Innovative change in the management education accreditation industry

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Management education accreditation is an industry in need of restructuring. Highly concentrated accreditation organizations in the United States and Europe are preserving decades old criteria. Those decades old criteria reflect the state of the industry in different times. Things have changed and with them the very nature of management education and, in no less measure, the monitoring and accreditation norms. . The industry suffers from conceptual and operational flaws. The need for restructuring is evident.

The article provides a review of the structure of the industry today. This is followed by an analysis of the conceptual and operational weakness of the existing frameworks. A possible substitute based on systems and metrics analysis is then explored. Multiple metric-rooted performance parameters provide an overall assessment and lead to an Accreditation Score Card.

Accreditation Score Cards could have tangible impact on the practice of management program, and institution, accreditation process and the assessment of scope, content, approach and effectiveness of management education efforts.

The problem

Management education accreditation industry is an industry in trouble. Highly concentrated accreditation organizations in the United States and Europe are preserving decades old criteria. Those decades old criteria reflect the state of the industry in different times. Times when capital markets were stable, globalization was mild, technology was slow, WTO was a novelty, China was emerging and Japan was pursuing industrial policies. Things have changed and with them the very nature of management education and, in no less measure, the monitoring and accreditation norms. A development that has not escaped the attention of politics in the United States (WSJ, July 8, 2015) the industry suffers from conceptual and operational flaws and is in need of restructuring.

The following article explores potential future innovation within this industry.
The article starts with a brief survey of current approaches to management education accreditation followed by an analysis of the conceptual flaws of those existing frameworks. A substitute is then explored based on systems and metric analysis. The ultimate outcome is an Accreditation Scorecard or a framework delivering a comprehensive management program and institution accreditation validity picture.
Article conclusions could have tangible impact on the practice of management education accreditation. The substitute, if adopted, could change view of what constitutes accreditation and how accreditation outcome could influence the very process of management education.

The accreditation industry: organizations and concepts.

Business education-related accreditation is an industry with concepts, norms and players. An industry that claims value added in terms of visibility, fund raising, innovation, faculty pride and community service (ACBSP 2013).   It is, to all appearances, a highly concentrated industry whether in the United States, the prime player, or Europe, the follower. Though empirical evidence of concentration is difficult to exactly establish on a global scale, one can derive a level for the United States, the market leader. AACSB, the leading accreditation agency in the United States claim, in 2014, 502 accredited members (AACSB, 2014) or an estimated 64% of the domestic market (783 programs).Those figures, though rough, reveal a high measure of concentration.

AACSB, the key player and the market leader, was founded way back in 1919. It places relative emphasis on research with ultimate accreditation made dependent on three standards: strategic management, participant's standards and assurance of learning standards. Strategy considerations include mission,   resource utilization, quality standards, stakeholder input and "advancement of knowledge in management education". Participant criteria consider student admission, faculty sufficiency and interaction, faculty academic and professional qualifications, faculty management and educational responsibilities. Learning addresses management of curricula and educational learning goals. Schools must also demonstrate possession of financial means compatible with the mission and goals (AACSB, 2014). All in all the processs that could extend over a five year period, is divided into a pre accreditation phase, an initial accreditation phase and a maintenance accreditation phase

ACBSP, the other dominant operator, is less than three decades old and offers another approach to accreditation. It focuses on "teaching excellence and educational outcomes". ACBSP resorts to peer evaluation in order to address issues that include leadership, strategic planning, student and stakeholders' focus, student learning and performance, faculty and staff focus and educational and business process management. ACBSP mission stresses "…..The importance of scholarly research and inquiry and …… reasonable mutually beneficial balance between teaching and research" Also "encourages faculty involvement within the contemporary business world to enhance the quality of classroom instruction and to contribute to student learning." (ACPSB, 2014)

Europe has a number of accreditation agencies too. Some have strategic alliance with the American operators. The European market leader is EQUIS. It relies on a set of assessment criteria extending over a wide front. They include the environment, institutional status, governance, mission, vision and values, strategic positioning, strategic direction and objectives, strategic planning, quality assurance, internationalization, ethics, responsibility and sustainability and corporate connections. (EFMD, 2014)

A common thread throughout the entire accreditation structure is emphasis on strategy aspects of the operation followed by student and faculty admission and conduct issues. Also a preoccupation with the institution as a whole especially in the case of AACSB and EQUIS.

The flaws.

Current accreditation concepts and criteria are comprehensive and functional. Yet comprehensive as they may seem, accreditation frameworks described above suffer from serious conceptual (and operational) flaws undermining the very purpose of the effort. This is taking place at a time when legitimate <u>concerns about the quality of business education</u> have long been expressed (The Fiscal Times, November 2, 2011, HBR May, 2005).

- **Seeing events rather than systems.**

Accreditation of a management education effort can best be viewed as a system with inputs, transformation mechanisms, outputs and a feedback loop. For the accreditation process to be effective those elements should be there and should fit within a consequential flow. Yet this is not always the case today.

To illustrate let us consider AACSB's three cluster criteria: strategic management, participant's standards and assurance of learning standards. Careful examination of cluster components would trace elements of input and, to a certain measure, process. Outcome and feedback are barely represented. Market relevance and term performance of the product, a key output and feedback parameter, could, for example, be barely traced. Participant career flow, a key input, cannot be traced either.

- **Creating closed rather than open systems.**

Critical feedback and consequent corrective action are inherent in every system and belong to fundamental system efficacy. Critical feedback could be painful and, more significantly, influence brands and market shares. And is frequently kept at bay.

To illustrate let us recall that current accreditation practices rely on peer review, a practice that is laced with "camaraderie", murkiness and an assumption of responsive self-interest (Fortune, Nov 23, 2015). Critical findings as lack of qualified faculty are not always revealed to client groups under the pretext that critical disclosures could prevent some schools from being candid in self-assessments or undermine their competitive disadvantage. Or, worse still, exacerbate the problem (The Fiscal Times, November 2, 2011).

- **Building barriers rather than bridges.**

Existing accreditation frameworks give the strong impression that they are entry barriers or measures introduced in order to   limit the number of players, discourage new entrants and enhance the concentration pattern of the global management education industry.

To illustrate, again, let us consider AACSB's criteria requiring the "possession of financial means compatible with the mission and goal" and faculty creation of a "portfolio of intellectual contributions". Those are overly blurred criteria that are difficult to measure and place within an objective context. They could justifiably viewed as entry barriers preserving a global industry leadership by certain institutions in the United States and imposing American standards on new comers sizable and strategically significant markets as China.

Projecting a dark tunnel rather than a mirror.

Today's accreditation processes of management programs, and institutions, operate with a maze of terms, concepts, events, actions and functions, some defined and others are not. The result is confusion in projecting the requirements and assessing the outcomes.

Let us take the very term "accreditation" or the act of granting credit or recognition. This term is not uniformly defined by all those involved in the process. There is accreditation and there is validation and there is certification etc. Shadow terms also abound. Institution mission, faculty research, and institutional strategy are all viewed in different lights and given different connotation by different players. Even faculty research is subject to a wide variety of interpretations. This obviously undermines the accreditation effort making it a jump in the dark instead of an enlightened search for of a better way to do things.
Producing clones rather than innovators.

Projection of business schools and business programs against rigid standards could undermine innovative differentiation in products and markets.   Schools striving for differentiation in program structure, coverage, culture, functional specialization etc. could find themselves undermined and outcast.

AACSB has been criticized, for decades, for being monolithic in its development and implementation of standards for achieving accreditation (Andrews and Tat, 1994). Most accredited MBA adhere to a near standard course coverage, subject flow and ultimate program completion (Benis et al, May 2005). Attempts at innovation are few with bias towards worn out issues as leadership (the Economist,   ) Today accreditation processes run the genuine risk of creating clones.

MBA functional subject coverage, sequence and balance provide an illustration. Differentiation in terms other than specialization is seldom the case. The outcome is bland uniformity and institutional submissiveness.

The future: innovative change.

Restructuring is overdue in the management education accreditation industry. This could follow different venues but all will have to congrue with the changing environment of the industry and the very product that it makes. It is the author's contention that a strong measure of innovation is essential. This innovation should be based on a number of premises. Prime among those is the fact that accreditation is a continuous flow and not an intermittent event. Also that accreditation should never constitute an entry barrier to the management education industry.   Output and market congruence should lie at the heart of the process. And accreditation is not the monopoly of the academic community, industry, government and politics are partners in the process.
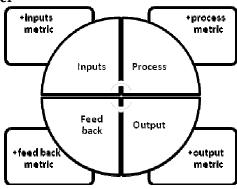
Accreditation of a management education effort can best be viewed as a system with inputs, transformation mechanisms, outputs and a self-regulating feedback loop. It is a flow where inputs go through the transformation in order to deliver the output. And it is a self-regulating event where a feedback flow would adjust inputs and eventually the transformation mechanism to conditions surrounding the output.

Translating this conceptual framework into an accreditation process would bring us to the following graphic model. It contains all four elements of a system i.e. inputs, transformations, outputs and feedback. Element attributes are contained into a metric or a framework of parameters that constitute, taken together, the ultimate texture of the process.

The accreditation system works with four metrics each dealing with a system component. And all four of them, taken together, lead to a score card. A metric would contain key performance variables within the system component and a scale of performance of this variable. Metric parameter attributes should lead to the Accreditation Score Card.

It goes without saying that the roots of the score card concept lie into earlier writing and practice by Harvard's Kaplan (Kaplan, 1992)

Figure (1)
Accreditation system model

Summary and conclusions.

Management education accreditation is an industry in need of restructuring. Highly concentrated accreditation organizations in the United States and Europe are preserving decades old criteria. Those criteria reflect the state of the industry in different times. Things have changed and with them the very nature of management education and, in no less measure, the monitoring and accreditation norms. . The industry suffers from conceptual and operational flaws. The need for restructuring is evident.

The article provides a review of the structure of the industry today. This is followed by an analysis of the conceptual and operational weakness of the existing frameworks. This leads to a possible substitute based on systems and metrics analysis. Multiple metric-rooted performance parameters should lead to an overall assessment contained within an Accreditation Score Card.

Accreditation Score Cards could have tangible impact on the practice of management program accreditation and the assessment of scope, content, approach and effectiveness of management education programs.

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