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Building Reputations: The Role of Alliances in the European Business School Scene

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How should businesses best choose foreign partners as they seek to internationalise? We use reputation theory to examine this question. Building reputation is a key aim on the European Business School scene, and this article we start by using more than 2,000 articles written by European academics in top quality journals to update the *LRP* research reputation rankings of European Schools. We then look at the way international research collaboration takes place, and find that alliances between schools are far from random. It seems that academics from US and European schools are strongly attracted to forming alliances with one another and the choice process appears to be consistent with reputation theory that suggests US schools seek out the most reputable foreign partners. Moreover, the "charmed circle" of high-reputation partners appears to be defined on a country-to-country basis rather than from a whole-Europe perspective. The lessons for managers in internationalising industries are that international alliance choice must include a reputation perspective, with great care being paid to the exact nature of the foreign partner's achievements. © 2001 Published by Elsevier Science Ltd

Building reputation is important for business, and in industries where consumers cannot securely know what they are buying (such as when they invest in new technology firms) or where choice risks being driven by fads and fashions (such as in the cultural industries) reputation is key. Alliances are a common feature of these industries, and they play an important role in establishing leadership. Business school education is arguably part of the cultural industries—most consumers cannot objec-

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tively judge all aspects of quality and fashion plays a role—and in business education alliances are becoming ever more common. This article looks at the world of business school research and its alliances, but offers broader lessons for all managers seeking to make foreign alliances.

Business schools are tasked to carry out an educational mission, and a reputation for quality among the various constituencies helps a school win better faculty and students. Moreover, the business schools that top the MBA league tables such as those published by the *Financial Times* and *Business Week* are charging the highest fees and receiving some of the largest donations. There is clearly a close connection between having a good reputation and accessing the resources that help maintain that position—success in one sphere helps the other, and winners seem to build a “charmed circle” of resources and benefits.

The lesson from reputation driven industries is that the charmed circle can be influenced and even broken by alliances. Winners typically form partnerships with other winners. But outsiders to the circle can improve their rankings if they can form alliances with those who have stronger reputations. Affiliations between the well-known and the unknown are extreme examples, and give rise to a valuable flow of benefits to the unknown.

In the business school sphere, alliances for MBA and executive programme provision are a relatively new phenomenon. In contrast, there has been a steady development of undergraduate exchange in Europe driven by the EU’s Socrates and Erasmus initiatives and a tradition of collaborative research. Over the last decade, globe-trotting management academics have been frequenting international meetings and building international links, and the consequences for European schools have been significant. Nearly 25% of all European research projects now involve collaborators from other countries, and more than half of these are from the US. This trend towards international collaboration appears to have gone hand in hand with greater outputs, research publications having risen by an average of 6% a year over the last 6 years. The research linkages spanning countries and schools may be the spearhead of the attack that allows European schools to break the US hegemony of being the *only* perceived leaders of business education.

In this article we update the *LRP* research reputation rankings of European Schools to the end of the year 2000,¹ and go further to examine the propensity of schools to form alliances, particularly with other schools in Europe and the US. Such alliances appear to be far from random: it seems that researchers from US and European schools are strongly attracted to forming transatlantic alliances with one another. The choice process may be rational, but it is also very consistent with reputation theory that suggests alliance behaviour is influenced by a developing charmed circle within individual countries rather than across Europe as a whole.

Theoretical background

Status and reputation are close allies, and reputation is typically defined as the expectation of a high level of quality as perceived by an audience.² Reputation is important in many industries such as music, education, and new ventures, where it is often easier to ascertain reputation than to observe true quality, and where enjoyment in consumption may be influenced by the perceptions of others. A good reputation can assist in the gathering of resources such as wealthy customers, well-trained staff and easily-available finance, and it is often associated with superior returns.³

Reputations can be seen as a socially constructed outcome of some kind of legitimisation process, and thus alliances can play a critical role in reputation management.⁴ Alliances can help build a reputation; and reputation in one sphere can generate success in another. In the arts/entertainment business, the “Three Tenors” collaboration between famous but rival singers has created a musical and financial spectacular while a film star’s off-screen ability to act as a prominence mechanism to generate publicity and revenues is as important to the eventual success of their products as their on-screen talents.

Organisations lacking a strong reputation resource, perhaps because they are new in the relevant field without a track record, can generate reputation by association. Thus young start-up firms typically try to associate with well-known venture capitalists and investment banks to win an IPO at an attractive price.⁵ New firms in the wine industry (where image is important to some purchasers) utilise reputation linkages to establish their position in the hotly contested customer market,⁶ and new music ventures form alliances with major established players for similar reasons.⁷

The mechanisms by which associations work have been extensively examined in the literature. An alliance can give access to knowledge, allowing each party in their relevant organisations to collaborate to jointly create new products, new processes or new ideas. It may not be necessary for a full sharing to take place to achieve the desired outcome. Alliances between new firms and established firms in the world of biotechnology commonly fit this criterion, allowing established pharma-chemical companies to gain access to the patents and product designs of the new firms; and the new firms to benefit from the marketing channels and testing systems of the established firms. Typically this process of access involves the transfer of products and test results, but not the processes that lay behind the products and the testing procedures, these being preserved as the source of lasting competitive advantage of the respective parties. Alliances can allow an organisation the opportunity to win new resources directly, as one party agrees to transfer technology and know-how (which is a greater step than mere access).

Alliances can also be very effective in leveraging results and gaining publicity. The outputs of a project may only be appreciated initially by “experts”, and require focal institutions to assist

in dissemination. Thus young film companies use the backing of the major firms to disseminate potential new hits in exchange for a share of final revenues, and, unknown bands benefit greatly when invited to share a platform with known artistes, often playing at the beginning of the main concert.

Alliances are hard to construct and to maintain, and they are problematic when the parties are in different countries. How do people choose without taking too many risks? Reputation theory suggests that each should look for signals that the other party has the characteristics to be beneficial in the reputation game, such as prizes and locally recognised achievements.

Research reputations

In this article we ask what are the critical driving forces in the academic research collaboration process, and how the US schools operate in this sphere. Academic research is expensive. A typical article in a top academic journal represents years of work for an individual or team. A cost of \$50,000 would be a minimum, and some articles that are based on research projects cost millions of dollars. Publication in top journals is difficult, and becoming increasingly so. As in the scientific field, many business school research projects fail to deliver even one major acceptable output. Academic research is also very competitive, and the competition is most intense in the US. Top schools such as Wharton vie with competitor schools to produce more top quality articles, feeding the results of their research projects into teaching and money-raising. In addition, all US schools are under pressure to undertake international research to meet the needs of their students and their corporate clients who themselves are internationalising. This is forcing US schools to seek out international partners to provide access to European research sites and local skills and knowledge critical to project success.

Collaborative research has been on the increase in recent years. This is evident in international journals such as the *Academy of Management Journal*, the *Academy of Management Review*, and the *Administrative Science Quarterly*, where the percentage of single-authored articles published decreased from 82% in the 1960s to 40% in the 1980s.⁸ Collaborative research represents a way to overcome data availability, and collaboration with foreign researchers is very attractive for those who face difficulties in data collection when trying to conduct studies across countries. Collaboration is also a response to the increasingly demanding requirements for conceptual and methodological rigour when publishing in quality journals. Finally, researchers may also collaborate to add more perspectives and ingredients to the paper, to increase the probability of publication.⁹

Considered from the US perspective, at which European schools would American academics look for partners? Although many Europeans may approach academics in US schools, we suggest that institutional reputation drives their choice. Academics at US schools would have a bias for seeking partnerships with

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those perceived to give a competitive advantage, and these are likely to be those located at the best institutions in each country. Best, we suggest, is defined as the school that has the best business research record. Thus, in the case of the UK, we expect the US schools to look to London Business School (the premier research-oriented business school) rather than Oxford, Cambridge, or London School of Economics (the premier social science institutions) or Ashridge (according to the *Financial Times*, the best executive education providers to the corporate market). Likewise in the Netherlands, we argue that US schools will be biased towards Erasmus, Rotterdam (the major Dutch business school) rather than the University of Amsterdam (one of the oldest and most prestigious universities). We also suggest that because each European country has unique potential, US schools may well look by country rather than across Europe as a whole.

It is commonly noted that European schools do not face such a great pressure to publish, even in their own language, let alone in English. Even so, many would like to establish better international reputations. Dutch, Italian and French academics know that works published in their own languages are rarely read and almost never cited by academics in other countries. English is the lingua franca of international fame in research, and presentations at English-language conferences are a key step in getting recognition. For the European researcher seeking international reputation, an alliance with a US academic can help get the work noticed. A well-known US researcher from a top school who lends his or her name to a project helps ensure that the paper's presentations at international conferences are well attended and that other academics cite the work.

Europeans do not just want to ally with Americans, but also with other Europeans. Where researchers examine cross-country and internationalisation issues—an important theme for all internationalising schools—they require sites in more than one country, and thus multi-country partnerships develop. Large-scale projects also need extra pairs of hands, and the EU provides liberal funding to projects that span countries. The motive for cross-border European collaboration is further strengthened by the claim that European research is essentially different, and that there is a thing called the European tradition.¹⁰ By this view, researchers in Europe should be collaborating frequently with other Europeans.

Our data allow us to look at the frequency of collaboration by institution and by country, and to assess which kind of effect is most important in collaboration activity. However, before we go further we need to up-date our reputation ranking for European Business School Research.

Ranking methods

Ranking institutions by reputation requires the customer perspective, and thus most MBA rankings are based on views of

recent graduates and employers. In research terms, as argued in the previous paper, we chose journal publishing as an indicator of audience response. All the best journals in business and management are blind reviewed, and so acceptance for publication relies on the approval of an audience that does not know either author or institutional names. More critically, authors do not know the names of the reviewers, so criticism and rejection occurs without possibilities of retribution. Research outputs in the leading journals therefore represent an audience driven measure.

As before, we use the same top 32 journals, which include 16 management journals, 5 marketing journals and 11 finance journals. Our list overlaps the lists of others who compile rankings, such as the *Financial Times*. The key potential for bias in our selection is the omission of some journals for accounting and for operations management: schools that specialise in these areas could be disadvantaged.¹¹

As before, we counted every time an institution was mentioned as hosting an author for an article in one of these 32 journals for the extended period from 1995 to 2000. There are now two more years in our database. Moreover, we have been able to add some data for the year 1998 that was missing from the previous article due to the unavailability of a few journal issues. We now record more than 2100 European institutional mentions, of which most are collaborative in the sense that they involve more than one author often from different institutions. These mentions involved 324 European schools, and our database indicates that European researchers are increasing their publication rates at more than 6% a year.

Updating the research reputation ranking of schools

The updated research ranking of the top 45 business schools is shown in Table 1. Our updated report ranks schools by the number of articles to which they contributed in our list of top 32 journals and also compares the schools with their position from our previous exercise for the period of 1995 to 1998. (This in turn has been revised due to locating some missing data.) Adding two new years of data has made few changes. The top three schools are unchanged (we now treat UMIST and Manchester as one institution). In the top ten there are no new additions, although in the top 40 there are some new entrants notably Helsinki (22=), Mannheim (32=), Maastricht (34=), Uppsala (37=), and Bologna (37=). Some rankings have risen significantly, reflecting the efforts of individual schools such as Cardiff (now 12) and Bath (now 22=).

The total outputs of the group of top 45 schools account for nearly 70% of the total outputs of all European schools, which is the same proportion as in the last report. This concentration of scholarship among a few schools is similarly reflected in the US, where Trieschmann et al noted that the top 50 US research

Table 1. Ranking of schools^a

School	Country	2001 Rank	Total articles 1995–2000	2000 Rank	2000 Revised rank	Revised total 1995–1998
LBS	UK	1	152	1	1	96
INSEAD	France	2	149	2	2	89
Tel Aviv	Israel	3	80	3=	3=	54
Warwick	UK	4	64	4	5	43
UMIST/ Manchester	UK	5	63	3=	3=	54
Erasmus Rotterdam	NEL	6	62	7	7	31
Tilburg	NEL	7	58	12=	6	41
Cambridge	UK	8	55	6	9	29
Nottingham	UK	9	50	21=	8	30
Groningen	NEL	10	47	20	10	26
City University	UK	11	45	8=	14=	23
Cardiff	UK	12	42	17=	19	21
Oxford	UK	13	41	15=	11=	25
Stockholm Economics	Sweden	14	36	10=	13	24
Katholieke University of Leeds	Belgium	15	35	12=	14=	23
Cranfield	UK	16	33	17=	14=	23
LSE	UK	17	32	8=	11=	25
Hebrew	Israel	18	31	10=	14=	23
Strathclyde	UK	19	30	23	25	16
Lancaster	UK	20	29	24	28=	14
Bath	UK	21	28	17=	28=	14
Helsinki	UK	22=	27	28=	31=	13
Helsinki	Finland	22=	27	–		10
IMD	Switzerland	24=	24	21=	21=	18
Technion	Israel	24=	24	31=	28=	14
Limburg	NEL	26=	23	14	14=	23
Reading	UK	26=	23	15=	21=	18
Sheffield	UK	26=	23	25=	23=	17
Norwegian Economics	Norway	29=	21	–	20	19
Aston	UK	29=	21	38=	31=	13
Norwegian Management	Norway	31	20	28=	26=	15
Birmingham	UK	32=	19	31=		12
Mannheim	Germany	32=	19	–		8
UC Dublin	Ireland	34=	18	35=	26=	15
HEC	France	34=	18	28=	31=	13
Maastricht	NEL	34=	18	–		5
Ashridge	UK	37=	17	25=	23=	17
Swansea Wales	UK	37=	17	25=	31=	13
Bologna	Italy	37=	17	–		11
Uppsala	Sweden	37=	17	–		10
Totals			1555			991

^a Notes: The totals and rankings for the period up to 2000 differ from the previous article¹ because of insertion of missing data for 2000 due to the unavailability of journals, and the rank of UMIST/Manchester has changed due to the combining of the schools for this reputation ranking.

schools accounted for nearly 70% of all US business school research output.¹² It seems that idea generation is a concentrated industry.

Table 2 ranks the schools according to disciplines, i.e. management, marketing and finance. In management, Cardiff, Erasmus Rotterdam and Tilburg have moved into the list, replacing Cranfield and University of Leeds. UK business schools occupy 8 of the top 11 rankings. In marketing, there are two new entrants from the Netherlands—Tilburg and Erasmus Rotterdam—who have replaced two other Netherlands institutions—Groningen and Wageningen. Finally, in finance, all the top five schools from last year remain in the list this year, and they are joined by the Norwegian School of Economics.

Collaborative research

We computed the data on collaborative activity for our top research schools. We found that in the disciplines of management and marketing (the largest part of our database) only 18% of articles are single-authored, 45% have one collaborative pair,

Table 2. Ranking of schools by discipline

School	Country	Total articles	2001 Rank
Management			
INSEAD	France	109	1
LBS	UK	88	2
UMIST/Manchester	UK	51	3=
Warwick	UK	51	3=
Cambridge	UK	50	5
Tel Aviv	Israel	46	6
Nottingham	UK	44	7
Oxford	UK	34	8=
Cardiff	UK	34	8=
Erasmus Rotterdam	NEL	33	10=
Tilburg	UK	33	10=
Marketing			
INSEAD	France	26	1
Groningen	NEL	22	2
LBS	UK	15	3
Tilburg	NEL	12	4
Erasmus Rotterdam	NEL	11	5=
Katholieke	Belgium	11	5=
Delft Univ of Tech	NEL	10	7
Finance			
LBS	UK	49	1
Tel Aviv	Israel	27	2
City Univ	UK	21	3
Norwegian Economics	Norway	19	4
Erasmus Rotterdam	NEL	18	5
LSE	UK	17	6

and 37% more than one partner. The figures for finance (not shown here) indicate even greater collaboration with a mere 8% single-authored. In all cases, collaboration is most common with other academics in the same school.

Table 3 is an analysis of partnerships by our top schools in marketing and management. Once again it is an analysis of nodes, thus a paper co-authored between INSEAD in France and LBS in the UK appears twice in the table, once for each school. However, a paper co-authored between INSEAD and Wharton, US, only appears once as no US school is in our list. From Table 3 we see that when they partner, nearly 30% chose to have an author from the same institution, which might be expected. Much more surprising is the fact that when they chose a partner from another institution, the top schools INSEAD and LBS prefer a US partner. (Because of the double counting effect, the reader cannot aggregate the columns in this table to draw overall conclusions.)

Counting raw scores of partnerships, we can say that among the top schools there are almost three times as many collaborations between Europe and the US as there are between different European countries (approximately 230 versus 70). From the data, it seems that there is no evidence of the so-called *European Tradition* being reflected in *European Collaboration*. In contrast, there is strong evidence that the US drives international collaborative activity. It is interesting to note that non-Anglo Saxon countries choose to collaborate with US schools more often than with UK schools, suggesting that language alone does not drive partnership when the goal is to publish in the English language.

It is clear from Table 3 that the US schools are not targeting the best European schools when viewed from a European perspective. Although they are in the top 5 of our list, the schools of UMIST/Manchester, Groningen and Cambridge engage in few US collaborations. In contrast, Erasmus Rotterdam, Katholieke (KUL) and UC Dublin seem much more active despite their lower rankings. Table 4 makes the picture much clearer when we look on a country basis. Once again columns cannot be totalled and compared. However, an analysis of dyads reveals that although universities not in the top group are more likely to combine with other Europeans than US schools, the overall European picture remains one of American domination. There are more than twice as many papers involving US partners as those involving partners across European countries.

Table 4 goes deeper, showing the collaborative activity of the best research school in each country. Here it is very clear that these institutions are heavily preferred by US partners, alliances with the top European schools accounting for 45% of European/US collaborations. This is not only a larger share of the partnerships than would occur at random, it is also a much larger share of the US alliances than indicated by their overall article production.

Table 3. Collaboration partners (management and marketing)

Rank	School	Country	Partnering with colleagues from same institution		Partnering with researchers from same country (excluding same institution)		Partnering with researchers from other countries in Europe		Partnering with researchers from USA		Partnering with researchers from Rest of World		Total
			No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total	
1	INSEAD	France	56	39.7	4	2.8	24	17.0	1253	37.6	4	2.8	141
2	LBS	UK	34	30.9	23	20.9	17	15.5	1221	30.0	3	2.7	110
3	UMIST	UK	44	56.4	23	29.5	9	11.5	1311	1.3	1	1.3	78
4	Tel Aviv	Israel	30	43.5	5	7.2	4	5.8	1324	34.8	6	8.7	69
5=	Warwick	UK	42	62.7	12	17.9	5	7.5	1347	10.4	1	1.5	67
5=	Tilburg	NEL	50	57.5	22	25.3	8	9.2	1357	8.0	0	0.0	87
7	Erasmus Rotterdam	NEL	42	56.8	13	17.6	7	9.5	1342	16.2	0	0.0	74
8=	Groningen	NEL	30	46.9	24	37.5	6	9.4	1384	6.3	0	0.0	64
8=	Nottingham	UK	34	59.6	11	19.3	0	0.0	1441	19.3	1	1.8	57
10	Cambridge	UK	14	36.8	17	44.7	4	10.5	1416	2.6	2	5.3	38
11	Oxford	UK	26	53.1	15	30.6	5	10.2	1431	2.0	2	4.1	49
12	Cardiff	UK	18	46.2	16	41.0	0	0.0	1445	12.8	0	0.0	39
13	Leeds	UK	26	59.1	18	40.9	0	0.0	1460	0.0	0	0.0	44
14	Katholieke	Belgium	22	40.7	6	11.1	8	14.8	1448	33.3	0	0.0	54
15	Cranfield	UK	6	19.4	14	45.2	3	9.7	1498	25.8	0	0.0	31
16	Technion	Israel	12	36.4	3	9.1	3	9.1	1544	42.4	1	3.0	33
17	Stockholm Economics	Sweden	10	38.5	3	11.5	8	30.8	1524	15.4	1	3.8	26
18=	City Univ	UK	14	46.7	12	40.0	2	6.7	1536	3.3	1	3.3	30
18=	Helsinki	Finland	46	83.6	2	3.6	2	3.6	1555	9.1	0	0.0	55

Table 4. Nodes of collaboration by country location of authors (management and marketing)

Country	Partnering with researchers from other countries in Europe (A)	Partnering with researchers from USA (B)	Partnering with researchers from Rest of World (C)	Total partners (D)	Top research business school in country	Collaborative articles by top school (E)	% of country's total collaborative articles by top school (E/D)	Collaborative articles with researchers from other European countries (F)	% of collaborative articles with researchers from other European countries (F/A)	Collaborative articles with USA researchers by top school (G)	% of collaborative articles with USA researchers by top school (G/B)
	No.	No.	No.						(F/A)		(G/B)
Austria	5	3	0	18	Vienna University of Technology	6	33.3	0	0	2	66.7
Belgium	16	24	4	99	Katholieke	54	54.5	8	50.0	18	75.0
Denmark	5	10	2	41	Copenhagen	14	34.1	5	100.0	3	30.0
Eastern Europe	22	4	1	35	Budapest University of ES	15	42.9	13	59.1	0	0.0
Finland	3	10	0	68	Helsinki	55	80.9	2	66.7	5	50.0
France	39	77	10	274	INSEAD	141	51.5	24	61.5	55	71.4
Germany	10	13	2	113	Mannheim	18	15.9	0	0.0	6	46.2
Greece	7	3	1	17	Cyprus	6	35.3	2	28.6	1	33.3
Ireland	13	11	2	41	UC Dublin	26	63.4	8	61.5	9	81.8
Israel	11	50	12	177	Tel Aviv	69	39.0	4	36.4	24	48.0
Italy	13	14	0	90	Bologna	20	22.2	3	23.1	2	14.3
Malta	1	0	0	1	Universiti Sains	1	100.0	1	100.0	0	0.0
Netherlands	42	46	1	401	Erasmus	73	18.2	7	16.7	12	26.1
Norway	2	9	0	35	Rotterdam	26	74.3	0	0.0	0	0.0

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Table 4. Continued

Country	Partnering with researchers from other countries in Europe (A)	Partnering with researchers from USA (B)	Partnering with researchers from Rest of World (C)	Total partners (D)	Top research business school in country	Collaborative articles by top school (E)	% of country's total collaborative articles by top school (E/D)	Collaborative articles with researchers from other European countries (F)	% of collaborative articles with researchers from other European countries (F/A)	Collaborative articles with USA researchers by top school (G)	% of collaborative articles with USA researchers by top school (G/B)
	No.	No.	No.						(F/A)		(G/B)
Portugal	0	3	1	9	Instituto Superior Tec	1	11.1	0	0.0	0	0.0
Spain	7	8	1	37	Universidad de Sevilla	4	10.8	0	0.0	0	0.0
Sweden	21	10	2	111	Stockholm Economics	26	23.4	8	38.1	4	40.0
Switzerland	12	4	0	48	IMD	13	27.1	6	50.0	2	50.0
United Kingdom	91	94	35	1250	LBS	110	8.8	17	18.7	33	35.1
	320	393	74	2865	Europe Total	678	23.7	108	33.8	176	44.8

Discussion

Although there are data limitations due to journal selection and discipline focus, our analysis of 1,000 articles and 2,800 author nodes reveals that US partnerships dominate the international research alliance scene in Europe, and that despite the so-called European tradition and the efforts of the European Commission, pan-European cooperation is still in its developmental stage. However, correlation does not indicate cause, and we need to look deeper to interpret the results.

Is partnership with US institutions driven from the US or the European country? Clearly there are complex factors at work. INSEAD and LBS recruit heavily from the major US doctoral programmes. They have done this in part to gain access to top quality academics who will publish. But when they publish, these recruits often have developed US collaborators such as supervisors or past colleagues. So this recruitment strategy assists internationalisation in many different ways. Some lower ranked schools have tried to emulate LBS and INSEAD by hiring US graduates, but they have had only moderate success: the newcomers typically leave soon or do not perform well in research. There are many reasons that include being disappointed by the low rates of pay and the absence of success in the local research culture. A typical cultural-industries mechanism is at work; the charmed circle favouring those who are already leaders.

There have been other strategies to engage US schools. For example, for some years universities such as Bologna and UC Dublin have had a policy of funding local PhD students to go to US colleges to learn the trade and hauling these graduates back again. Although the outlays and time lags are considerable, this policy obviously brings back graduates with close connections that typically result in joint articles. Moreover, the returning academics appear to be far more tolerant of lower local pay scales and far more flexible in adjusting to local conditions.

There are other strategies as well. For example, in Israel the pay levels are so low that many of the top professors in these schools hold joint appointments in the US. Such joint appointments allow them to exploit personal connections, as many have ethnic or family links with both countries.

No matter what is the mechanism, the result seems to be the same. Those schools that with the best reputations for business school research attract the most US collaborators. The above finding is even more striking when one thinks about the schools that the US could have chosen as collaborators. For example, Oxford and Cambridge have almost no US collaborators in management, despite their strong social science reputations and long links with the US in social sciences. Likewise, in France it is INSEAD, and not HEC or Paris Dauphine that tops the list. INSEAD, despite being very international, has strong local links to French companies, and so plays the dual role of being top French school and strongly placed for the rest of Europe.

Conclusions

As industries internationalise, managers face a choice. Should they follow the trend, and if so with whom should they partner? Where industries are driven by the economics of reputation, staying at home may be risky as others may steal a march. But forming partnerships overseas is risky too. We suggest that when internationalising is the way, it makes sense to choose as foreign partners those who have strong reputations in their local markets. Our article gives strong support to the idea that combining domestic with foreign winners reinforces the charmed circle, even if foreigners are “let in” to the game. Moreover, we suggest that care should be, and is being, taken when choosing the foreign winner: US partners clearly prefer the leading schools within each country, and pay close attention to those characteristics which have led its partners to be winners in the reputation game.

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