© Academy of Management Learning and Education, 2002, Vol. 1, No. 1, 107–120.

B4-2007
Pkt. 13
Bilag 13.3

Being Good Versus Looking Good: Business School Rankings and the Circean Transformation From Substance to Image

DENNIS A. GIOIA
Penn State University

KEVIN G. CORLEY
University of Illinois, Urbana-Champaign

We have no doubt that AMLE over the coming years will be an excellent forum for theory and research relevant to teaching, learning, and education more broadly. Our purpose in this inaugural issue, however, is to call attention to some metaforces that have dramatically affected the character of management education in the United States and now are spreading internationally. Sometimes the things that most affect education occur outside of education. Sometimes those things are of education's own making. Most times, however, they are a combination of external forces and internal willingness to be co-opted by those forces. The forces of greatest moment in the management education domain are the media rankings of business schools. We argue that the rankings are producing an accelerating, Circe-like transformation of business schools from substance to image, a phenomenon that deserves our understanding and proactive engagement.[1]

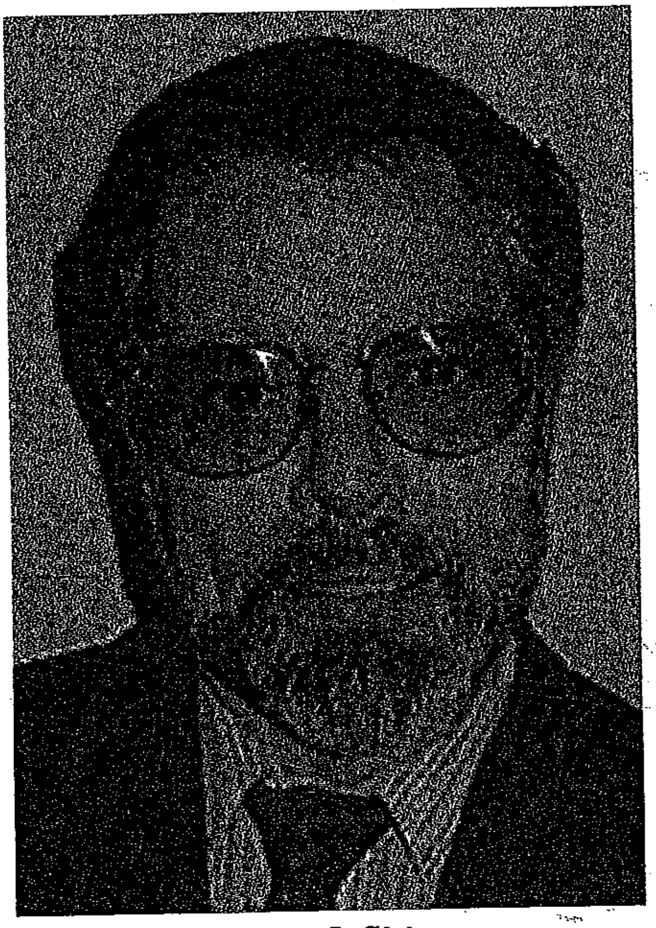
In Greek mythology, Circe was the powerful demigod enchantress in Homer's Odyssey. Those she favored, she usually seduced, bestowing on them great gifts, and becoming their protective ally. For those who displeased her, she was a fearsome adversary, wreaking havoc on all who resisted her charms, threatened her, or even unwittingly entered her sphere. She turned Odysseus' men into swine and changed the pure nymph, Scylla, into a hideous six-headed monster. This, of course, was the curse for which Circe is most remembered—causing others to transform into something they did not want to become. . . .

It is remarkable that the stories from ancient mythology have such continuing relevance to modern life, even modern organizational life. The reason these venerable stories have significance for us now is because they tap the great themes in the human experience. One of the enduring themes especially relevant to our age is the theme of transformation. Transformation has great currency, particularly the idea of transforming the structure of organizations to cope with swiftly changing environments. Less noticed in the rush to embrace structural transformations are the transformations wrought in the essential characters, values, and actions of the organizations and institutions themselves.

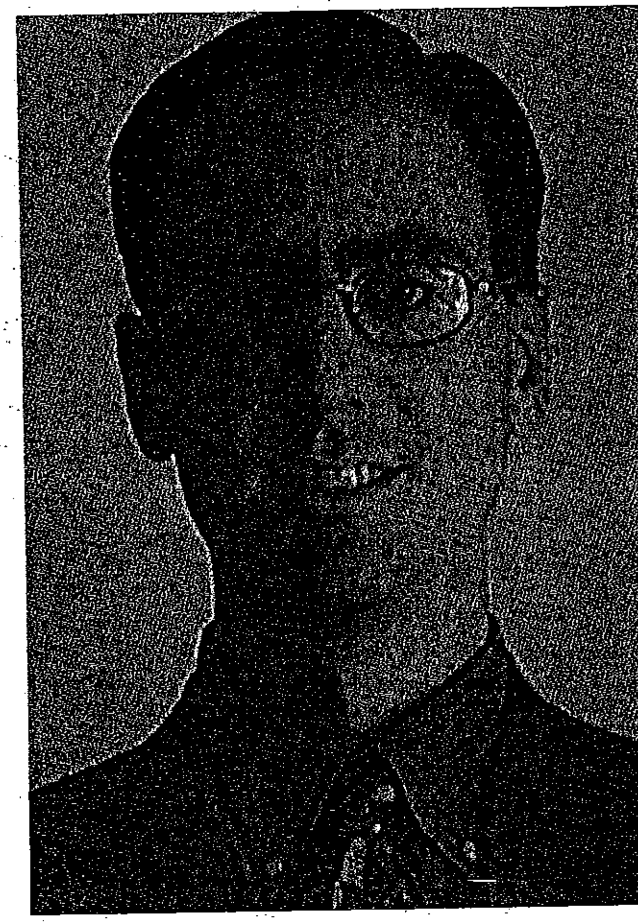
Management education has been on its own odyssey for quite a long time now, beginning over a hundred years ago with the formation of schools devoted to the teaching of management principles. In the course of that journey, the field has changed significantly, most notably as a consequence of the Gordon and Howell report of 1959, which prompted the transformation of business schools from vocational training schools into research-based profes-

[1]This essay is based on a research project in which we conducted 42 interviews with business school deans, MBA program directors, and communications directors or public relations officers at 16 different universities. We interviewed the dean at every university.

Thanks to my daughter, Dana Gioia, a Greek mythology afficionado for helping with the development of the Circe metaphor. —DAG



Dennis A. Gioia



Kevin G. Corley

sional institutions over the subsequent 30 years. That landmark study, which was generated from within the field for the benefit of the field, was very much in character with our self-analytical, self-correcting, self-determining (and some might say, self-serving) traditions for pursuing our professional voyage.

Only relatively recently has management education encountered its own Circe, with the considerable power to bestow beneficial changes, and also the worrisome power to transform all the institutions that enter her circle. We found ourselves within Circe's sphere with the advent of the business school rankings beginning in 1988 (by *Business Week* and shortly thereafter by *U.S. News and World Report*). In the intervening years, significant changes have attended every business school that aspires to be declared a "top-10, top-20, top-40, or top-50" school by these two progenitors or their many subsequent emulators. Like Circe's transformed mortals, who retained their awareness that they had been reluctantly transformed, business schools are aware that they have come under some sort of spell from without, but feel powerless to do much about it, and they have yet to find Odysseus' antidote—if one even exists.

The quest to do well in the rankings now dominates business school thought and action, primarily because the ranking number has become a surrogate sound-bite index of program quality for prospective students, corporate recruiters, funding agencies, and other stakeholders (Corley & Gioia, 2000). Indeed, news media rankings of business schools now seem to have taken on a life of their own, and their demigod-like character forces all schools to make changes that conform closely to their measurement criteria. Understandably enough, given the readership of the magazines, those criteria are heavily oriented toward MBA program assessment, with its emphasis on training for commercial enterprise. Both MBA students and their recruiters, of course, want a practical education, which raises the specter of business schools once again becoming glorified vocational schools, training people for jobs, rather than educating them as professional managers (and thus threatening our status as a bona fide "professional" field).

Perhaps the consequence of greatest concern, however, is that the dominating presence and perceived capriciousness and superficiality of the rankings has driven business schools toward a focus on image management, oftentimes at the expense of substantive program improvement. The essential argument is that because the rankings emphasize criteria that are not necessarily germane to a quality education, they force business schools to devote resources to enhancing their standing on those criteria at the expense of genuine educational criteria. Furthermore, it becomes imperative that business schools project an image to external stakeholders of doing those things associated with achieving or maintaining the all-important ranking number, so the schools *themselves* begin to tout image-related features over bona fide quality features, much as businesses sometimes do. When business schools work only toward those goals that are measured, at the expense of valued but unmeasured goals, the process becomes a prime example of "perverse learning" (Meyer & Gupta, 1994).

In the words of one dean, the rankings are pushing business schools to be "more business and less school," and have turned business education's primary purpose from the pursuit of knowledge to the pursuit of resources by way of the rankings. In the modern era, that means that business schools are often confronted with a forced choice between being good and looking good, such that competition among business schools risks being transformed into a kind of beauty contest with some ugly consequences for the contestants because they are spending scarce resources on image-related features, rather than substantive program enhancements. Zimmerman (2001) maintains that we are mortgaging our future, eating our seed corn, and violating our first principles as a result of the rankings' effects on our strong value for doing research that informs our teaching.

Dire warnings indeed. Can there be any benefit in business schools becoming the unwitting and unwilling pawns in a larger Circean game played by media forces for purposes that have little to do with academic quality?

CIRCE'S SIREN SONG: ATTRACTIONS AND ADVANTAGES OF THE RANKINGS

To pose the question slightly differently, can a contest like this be good for the players or the spectators? Perhaps surprisingly, it can. The main reason is straightforward: *Competition improves the breed.* The simple fact that business schools must compete in an open arena against rivals offering similar programs has changed and often improved MBA programs. For some schools that had to be jolted into recognizing that their programs were obsolete, the rankings were a necessary, and none-too-subtle wake-up call. Even those who would decry the rankings will grudgingly admit that competition has improved MBA programs, especially in terms of their relevance to the modern world of work.

[B]usiness schools are often confronted with a forced choice between being good and looking good, such that competition among business schools risks being transformed into a kind of beauty contest with some ugly consequences for the contestants. . .

Many observers of the rankings game find it to be sweet irony that business schools, which teach economic competition as a mainstay of their curricula, but previously have not had direct experience with real competition, have suddenly found themselves embroiled in a fiercely competitive contest. These observers find a certain poetic justice in noting that business schools until a decade ago were open to a charge of grand hypocrisy, teaching *about* competition without *knowing* competition firsthand.

Now they do. And, for most, the experience has not been pleasant. But it *has* been functional. Schools now scramble to make changes much more quickly in response to perceived shifts in their environments and in those of their primary stakeholders (e.g., the corporations hiring their students). The speed with which business schools now make changes is directly attributable to the supremacy of the rankings, simply because their constituents pay close attention to the rankings. For that reason, too, the notion of a "high-velocity environment" (Eisenhardt & Bourgeois, 1988) suddenly has lost its abstractness and now has direct and discomfiting relevance to many activities. By many reckonings, that is a good thing.

Furthermore, there is little question that the transparency provided by the rankings has made business schools notably more accountable to their publics. That accountability has fostered a flurry of activities to redress obvious shortcomings, oversights, or laggings (e.g., running to catch up well after industry had discovered the bottom-line value of teams; being behind the curve on e-business offerings). In addition, the discovery of the frenetic pace of the shifting playing field has produced a welcome focus on continuous improvement—yet another self-application of a concept that had been taught mostly in the abstract. Many of those improvements have been improvements in quality (however defined pragmatically), mainly because corporations hiring these graduates are looking for analytical abilities and skill sets that will confer a competitive advantage in their turbulent industries. Modern MBAs undoubtedly are better prepared to deal with technology and change than any generation that preceded them.

A more general benefit of the rankings is that it has compelled business schools to be more strategic in deciding or designing the domains in which they want to be players and in deciding how they want to prioritize their program emphases to compete in those domains. In addition, perhaps the feature that is most associated with business schools' responses to the rankings is an obvious increase in *effort*. Complacency is rare these days. Schools need to run hard just to stay in place in the rankings—a phenomenon echoing Barnett and Hansen's (1996) discussion of the self-reinforcing "Red Queen" effect, wherein one organization's attempts to improve its competitive standing through learning provokes enough learning in its competitors to improve their standing too. Everybody is benchmarking everybody else to try to develop "best practices" (a practice that itself has drawbacks, as noted by M. E. Porter, 1996). Again, the transparency of the field has helped to raise every player's game because it is hard to maintain a competitive advantage when you develop a practice that is there for all to see. Many of the changes and program features put in place have been misfires, but the role of the rankings in pushing business schools to try different things has engendered our long-cherished notion of "experimenting organizations" (Staw, 1977) right in our own house.

Last, we should recognize and acknowledge that there is some first-approximation truth to the rankings. It is not all just artifice (as many students who have visited different programs will attest). The rankings are not absurd; if they were absurd, most schools simply would not treat them seriously and would not venture anywhere near Circe's island. Furthermore, they are useful to prospective students and recruiters who previously had to cope with a great deal of managed translucency on the part of the schools. Now, prospective students and interested recruiters at least have a way of broadly assessing schools on some criteria, with some user-friendly statistics and measures. (Notably, one student who was considering both MBA and PhD programs reported that it was much easier to compare MBA programs than PhD programs, because the dimensions of measurement were at least identified and comparable.) In this sense, there is some degree of convergence between being good and looking good.

All these benefits show that Circe's siren song succeeds in producing some great gifts. Those whom she favors (e.g., the top 20) derive immense benefit from heeding her song. Those schools that best conform and perform to the rankings criteria achieve high rankings and reap tremendous rewards in the form of quality applicants, number of quality companies recruiting at the school, alumni donations, and so forth. There is, however, a way of viewing these rewards as the irresistible seductions of an enchantress who has other motives, a way of inducing all to satisfy her wishes, which, in the process, casts a spell that sets them up for their own unwitting and unavoidable participation in their own transformation.

CIRCE'S SEDUCTION: DANGERS AND DISADVANTAGES OF THE RANKINGS

Stake (1998) has invoked and extended Mark Twain's famous taxonomy by declaring that there are lies, damn lies, statistics, and . . . rankings. In a denunciation of the rankings of law schools, he rightly notes that all the rankings are highly dependent on the factors included in any given ranking system and, more important, on the weights assigned to those factors. Stake even has created a web-based "game" that prospective law students can play to demonstrate the wild changes in rankings that occur by making minor changes in the weighting schemes (http://monoborg.law.indiana.edu/LawRank/index.html). The relevance to business school rankings is obvious, because law school and b-school rankings systems are set up in similar fashion. He also notes that all the ranking schemes omit important factors. Furthermore, and of some significant concern, much of the information used by the rankings is supplied by the schools themselves. When this fact is juxtaposed with Corley and Gioia's report of one dean's provocative assertion that "Business schools lie!" (2000: 326) and then combined with the shortcomings associated with selective criteria and arbitrary weighting, the methodological basis for any of the ranking systems becomes highly suspect.

More troubling is that relatively few of the rankings criteria have much to do with what they purport to measure, that is, educational quality. Certainly, the heavily weighted measure asking graduates their global opinion of the program from which they graduated would fail any test of validity if the criterion is educational quality. Stake (1998) also argues that although the rankings sometimes make schools in a given echelon look more similar in quality than they are, in most cases the rankings make schools in different echelons look more *different* in quality than they actually are. He notes that law schools tend to vary more in character and style than they do in quality—an argument that undoubtedly pertains to business schools as well.

In some good measure, the rankings criteria were set up in a ham-fisted attempt to quantify "quality." In some grand sense we can quantify anything, of course, so it is easily possible to quantify aspects of education, but we always need to be suspicious of *how* quantification is accomplished. For instance, *Business Week*, in an apparent attempt to respond to the criticism that their measures do not account for the quality of the faculty, recently added a measure intended to capture this dimension. They chose the number of journal pages published. What does that number really tell us about the scholarly quality of the faculty and the quality of the education provided by a given school? Mainly, it would seem to encourage longer articles (Heaven help us all). Taken together, these obvious methodological features and flaws constitute only a part of the dangers of the rankings for business schools.

The real danger in Circe's subtle seduction is contained in a curiously seldom-noted feature of the rankings: Despite the fact that they are often advertised as "business school rankings," the most prominent of them are essentially *MBA program* rankings.[2] Given the reward structure implied by the rankings, schools *must* attend to the MBA program as first priority, so most of those programs have now become "flagship" programs. That simple and stark reality means that business school missions and resources are ever more focused on MBA programs at the expense of virtually every other program in a modern business school. Most obviously, undergraduate programs begin to suffer. One typical consequence, for instance, is that the best instructors are transferred from undergraduate teaching and reassigned to the MBA program. That's very beneficial for MBA students, but a clear loss for the much larger undergraduate programs ("Those that Circe's favors . . ." becomes a double entendre phrase, applying not only to the schools, but to specific programs within the schools, as well). Additionally, PhD and research programs receive proportionately less attention and resources (which is one important reason why the faculty informants in Elsbach and Kramer's, 1996 study were so concerned with the impact of the rankings—they threatened their primary identities as researchers).

The larger point, however, is that practical teaching skills are now becoming among the most highly valued in the nation's best business schools. Yet, in the nation's best schools, faculty typically are hired (and tenured) not for their teachings skills, but for their research potential and productivity, reflecting the prevailing attitude since the Gordon and Howell report that the generation of knowledge is more highly valued than the dissemination of knowledge. The knock-on effect here is that because of the hegemony of the MBA rankings, the research that informs great teaching suffers, one of the grounds on which Zimmerman (2001) argues that we are eating our seed corn. Furthermore, those who teach in MBA programs are under enormous pressure to perform in the classroom (and preferably in an entertaining fashion). They are also under pressure, however, not to be too demanding (to allow time for all the other MBA program activities, especially job-search), not to grade too hard, and not to do anything that might be perceived as controversial because that might affect program assessments by the students. Paradoxically, then, the actual quality of teaching can suffer a decline in the very arena where it ostensibly is valued most.

John Byrne, the inventor of the *Business Week* rankings (and now *persona non grata* with many deans), spoke a kernel of truth when he implied that academic business research often has little to say to practitioners (a point also noted in the influential Porter and McKibbin report of 1988, which criticized business academe for an alleged overconcentration on theoretically driven research). Byrne also certainly was on the mark when he noted New York University Dean Richard West's observation that what we do have to say often is said in a very pretentious way, but he rather badly missed the point of business and organizational research and the audience for whom the research reporting is intended. Worse, the influential medium he commanded started the accelerating transformation from scholarly to practitioner values and from substantive academic content to illusory marketing practice.

[2] *U.S. News* does publish rankings of undergraduate schools of business in its issue entitled Best Colleges in America. However, a brief review of these rankings reveals a striking similarity between *U.S. News'* top 25 undergraduate and top 25 MBA programs (obviously excluding those business schools that are graduate level only).

ON BEING MARRIED TO CIRCE: IMPLICATIONS OF THE RANKINGS

In some significant sense all the things wrong with the rankings matter considerably less than the plain fact that the rankings matter. All aspiring business schools have not only been drawn under Circe's spell, we are also aware that it is a spell (remember, Circe's victims retained their awareness that they had been transformed), and we know that this spell has both positive and negative implications. Over the last decade we have become so spellbound, however, that we have implicitly accepted the consequences of the rankings in the conduct of our educational enterprise. To reiterate, the main consequence of the ascendancy of the rankings has been its effects on resource shifts. Even if we ignore for the moment the reduction of resources devoted to research and undergraduate education, we still find that resources are shifted away from substantive teaching improvements (e.g., course development, classroom facilities, educational infrastructure) to image management enterprises (e.g., PR departments, image consultants, responding to media).

In some significant sense all the things wrong with the rankings matter considerably less than the plain fact that the rankings matter.

If we take seriously the observation that business schools are becoming more business and less school, we see yet another parallel with business: The rankings tend to encourage an increasing focus on the short term (another bit of irony, because we have been exhorting businesses to look long term since before the inception of the rankings). We can note, however, that deans typically are not around for the long term, so there is little incentive for them to invest resources in anything other than playing the rankings game on a 2-year cycle under the guise of "staying current." There is, of course, a fine line between staying current and becoming faddish (Abrahamson, 1996), but even staying current has at least two negative consequences. It tends to de-emphasize the teaching of fundamentals and, in its most insidious incarnation, it leads to an orientation of changing for the sake of change. One trend making the rounds, for instance, is that MBA programs must be redesigned every 5 years or less. Why? Because such renewals are prima facie evidence of flexibility and currency and can be touted on program websites, media releases, and magazine rankings issues.

Another consequence of the rankings is to introduce businesslike virtuous and vicious circles into the playing of the rankings game. Neither is necessarily good for competition. Being the beneficiary of a virtuous circle makes it easier to maintain a soaring ranking, which has led to the creation of some significant barriers to entry in higher education (e.g., only about 30 schools have been able to sustain a top-25 ranking in the last 14 years of *Business Week* rankings), whereas being caught in a vicious circle makes it difficult to recover from slippage in the rankings. As we summarized this process previously:

> If a school drops precipitously in the rankings, the proximal effects are that quality students no longer apply for admission, prestigious companies no longer recruit from the school, and external funding becomes harder to obtain, thus leading to the distal effects that the school admits lower-quality students, soon experiences less successful placements, and attracts fewer resources for creating new programs, all of which drops the school's ranking yet further. On the other hand, well-reputed (highly ranked) schools tend to garner higher starting salaries for their graduating MBAs and have their pick of next year's crop of prospective students. Those higher starting salaries, elevated GPA, and work experience numbers constitute key criteria for deciding next year's ranking, so the higher salaries and better in-coming students facilitate higher rankings, which facilitate higher salaries and better students, etc. The snowball effect of the rankings promotes a "rich-get-richer and poor-get-poorer" cycle and creates a "Catch 22" trap from which it is difficult to extricate oneself, win or lose (Corley & Gioia, 2000: 329).

The typical responses to a fall in the rankings include reactions like the following: improved student placement services (especially catering—sometimes literally—to recruiters); more concentration on internship and co-op programs; more cookbook business (vocational?) skills, more information technology support, curriculum changes to emphasize currently hot topics, hiring of image consultants, intensified public relations campaigns, and additions to MBA support staff. Recruiters get particular attention: new interviewing facilities, priority scheduling (often conflicting with classes), video-conferencing facilities, and in the more extreme cases, concierge services, special meals, and even valet parking (Alsop, 2001; Zimmerman, 2001).

All such responses manifest another trend that seems to be accelerating, that of treating students as "customers" (with the attendant assumption that the customer is always right)—which again echoes the concern that business schools are becoming more business and less school. Even giving low grades has become treacherous territory. Low grades generate complaining traffic to the dean's office, lower teaching ratings (unacceptable in top MBA programs), and could result in hurting the program's image if the "victimized" student gives negative voice to his or her complaint in a national publication.

This is serious stuff. Professors now fear failing students for a wholly different set of reasons than a generation ago: The dean is more likely to take the student's side for PR reasons, program ratings in the annual surveys might fall, and most frightening of all, affected students have discovered the efficacy of law suits.

The convergence of concerns like these reveal another cynical view of the rankings' effects. They tend to turn the pursuit of the MBA into a paper chase, wherein the only thing that matters is the degree itself. Prospective MBAs don't necessarily care to learn everything that a quality MBA program teaches. They want entrè into influential business networks. They know that those networks germinate and flourish in top-ranked MBA programs, regardless of the actual quality of those programs or their suitability for a given student's skills. Prospective MBAs are concerned more with the quality of the cohort (and the attention that draws) than the quality of the education.

With this level of cynicism and competition bred by the rankings, it comes as no surprise that there is some evidence of schools gaming the system (and treading close to the edge ethically in doing so), with a whole litany of actions designed to circumvent or take advantage of the rankings methodologies or criteria—e.g., putting some incoming students (especially international or minority students) into a special "preadmission class" so their numbers do not count toward the final numbers tabulated and reported for the autumn MBA "entering class," admitting lower quality candidates into a masters of science program first and then transferring them to the MBA class after their first year, only reporting the average bonus for those receiving bonuses instead of reporting the average bonus for the whole class (Corley & Gioia, 2000), as well as encouraging students to rank their own school highly or "risk lowering the value of their own degree" (Argenti, 2000: 174), thus shooting themselves in the foot. Evidence also exists of special treatment for the classes that are to be surveyed by *Business Week:* bringing in the best instructors, giving them preferential service and even special orientation sessions (Frank & Cook, 1996), and counseling them on how to respond to the surveys. *Business Week* recently took a rather dim view of the latter practice, however, and threatened any school subsequently engaged in counseling its students how to respond with an NCAA-style "death penalty"—exclusion from the rankings process itself. That severe threat either ended the practice entirely or sent it so far underground that it is no longer detectable.

The outcome of the discovery that some schools have tried to influence their students to influence the rankings is a "hands-off" policy imposed by the media on faculty and program administrators. No attempts may now be made to influence student ratings in the rankings surveys. Yet, in a darkly marvelous demonstration of the law of unintended consequences, the upshot of that policy is that MBA students are beginning to wield the newfound power conferred on them by the rankings and are using it to blackmail deans into devoting even more resources to support their activities. They hold their deans hostage by threatening to organize conspiracies to sabotage a school's rankings unless they come across with more funding.

Understandably, the rankings have created something of a learned helplessness attitude in many business schools. The pervasive sense is that there is very little that they can control. On the other hand, the few criteria over which schools can exercise control, they do so with a vengeance (e.g., entering class GMAT average). Many schools now have declared (internally) that under no circumstances will the entering class GMAT average fall below a certain number. Consider the consequences of ruthlessly controlling the GMAT average, however, for minority enrollments (whose GMAT scores are typically lower). The end result is that a high social value for diversity and for leveling the playing field for minorities is sacrificed to the hegemony of the rankings. Public knowledge of this practice is squelched, but it is a direct and reprehensible result of the rankings, for which both schools and ranking media should be held accountable.

Argenti (2000) has an eminently understandable response to the implications of the rankings: Business schools need to engage in brand management, reputation building, and reputation management, as many corporations do. He does note, however, that branding is not a panacea, perhaps especially in the business school domain, because

1. brand proliferation is not good for the industry (too many brands dilutes the message). When everyone gets into the branding game via naming practices, "identity" programs, and slick publications, nobody stands out;
2. media fragmentation and proliferation result, which means it is now impossible to cover the criteria for all media outlets that might start their own rankings;
3. competition and costs for marketing efforts are spiraling upward;
4. branding encourages greater scrutiny from "customers," which means sending coherent messages to an increasingly diversified set of constituents; and
5. the universities in which business schools reside look upon branding attempts as somehow degrading (Argenti, 2000: 174–175).

Universities have been branding for years, of course, and it is not lost on business school deans that even their mere association with athletic branding benefits their schools (Toma & Cross, 1998). When Penn State's football team or Duke's basketball team does well, the Smeal College and the Fuqua School benefit. The connection between great athletics and a great business school is mysterious, at best, and spurious at worst, but it works. It works because it is image related. That fact, however, does little more than highlight the reality that being married to Circe for the last decade has made us unwitting, unwilling, but not unconscious of our own amazingly swift journey on the road to transformation from substance to image.

A CIRCEAN TRANSFORMATION FROM SUBSTANCE TO IMAGE

Business schools have always had the problem of not producing tangible products. Long-standing tradition has enabled schools to define their main products rather ambiguously in terms of the consensual academic trinity of teaching, research, and service. Substantive activities centered on the generation of knowledge by way of research and the dissemination of knowledge by way of teaching and expert service based on that research. In the wake of the Gordon–Howell report, business schools' primary activities revolved around this substantive core (Zimmerman, 2001). Nonetheless, the assessment of the quality of this core has been mostly subjective, as it inevitably must be concerning any producer of intangibles (Levitt, 1981). In the case of business schools, those assessments took the form of prestige surveys among deans and others offering halo-susceptible opinions. For that reason, business schools have long been aware of the role of image in their public lives, but the presentation of image was low key and conducted according to genteel rules with a live-and-let-live attitude toward other institutions. No longer.

The connection between great athletics and a great business school is mysterious, at best, and spurious at worst, but it works. It works because it is image related.

The rise of the rankings has turned scholarly amity into scholastic animosity, transforming business schools into rivals engaged in a highly competitive, high-stakes "game" (Corley & Gioia, 2000), with substantial resources accruing to the winners. Henry Kissinger, a former academic himself, is reported to have remarked rather derogatorily that in his day, politics was so rife in academia precisely *because* the stakes were so small. In modern day business schools, the stakes are no longer small and, just as in the political arena, for better or worse, the competition plays out in terms of image. Yet, business schools' images are no longer primarily of their own making. *Business Week*, perhaps somewhat to its surprise, discovered that the first issue containing the rankings was its biggest seller. Likewise for *US News*. So, the contest was on. If reputation was to be captured in a single, summary number, and if that number was derived from playing an image game, it seemed obvious that business schools needed to play that game. That, of course, is a conclusion with consequences—for scholarly ideals as well as for substantive practices.

What consequences? Let's first recognize that the popular media have a motive and prime directive that is relatively indifferent to substantive educational improvement—that is, they mainly would like to sell more magazines or newspapers and will frequently change the game if it will help accomplish that end. It is not news if rankings remain the same year to year, so the magazines are motivated to generate artificial variation—typically by changing their criteria over very short time horizons and without warning. That means b-schools are perpetually playing a catch-up game. Catching up by making substantive changes, however, takes a long time, usually longer than ever-shortening news cycles. Therefore, business schools have another reason for playing the image game (and learning the art of spin as a corollary), rather than allocating resources to bona fide program changes: that is, it is easier to project the image of change than to produce actual changes.

In this image-driven context, to be a "good" business school means that we need to influence stakeholders (including students and corporations, as well as the ranking media) to see us in a certain way—the way measured by the rankings. What external stakeholders see in us has surprisingly little to do with what we are doing in the classroom or in business research. In a perverse way, then, the classroom really doesn't matter very much. What matters is our number, so we devote resources to the things that will maintain or boost that number. Resources, therefore, go mainly to rankings-based criteria—and media-related campaigns to make sure that people know that our characteristics match those criteria that will result in "good" rankings.

The rise of the rankings has turned scholarly amity into scholastic animosity, transforming business schools into rivals engaged in a highly competitive, high-stakes "game", with substantial resources accruing to the winners.

Image measures drive schools toward image management. That statement is little more than a variation on the "greatest management principle in the whole wide world" (i.e., what gets rewarded gets done), except that the fixation on image creates the context for Kerr's (1975, 1995) "folly of rewarding A while hoping for B." Many of the rankings-related criteria generate activities that insidiously move us away from a focus on substance and toward a focus on image, because the rules of the game we are playing demand it. Thus, the hard-won value for substantive knowledge generation and knowledge dissemination has rather quickly become displaced by the pragmatic necessity for concentrating on image. Furthermore, it is not an image game played out in the abstract; it is played out in terms of real resources. That marginal $10,000 is no longer spent on hiring more adjunct instructors so we can reduce class size; it is spent on a media-relations consultant who will advise us on how we can get our stories planted in the targeted media.

Admittedly, this process takes place mainly around the edges. Most schools continue to spend a considerable proportion of their budgets on hiring more or better faculty. But, the marginal 3% now goes to the biggest "return on investment" in trying to influence the rankings (e.g., ads in *Business Week* several weeks before its surveys are sent out; packets of chili peppers to voting deans proclaiming that "We're hot this year!"). It is at the margins that the substance–image distinction becomes blurred, because the reasoning goes that if we spend the 3% on rankings-directed activities, we will get back more than 3%, and perhaps move up in the rankings. If we don't spend the 3% on these activities, we will end up with better education, but will lose ground in the image game. Vicious cycles and Catch-22s again, and yet more temptation for drawing ever more closely to Circe's circle of transformation.

MBA renewals, with their huge associated costs in faculty time and real dollars, are an increasingly frequent necessity, not because they are substantively necessary (continuous improvement can work as well), but because schools must demonstrate that they have transformed themselves periodically. Otherwise, they appear dated, whether they are or not, because the image of change is what matters. As image supercedes substance, public relations and image-creation skills supercede technical content and competence in our domain of intangibles. As Levitt put it: "The less tangible the generic product, the more powerfully and persistently the judgment about it gets shaped by the packaging—how it's presented, who presents it, and what's implied by metaphor, simile, and other surrogates for reality," (1981: 97). Or, as Meyer and Rowan (1977) noted, establishing legitimacy among groups who are not "carefully-attending" or directly involved is partly a matter of managing the symbolics of "legitimacy."

Of course, our knowledge of any given organization or class of organizations is heavily mediated by mass media and public relations efforts. That is a fact of modern life. Most consumers of business schools' "products" (prospective students, corporate recruiters, etc.) do not have direct experience of the institutions to which they apply, from which they recruit, or whose knowledge they use. That means that images must act as substitutes for experience (Alvesson, 1990). More to the point, as Boorstin long ago observed: "In an age when the average consumer has only the vaguest notion of the actual activities of a vast, complex corporation, the public image of the corporation substitutes for more specific or more circumstantial notions of what is going on" (1961: 191). The greater the uncertainty or ambiguity of knowledge about a given institution, the greater the importance of the images employed to describe and understand that institution. Furthermore, as image gains ascendancy, "the stronger the effect on . . . performance produced by skillfully orchestrated activities leaving the product/services untouched, but aiming at their perception" (Alvesson, 1990: 385, 387).

Naturally, images are created to influence preferred impressions. An image can be constructed with the intent to faithfully reflect the features of an organization. In a world of competition, however, images typically are selectively projected with the intent of conveying only positive impressions. As competition intensifies, the temptation to project false images can become overwhelming. Bernstein reflects this more pessimistic view in his treatment of image as a "fabrication . . . created to appeal to the audience, rather than to reproduce reality" (1984: 13). Berg and Gagliardi (1985) also entertain and emphasize the dark side of image, citing a "need for falsification," to portray the organization as other than it is. Of course, "falsification" need not be a matter of overt lying, but rather of motivated selection of features to emphasize or de-emphasize. Complex phenomena such as educational institutions, of course, can be portrayed in myriad ways without violating the "truth." Yet, that tactic leads to *pseudoactions*—activities carried out mainly for the sake of affecting the perceptions of an audience while disguising actual intent, and *pseudostructures*—structures that don't substantively affect the organization's work, but have legitimizing potential by signaling the "right" values (Alvesson, 1990; Boorstin, 1961).

When a large number of business schools begin to flood the market with images, the act of doing so begins to redefine the nature of the game that everyone else is playing. Image sensitivity and image honing force all other schools to play the game on those terms. It is also important to recognize that communication by way of images is the normal mode of communication for (post)modern audiences. Today's prospective students have been raised almost exclusively on motivated image projection by advertisers trying to sell products to a receptive but increasingly jaded public. Communication by way of images is *expected* now, which only exacerbates the transformation from substance to image. For educators, the recognition of the shift in medium is crucial. It is akin to the recognition in the early 80s that instructors who were raised on written media, with commensurate assumptions about how teaching and learning take place, were now teaching a "TV generation," who were raised on visual images, with different implications for teaching and learning (Gioia & Brass, 1986). The current generation is image-educated, image-savvy, but also image-receptive.

Given this constellation of forces, it is very hard to assess just what is image and what is substance. If we get too caught up in looking good, we will assist in producing the relentless postmodernist progression of identity-becoming-image-becoming-illusion. Business schools will transform themselves into Potemkin villages (beautiful facades, allegedly constructed by Grigory Potemkin to impress Empress Catherine II and her dignitaries, that disguised the neglected state of the towns themselves). Such a worrying possibility is important to entertain in this context as practical fact, not as some arcane academic invention, if for no other reason than to warn of the subversive outcomes possible.

Perniola, for instance, argues provocatively that in an image-dominated context, even closely held identity (as most business schools believe themselves to possess) can be transformed into "image without identity" (1982: 59), because over time, identity can be superceded by simulations of external images. Identity is then no longer constituted as a core set of beliefs and values, but becomes a transformation of the images projected by an organization and reflected back by outside perceivers. The projection of images aimed at conforming to the demands of a hypercompetitive marketplace only exacerbates the transformation. Baudrillard (1990) traces this progression as follows: (1) image projections begin as a reflection of some basic reality, (2) then transform into a means of masking or distorting that basic reality, (3) eventually leading to a masking of the absence of reality, and (4) finally no longer bearing any relation to the original reality. The message here is clear, if melodramatic. Once we start down this path, we are playing a dangerous game and risk having everything end up as image. More provocatively, we risk having everything end up as *illusion* (Gioia, Schultz, & Corley, 2000).

Although it is hard to imagine business education reaching the point of pure illusion, the implications are obvious: Willingly (or even unwillingly) staying under Circe's spell will most certainly lead us further into a transformation we do not want to experience as educators. How, then, might we break this spell and refocus our emphasis on substantive management education?

A PARTIAL ANTIDOTE FOR CIRCE'S SPELL: POSSIBILITIES

Odysseus was lucky. On the way to encountering Circe, the messenger of the gods, Hermes, met him and gave him an antidote to resist the enchantress. We are not so lucky; the spell under which we find ourselves has no known antidote. However, there are some useful observations to make about living with our (so far) partial transformation. We need to start with this premise: *The rankings are not going* away. No amount of wishful thinking will change this fact, so we need to operate within that constraint (and given their benefits, it is not clear that we would want them to disappear). Yet, we also need to be clear on another point: *Management education, improperly managed, risks transforming itself into something of an illusory industry if the single ranking number becomes a substitute for more comprehensive assessments of business school quality.* On this dimension, at least, we are some distance along the postmodern path to illusion.

There is, of course, a spectrum of conversion. Most good schools, for instance, cannot reasonably be accused of having been transformed into image. Rather, it is the pronounced trend in that direction that is the concern. As Alvesson notes, "The difference between organizations characterized primarily by 'substance' and those of a more 'imaginary' type can be identified by the amount of time, resources and skills invested in activities and conditions whose primary and explicit targets are the impressions of the groups the company wants to affect" (1990: 385). Think about that ominous statement as we consider the activities of our schools in dealing with the rankings. For instance, one prominent institution that cannot credibly be accused of lacking substance, nonetheless hauls the first-year class to Marine boot camp for a day, ostensibly to teach leadership and teamwork. With a wink and a nod, everyone recognizes this activity for what it is, an expensive publicity stunt. Such activities are a perfect enactment of Boorstin's pseudoevents, produced mainly to garner attention and, thus, almost purely image related. They help neither our credibility nor our educational substance, and instead reveal how deeply under Circe's spell we have fallen.

Although no cure-all antidote is available for the rankings' spell, some actions by the players involved can retain the benefits of academic competition, improve education, and still sell magazines. At least one of these possible actions requires a redefinition of the relationship between business schools and the media. Whereas this relationship has to date been overwhelmingly adversarial and antagonistic, it could be better viewed as a form of partnership. In fact, the business school-ranking media relationship might, if anything, be seen more productively as a symbiotic one: The magazines need the business schools and, perhaps surprisingly, the business schools need the media. If we proceed under this assumption, then several constructive options arise. For instance, media organizations could—and should—take stock of the spell's unintended consequences, the undermining of professional management education.

The most telling criticisms of the rankings are that the existing criteria are ill-chosen, incomplete, and arbitrarily weighted. Those criteria can be chosen more judiciously with the active participation by representatives of both parties. This is a system that can be fixed with mutual cooperation. If constituents insist on an overall ranking number (as they are likely to do), at least that number can be constructed with more complete criteria and some mutually-agreed-upon weighting. Yet, the development of more comprehensive criteria would also enable the publishing of other indices besides an overall ranking, such that different constituents could assess schools on criteria most relevant to them. Stake's (1998) web-based game that allows prospective students to change the weighting of criteria to see how the rankings change, thus enabling them to see a ranking that emphasizes their preferences and needs, is a good idea that could be fairly painlessly implemented.

This is a system that can be fixed with mutual cooperation. If constituents insist on an overall ranking number (as they are likely to do), at least that number can be constructed with more complete criteria and some mutually-agreed-upon weighting.

In addition, ranking criteria should be published in advance and adhered to for a reasonable amount of time, giving business schools time to focus on substantive educational improvement. It is a straightforward recognition that so long as criteria shift every year, business schools have little option other than to focus on image to stay in the game, because bona fide improvements usually require more than a year to design and implement. Media might resist these suggestions initially, but considering them is in their own interest. Otherwise, we have a future not only of illusion, but also of power struggles unlikely to produce a winner, or, if they do, a Pyrrhic winner.

Failing some sort cooperative effort, business schools will simply need to become more savvy at the adversarial game to have any hope of countering the spell. Perhaps the only way business schools can develop the wherewithal to usurp the magazine's power is by constructing their own more credible ranking system. Clearly, they cannot do it themselves, as outside stakeholders would see such a system as just as self-interested and suspect as business schools see the current ones. We presume that a viable system could be developed through the Association for the Advancement of Collegiate Schools of Business (AACSB). Yet, because the AACSB is clearly aligned with business school interests, it would need to hire independent experts to develop a comprehensive rating system employing both academic and pragmatic criteria that are audited by another independent agency.

Another less-obvious countering response to the rankings is for business schools, paradoxically, to encourage yet more rankings. More rankings, with increasingly diverse criteria, might just force business schools to conclude that they simply cannot develop responses to all the criteria of all the rankings. One possible response, then, is to ignore them all and get on with the substantive business at hand, as tiny St. John's College has done with some fanfare (http://www.sjca.edu/admissions/why.phtml).

Yet another less-obvious possibility is to entertain an expansion in scope of the mission of business schools. One response to the complexities we now face is contained in the development of some form of requisite variety (Ashby, 1956). We could try to enlarge the definition of a business school in a way that retains an emphasis on research, but also entertains excellence in MBA teaching, for example, the hiring of specialty faculty to teach MBAs and undergraduates (and evaluates those faculty according to appropriate criteria). Although some schools have already begun hiring for faculty positions based on MBA teaching excellence, an increase in this practice might help balance the being good versus looking good dichotomy currently pervading the industry. Such a strategy could capitalize on a broader definition that is not framed in *either–or* (MBA or PhD), but in *both–and* (MBA and PhD) terms. Trieschmann, Dennis, Northcraft, and Niemi's (2000), results suggest, however, that this course might be rather difficult because media measures of MBA program performance are notably different from our usual measures of research performance. Furthermore, a significant proportion of their top-50 research schools have not been consistently ranked in the top-50 MBA programs, suggesting that being both MBA- and PhD-oriented is difficult to accomplish unless, perhaps, extraordinary resources are available.

Whatever our response, it is clear that we cannot continue under this spell, which has produced a kind of perverted Prisoners' Dilemma game for business schools. If no cooperative venture with the media can be initiated, business schools need to engage in a principled fight driven by answering the question: "What is the main purpose of a business school?" Is it glorified vocational education? No, unequivocally it is not. We have been down that road before, and we need to reaffirm Santayana's caution that those who cannot remember the past are condemned to repeat it. Although all history has a tendency to become revisionist history (Gioia, Corley, & Fabbri, in press, 2002), it should be clear that if we choose to follow that road, we will revisit and repeat our own history in a different guise. We hope we are agreed at least on this point: Top business schools should, first and foremost, be centers of professional education based on the generation and dissemination of business and organizational knowledge—not handmaidens to corporations.

We hope we are agreed at least on this point: Top business schools should, first and foremost, be centers of professional education based on the generation and dissemination of business and organizational knowledge—not handmaidens to corporations.

ACCOMMODATING CIRCE'S POWER

The current state of business education fits all too nicely with the Circean tale. Business schools are undeniably being transformed, all the while retaining a curiously detached awareness of their own progressive transformation. Business schools are different now, and in many cases, not in ways that they would wish. In truth, we are not dealing with mythology here. The choices facing business schools in how they respond to these published rankings over the next several years could help determine the fate of the industry's integrity if image triumphs over substance.

But it doesn't need to be that way; image doesn't always need to win out. Perhaps the progression need not be a transformation only from substance to image but, if properly managed, a transformation from substance to image to substance (Gioia & Thomas, 1996). If the spell-like fascination with image got us into this predicament, maybe it is possible to use image to leverage our way out of it (i.e., to use image as a means to a substantive end). The hopeful reasoning is that if business schools can devote resources to boosting image to bolster their rankings, they might then use the improved image and rankings to attract the resources necessary to make substantive improvements. Using image to augment substance should be the main purpose of college and university public relations offices anyway, which is why the answer to the question, "Should business schools have PR offices?" is of course they should. PR offices are an integral part of the infrastructure necessary to compete in the environment that business schools now face.

Using image to augment substance should be the main purpose of college and university public relations offices anyway, which is why the answer to the question, "Should business schools have PR offices?" is of course they should.

Pursuing a substance–image–substance strategy provides an avenue of hope and is very attractive, but also risky. It amounts to playing a precarious game with Circe on the sorceress' own playing field, and, like the naïve game played by Dukas' sorcerer's apprentice, it could quickly get out of hand. It is possible, for instance, that image can engender substance if a projective image garners resources that are reinvested in substantive changes. Some schools have already tried a version of this tactic, announcing changes in a fashion that gives the impression that those changes are well under way, accruing the benefits such announcements bring (alumni monies, recruiting interest, etc.), and then implementing the announced change once it is resource-viable. That tactic might amount to a little white lie, but it also is a good example of using image to improve substance.

The slippery-slope trap, of course, is the temptation to stop short of following through with the changes, because, as evidence from business suggests, it is the projected *image* that brings the resources, with or without the promised changes. Westphal and Zajac (1994) found, for example, that the stock market reacts positively to the *announcement* of incentive plans, regardless of whether they are actually implemented. They found a similar pattern concerning stock buy-backs; the market reacts favorably to the announcement, regardless of whether buy-backs actually occur (Westphal & Zajac, 2001). Such findings serve as a cautionary tale about the dangers that come with projecting image in the hope that it will lead to substantive change. A substance–image–substance strategy must be pursued with purpose and principle, because the temptations to stop are strong once the image has done its work (which is another reason why image so easily becomes the end instead of the means).

Yet, that is precisely why the Circean tale fits our predicament so well: The benefits are as enticing as the costs are unpalatable. We initially considered writing this essay around the metaphor of "dancing with the devil"—with its implications of colleges selling their souls for a cherished high ranking—but that metaphor inappropriately connotes only evil associated with the rankings.

If only it were that simple. The Circean metaphor better reflects the actual complexity of our situation, because as was true of Circe, the potential for business schools to benefit from the rankings exists, but so does the lure of an addictive and destructive spell. Unlike Circe's victims, however, business schools have participated in their own co-optation and transformation. The disquieting fact is that many business schools are now fixated on the ranking number. Because business schools are partially responsible for the creation, or at least the growth of the rankings, they must also take some responsibility for their management, and do so soon.

Short of such action, business schools soon will become as good at the image game as political parties. Now, there's a provocative thought, but one worth thinking about the next time you see a new set of business school rankings.

REFERENCES

Abrahamson, E. 1996. Management fashion. *Academy of Management Review*, 21(1): 254–285.

Alsop, R. 2001. Keeping the customer satisfied. *Wall Street Journal*: April 30th. R10.

Alvesson, M. 1990. Organization: From substance to image? *Organization Studies*, 11(3): 373–394.

Argenti, P. 2000. Branding b-schools: Reputation management for MBA programs. *Corporate Reputation Review*, 3(2): 171–178.

Ashby, W. R. 1956. *An introduction to cybernetics*. London: Chapman and Hall.

Barnett, W. P., & Hansen, M. T. 1996. The Red Queen in organizational evolution. *Strategic Management Journal*, 17: 139–157.

Baudrillard, J. 1990. *Cool memories*. London: Verso.

Berg, P. O., & Gagliardi, P. 1985. *Corporate images: A symbolic perspective of the organization-environment interface*. Paper presented at the SCOS conference on Corporate Images, Antibes.

Bernstein, D. 1984. *Company image and reality: A critique of corporate communications*. Eastbourne, UK: Holt, Rhinehardt and Winston.

Boorstin, D. J. 1961. *The image: A guide to pseudo-events in America*. New York City: Harper & Row.

Corley, K. G., & Gioia, D. A. 2000. The rankings game: Managing business school reputation. *Corporate Reputation Review*, 3(4): 319–333.

Eisenhardt, K. M., & Bourgeois, L. J., III. 1988. Politics of strategic decision making in high-velocity environments. *Academy of Management Review*, 31(4): 737–771.

Elsbach, K. D., & Kramer, R. M. 1996. Members' responses to organizational identity threats: Encountering and countering the *Business Week* rankings. *Administrative Science Quarterly*, 41(3): 442–476.

Frank, R., & Cook, P. 1996. *The winner-take-all society*. New York City: Penguin Books.

Gioia, D. A., & Brass, D. J. 1986. Teaching the TV generation. *Organization Behavior Teaching Review*, 10: 11–18.

Gioia, D. A., Corley, K. G., & Fabbri, T. In Press. Revising the past (While thinking in the future perfect tense). *Journal of Organizational Change Management*.

Gioia, D. A., Schultz, M., & Corley, K. G. 2000. Organizational identity, image and adaptive instability. *Academy of Management Review*, 25(1): 63–81.

Gioia, D. A., & Thomas, J. B. 1996. Identity, image and issue interpretation: Sensemaking during strategic change in academia. *Administrative Science Quarterly*, 41: 370–403.

Gordon, R., & Howell, J. 1959. *Higher education for business*. New York City: Columbia University Press.

Kerr, S. 1975. On the folly of rewarding A, while hoping for B. *Academy of Management Journal*, 18: 769–783.

Kerr, S. 1995. On the folly of rewarding A, while hoping for B (revisited). *Academy of Management Executive*, 9: 7–16.

Levitt, H. 1981. Marketing intangible products and product intangibles. *Harvard Business Review*, May–June: 94–102.

Meyer, J. W., & Rowan, B. 1977. Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83: 340–363.

Meyer, M. W., & Gupta, V. 1994. The performance paradox. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior*, 16: 309–369.

Perniola, M. 1982. *Dazzling images*. Aarhus, Denmark: Sjakalen.

Porter, M. E. 1996. What is strategy? *Harvard Business Review*, Nov–Dec.: 61–78.

Porter, L., & McKibbin, L. 1988. *Management education and development: Drift or thrust into the 21st century?* New York City: McGraw-Hill.

Stake, J. E. 1998. Rankings are dangerous! http://monoborg.law.indiana.edu/LawRank/rankgame_danger.html

Staw, B. M. 1977. The experimenting organization: Problems and prospects. In B. M. Staw & L. L. Cummings (Eds.), *Psychological foundations of organizational behavior*: 466–486. Santa Monica, CA: Goodyear.

Toma, J. D., & Cross, M. E. 1998. Intercollegiate athletics and student college choice: Exploring the impact of championship seasons on undergraduate applications. *Research in Higher Education*, 39: 633–649.

Trieschmann, J. S., Dennis, A. R., Northcraft, G. B., & Niemi, A. W. 2000. Serving multiple constituencies in business schools: M.B.A. program versus research performance. *Academy of Management Journal*, 43(6): 1130–1141.

U.S. News & World Report. 2001. Best business schools. 130(14): 68–70.

Westphal, J. D., & Zajac, E. J. 1994. Substance and symbolism in CEOs' long-term incentive plans. *Administrative Science Quarterly*, 39: 367–390.

Westphal, J. D., & Zajac, E. J. 2001. Decoupling policy from practice: The case of stock repurchase programs. *Administrative Science Quarterly*, 46(2): 202–228.

Zimmerman, J. L., 2001. Can American business school survive? Working Paper FR 01–16. Rochester, NY: University of Rochester.

Dennis A. Gioia is a professor of organizational behavior in the Department of Management and Organization at the Smeal College of Business Administration, Penn State University (doctorate from Florida State). Current theory and research interests focus on organizational identity, image, reputation, learning, and sense making. Prior to his academic career, Gioia worked for Boeing Aerospace at Kennedy Space Center during the Apollo Lunar Program and served as vehicle recall coordinator for Ford Motor Company. These days, he teaches almost exclusively in MBA, PhD, and executive programs.

Kevin G. Corley is a professor of organizational behavior in the Department of Business Administration at the University of Illinois, Urbana-Champaign. His current research interests involve organizational learning and knowledge management, organizational image and reputation management, and multilevel and cross-level issues in the study of identity. He teaches organizational behavior at the undergraduate level and is continuing to work with his coauthor on further exploring the implications the business school rankings have on the MBA classroom and business education.