change reward system for faculty**. Include data on percentage of faculty who participate in teaching certification and communities of practice, providing leadership for pedagogical innovation. Look for evidence of curricular and pedagogical development. Track teaching awards. Celebrate all forms of scholarship, including practical application and impact.

Conclusion

Towards the conclusion of our session, one participant provocatively asked attendees to consider this question: “If we don’t like the rankings, if we feel they incentivize the wrong things, then why don’t we come up with other options? Are we really preparing our students for the challenges and business opportunities they will face over the next 30 years? Are the rankings, that are so important to our stakeholders, driving the right decisions?” Embedded in this question is an extremely provocative question - to what extent are we participating in the same misguided, short-term decision making, chasing short-term metrics, that we are so critical of the business world for pursuing?

This is the challenge – and the opportunity— before us as transformative leaders in business and management education. The path forward invites us to develop and support systems that will drive thoughtful innovation; innovation that will help us develop the future leaders the world so badly needs. How might we help to transform rankings, to be in alignment with this objective?

January 23, 2019 Dialogue at Davos Attendees

Institution	Name	Title
B-Lab	Charmian Love	Chair and Co-Founder
BNP Paribas	Hervé Duteil	Chief Sustainability Officer
Cambridge Judge Business School	David Pitt-Watson	Visiting Fellow
Chr. Hansen	Mauricio Graber	President & CEO
Chr. Hansen	Annemarie Meisling	Director, Sustainability
Climate Bonds Initiative	Manuel Adamini	Head of Investor Engagement
Corporate Knights	Toby Heaps	CEO
Glasgow Caledonian University	Michael Roy	Professor of Economic Sociology and Social Policy
GRLI	Claire Sommer	Associate Director, Communications
Goldcorp	Brent Bergeron	Executive Vice President
Leeds School of Business, University of Colorado Boulder	Sharon Matusik	Dean
McCormick	Michael Okoroafor	VP, Global Sustainability & Packaging Innovation
McGill University	Isabelle Bajeux-Besnainou	Dean
Mission Possible Foundation	Katrin Muff	Member of the Board
PRME	Nikolay Ivanov	Coordinator
Saïd Business School University of Oxford	Peter Tufano	Dean
Stockholm School of Economics	Mette Morsing	Director, Mistra Chair of Sustainable Markets, Misum
The Peter J. Tobin College of Business	Norean Sharpe	Dean
UN Global Compact	Lise Kingo	CEO & Executive Director
UN Global Compact	Lila Karbassi	Chief, Programmes
UN Global Compact	Marie Morice	Sustainable Finance - Senior Advisor
University of Cambridge	Ellen Quigley	Postdoctoral Researcher, Centre for Endowment Asset Management
University of Applied Sciences HTW Chur	Sylvia Manchen	Dean
University of Guelph College of Business and Economics	Julia Christensen Hughes	Dean
University of St. Gallen School of Management	Thomas Dyllick	Professor emeritus and University Delegate for Responsibility and Sustainability
University of Victoria Gustavson School of Business	Saul Klein	Dean
ZHAW School of Management and Law	Suzanne Ziegler	Member of the Managing Board and Head of the Department of Banking, Finance, Insurance

References

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<https://www.amazon.ca/Scholarship-Reconsidered-Professoriate-Ernest-Boyer/dp/0787940690>

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Corporate Knights' 2019 Global 100

<https://www.corporateknights.com/reports/2019-global-100/>

2019 Principles for Responsible Management Education (PRME) Champions

<http://www.unprme.org/how-to-engage/champions.php?>

United Nations Sustainable Development Goals

<https://sustainabledevelopment.un.org/sdgs>