

The Conundrums of MBA Rankings

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One of the most popular readings for master of business administration applicants, the so-called MBA Rankings do not offer prospective candidates much help to make informed choices about preferred programs.

After 23 years of experience as an admissions consultant, I came to the conclusion that, given the extensive differences among the available rankings, readers would better spend their time analyzing the ranking criteria before making any valid inferences based on this superficial quality measurement.

Nevertheless, it is not so easy to break resistances and challenge deeply entrenched cultural habits, which include endless lists of rankings about almost every issue on earth. Modern society heavily consumes “top 10” lists, and MBA programs are no exception. The competition among different magazines compels them to publish their own rankings, and each statistician in charge of creating them aims to be original and come up with a different product—proliferating irrelevant or highly subjective measures of little help to the puzzled candidate facing the task of selecting a good school among thousands of options all over the world.

Problems and Contradictions

Otherwise respectable publications such as *US News & World Report*, *Business Week*, *Financial Times*, *Wall Street Journal*, *the Economist*, *Forbes*, and *Fortune*, to name seven, invest considerable research effort and resources to develop and publish annual (or biennial, in some cases) rankings, supposedly shedding light on the difficult “which MBA” query, evaluating major programs around the world, and attributing to them a questionable classification, to say the least.

For the past 20 years or so, I have patiently matched these seven rankings of the most popular business schools, finding inconsistencies such as the ones verifiable in the current publications: Harvard Business School is simultaneously evaluated as number 1, 2, 3, 14, 5, 3, and 2, depending on the magazine. The same phenomenon occurs with Stanford University Graduate School of Business (1, 6, 4, 19, 7, 1, 4), the University of Pennsylvania Wharton School (5, 4, 2, 11, 9, 5, 1), Massachusetts Institute of Technology (MIT) (3, 9, 8, 4, 19, 14, 3), University of Chicago Booth School of Business (5, 1, 9, 9, 4, 4, 6), Northwestern University Kellogg School of Management (4, 3, 22, 12, 15, 8, 5), Columbia University Business School (9, 7, 6, 3, 20, 6, 6), and all the other schools contemplated by the surveys.

My compilation encompasses all schools listed as a top 10 in any of these seven rankings; in 2010, a total of 22 schools can boast this coveted status. If a candidate decides to be more selective and pick just the top 5, he or she will come up with 15 schools. Those rare candidates that come into my office claiming that they want to study at the world’s best MBA program will still have to decide among seven different options (Harvard, Stanford, Chicago, London Business School, Tuck School of Business

at Dartmouth, IESE Business School at University of Navarra (Barcelona, Spain), and Wharton (Pennsylvania)).

Rankings should be viewed only as an additional source of information (and not the main one), only acceptable if the candidates could dig into the methodology used to construct the ranking and so understand what is being measured by each different publication.

For example, the *Wall Street Journal* is totally based on a survey of the recruiters' opinion at each participant school; *Fortune* magazine's ranking is compiled based on schools' reputations with polled recruiters and career-placement track records. To arrive at the job placement score, *Fortune* examines the percentage of students who secure jobs within three months of graduation (20% weighting), the average number of job offers per student (also weighted 20%) and average salary in a student's first post-MBA position (accounting for the remaining 60%).

In this way, *Fortune's* methodology is a combination of the *Wall Street Journal's* approach of surveying corporate recruiters and *Forbes'* focus on postgraduation salary as a measure of return on investment. *Business Week*, on the other hand, relies heavily on the schools' reputation with polled MBA students, while the *US News & World Report* puts more emphasis on hard data, such as Graduate Management Admission Council scores, grade-point averages, salaries, and the like. The *Economist* and *Financial Times* blend American and European schools, placing respectively IESE (Barcelona) and London as the world's best MBA programs.

Other less-popular rankings try to measure different attributes: MIT was first at the Webometrics 2009, which assessed the "presence of the school in the Web";

Wharton is first at the University of Texas-Dallas ranking, which evaluates the school's contribution to academic research; Yale is first among the non-profit MBAs; MIT is first among the Techno-MBAs, Duke is first in Intellectual Capital. The list of rankings is immense and causes more uncertainty than concrete help.

What To Do?

Any scientific mind would refuse to utilize such incongruous numbers as a reliable measure of anything at all. Unfortunately, most candidates do not make such a scientific analysis of this matter, opting to elect one of the above rankings as the absolute truth and making decisions of lasting impact based on that imprecise tool. Part of my job is to reveal the inadequacy of such an approach, stimulating candidates to learn as much as possible about each school—to understand their own goals, drives, needs, and aspirations, to speak with alumni, and whenever possible, to visit the schools before making any decision.