



*Asian Forum on Business Education*

Bridging the 'Great Divide' of  
International Business School  
Accreditation in Developing  
Countries: A Case in Kazakhstan

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# Outline

- Business School accreditation
- “Big three” – AACSB, EQUIS, AMBA
- Asian Forum on Business Education (AFBE)
- AFBE Accreditation
- Case study of an AFBE accreditation in Kazakhstan
- Questions



# Business School Accreditation

- The American Psychological Association (2013) observes that Accreditation is both a status and a process
  - As a status
    - evidence that an institution or program meets standards of quality of an accrediting agency
  - As a process
    - Evidence that the institution is committed to self-examination and external review to enhance the quality



# Good or Evil?

- For business schools, international accreditation is
  - A lever for quality improvement (Elliott 2013; Istileulova & Peljhan 2013)
  - A quality differentiator, particularly in the market for international students (Shiffler 2013; Urgel 2007; Zammuto 2008).
- However, accreditation
  - has become ‘competitive mimicry’, overriding national distinctiveness (Bell & Taylor 2005; Dameron & Durand 2013; Lowrie & Willmott 2009; Prøitza, Stensaker & Harvey 2004; Thomas et al. 2013; Wilson & McKiernan 2011)
  - Julian and Ofori-Dankwa (2006, p.225) refer to this insidiousness as “accreditocacy”



# The Big Three of Business School Accreditation

- This ‘accreditocracy’ process has become dominated by the ‘**big three**’ accreditation agencies
  - Association to Advance Collegiate Schools of Business (AACSB) - 687 accredited member institutions in 49 countries
  - European Quality Improvement System (EQUIS) - 144 accredited business schools in 39 countries
  - Association of MBAs (AMBA) - 213 business schools in 47 countries



# Big Three Accredited Schools

- Fewer than 1,000 business schools in the world have ‘big three’ accreditation (about 7%)
- 98 percent of ‘big three’ accredited business schools have only one accreditation
- Less than 1 percent of business schools globally have achieved triple accreditation – the “Triple Crown”
- Considering there are 13,670 institutions worldwide offering a business degree (Economist 2011)
  - Over 12,000 business schools do NOT have ‘big three’ accreditation
  - Have little means of achieving such world-class standards, and
  - Are deliberately excluded from those elitist clubs – deliberate because the unaccredited mass provides accredited business schools with the comparative advantage they seek.



# AFBE Accreditation

- Seeks to serve and assist those 12,000 business schools that are excluded from the elitist “clubs”
- Is predicated on the notion that certification can be part of an inclusive quality improvement process which enhances the student educational experience



# AFBE

- The Asian Forum on Business Education (AFBE) was established in 1992 as a mutual self-help group of business scholars in the Asia region (see <http://www.afbe.biz>).
- AFBE was founded on the belief that, with the increasing internationalization of business, and the very rapid growth of many developing economies in Asia, it was becoming increasingly essential for those involved in business education to develop an international perspective.
- AFBE holds annual conferences, and has a peer reviewed journal
- AFBE introduced a quality audit and assessment system, designed to provide an accreditation framework based on a set of criteria developed as a benchmark for world-class business programs.



# AFBE Accreditation

- AFBE is the only Asian-based international accreditation agency for business programs. It has been designed as an alternative approach to the ‘big three’ accreditation, and as an inclusive mechanism for business schools.
- AFBE Accreditation is premised on the following beliefs:
  - The ‘big three’ are exclusive, designed to eliminate all but the most prestigious business schools, and provide no mechanism for program quality improvement for the vast majority of business schools that do not meet the most stringent of international requirements.



# Accreditation Process

- ‘Big three’ accreditation is time-consuming and expensive - a typical accreditation process may take 12-18 months and cost over US\$200k (including fees, peer-review visit expenses, and internal administration).
- EQUIS and AACSB focus on the entire business school, and a high-quality business program may go unrecognized, if the business school is not able to achieve accreditation.
- The ‘big three’ attempt to apply European or US criteria to any context, irrespective of local political and cultural conditions.



# AFBE Accreditation

- AFBE Accreditation has been designed as:
  - An inclusive system that uses ‘levels of accreditation’, so that no business program is excluded from the system. AFBE will subsequently provide guidance to business schools as a means of improving quality standards towards world-class best practice.
  - A cost-effective and expeditious process, in which a business program may be audited and accredited within 6 months, and at a fraction of the cost.
  - A program-focused system that will audit the quality of business programs, rather than an entire institution.
  - A process that accounts for regional and local contextual differences, and recognises that these differences, while perhaps not complying with European or US subjective criteria, may not negatively impact on the quality of a business program.



# AFBE Accreditation

- Envisaged as a process that may act as an intermediate step for those institutions that aspire to accreditation by the 'big three'.
- The accreditation model was created to provide compatibility with 'big three' frameworks, which are largely similar, but each takes a somewhat distinct point of view of program quality.
  - AACSB is more focused on processes and management control
  - EQUIS is more focused on strategic and accountability considerations (Lejeune & Vas 2009).
- AFBE recognises a distinction between international certification and world-class business programs - while a business school may be hamstrung by the local context in the achievement of international certification, this should not inhibit the business school's capacity to strive towards a world-class educational experience for its students.



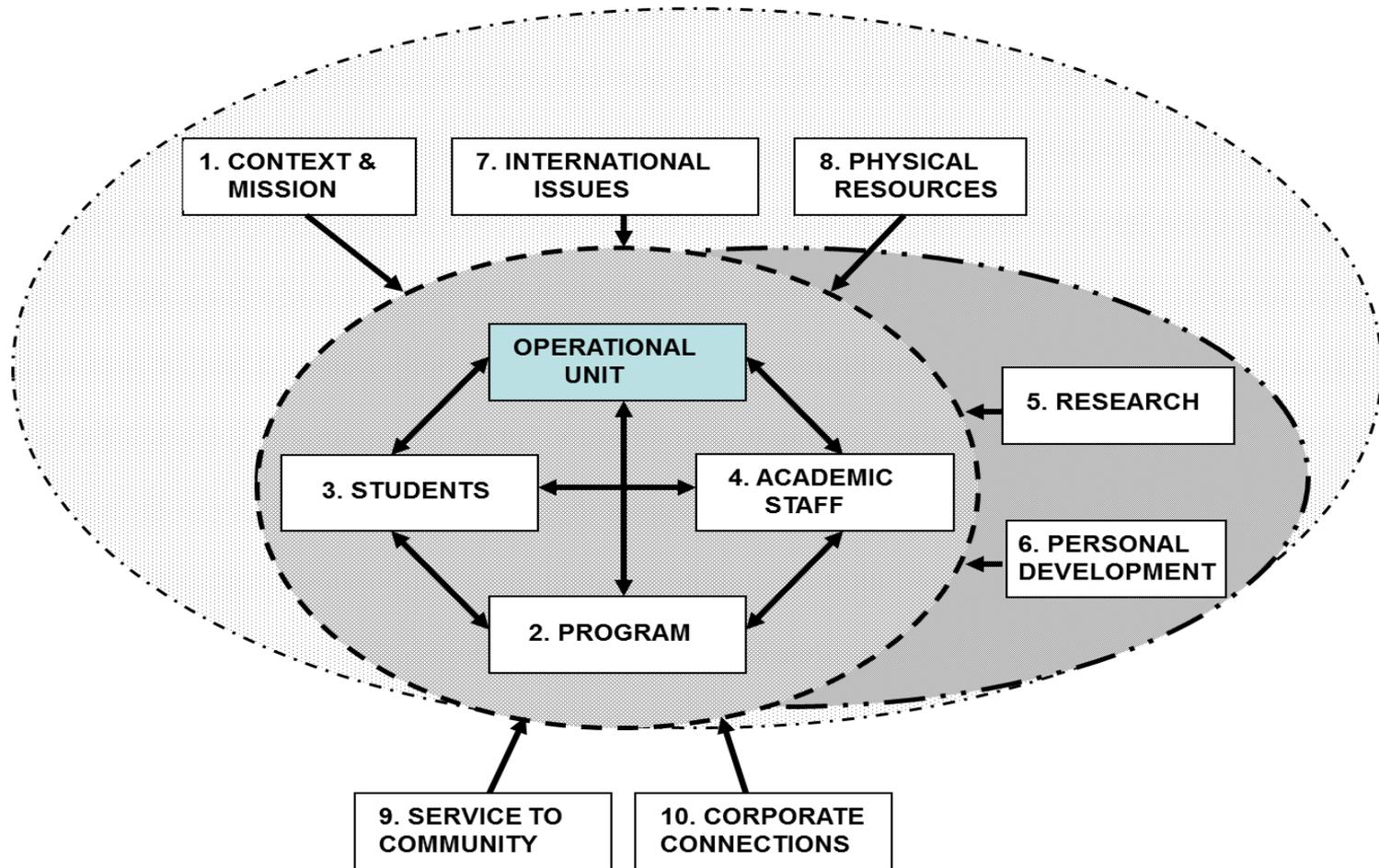
# AFBE Accreditation Model

- The model identifies 10 domains of program excellence (see Figure 1). The model recognises that the interaction between the Operational Unit (i.e., business school), the program, students, and academic staff is the core of program quality. The model recognises that domains have differing degrees of significance, in terms of their impact on the quality of educational outcomes. The 10 domains of the model, and the relative weightings (determined by an expert panel of scholars), are:

– 1.	Context and Mission	1.50
– 2.	Program Quality	2.00
– 3.	Students	2.00
– 4.	Academic staff	2.00
– 5.	Research	1.75
– 6.	Personal Development	1.75
– 7.	International Issues	1.50
– 8.	Physical Resources	1.50
– 9.	Service to the Community	1.00
– 10.	Corporate Connections	1.00



# Figure 1: AFBE Accreditation Model





# Levels of Accreditation

- The AFBE auditing process leads to accreditation based on a continuous scale, rather than the traditional 'yes/no' outcome offered by the 'big three'.
  - Award **Level 3 (International) Accreditation** (period 5 years) - international standards are substantially met. At a standard that would likely lead to accreditation by AACSB/EQUIS/AMBA.
  - Award **Level 2 Accreditation** (period 3 years) - regional standards are met. Has a substantial regional reputation and presence, but yet to achieve the standards expected of world-class business programs.
  - Award **Level 1 Accreditation** (period 3 years) - local standards are met. Local in orientation, retains a good local reputation, but that lacks any penetration beyond its national borders.
  - Award **Associate Accreditation** (period 3 years) - there are significant areas in which its standards of accreditation at even the local level are absent.



# Accreditation Process

- Programs must be registered by a national governing body (such as a Ministry of Education). The accreditation process involves:
  - Application by the business school, completion of a self-assessment datasheet. The datasheet has 15 questions that provide basic information such as student numbers, and faculty and revenue details.
  - Peer-review visit by AFBE auditors
    - 3 auditors with doctoral degrees in a business-related field, and extensive experience in business school administration in an OECD country. 5 days at the business school, including (a) interviews with senior managers, administration, faculty, students, alumni, and graduate employers; (b) examination of documents, such as business strategy, policies, corporate communication, and student theses and grades.
  - Compilation by AFBE of a comprehensive report designed to provide a path forward towards improved program quality, and potentially, future accreditation by AACSB, EQUIS, and/or AMBA. The report will contain recommendations and a project schedule for implementation.
  - The business school may then either use the AFBE report and recommendations for internal implementation, or alternatively, the business school may choose to have AFBE make regular visits to monitor implementation progress.



# Case: Accreditation in Kazakhstan

- In September 2011, an AFBE peer-review team conducted an audit of the Bachelor of Science, MBA, and Executive MBA programs delivered by the business school of a respected English-language university in Almaty, Kazakhstan.
- This section provides some background information about the Kazakhstan higher education system and the university at the centre of this paper, before describing the AFBE accreditation procedure and outcomes.



# Kazakhstan's Higher Education System

- Strong tradition of higher education. In the 1960s, the country had the highest percentage of students in the population in all of Central Asia.
- Private institutions first established in 1990s, and grew rapidly in number from 0 in 1990 to 106 in 1999.
- 132 institutions in 2010, of which 42 were public and 90 private.
- Total enrolments in HEIs in 2010 were 610,000, of which 290,000 studied at private HEIs, or 48 percent of the total.
- Under the previous Soviet system, the Ministry of Education and Science held strong control over university curricula, pedagogy, finance, and governance, with a focus on standardisation and formalisation.
- In post-Soviet times, some control for curricula matters, finance, and governance has shifted from the central Ministry to universities.
- However, the government still specifies about 50 percent of course content as mandatory requirement for a degree program. The government also specifies faculty/student ratios. These are prescribed as 8:1 for daytime education, 16:1 for evening education, and 32:1 for distance education.
- The government also specifies minimum amounts that a HEI should spend per student on providing courses, which is built into the fee structure.



# Challenges

- Many challenges have been noted for higher education in Kazakhstan, including:
  - the need to diversify institutional revenue sources
  - fostering of curricular and academic innovation
  - endemic corruption
  - more autonomy in the regulatory environment
  - absence of international accreditation
  - lack of qualified faculty members
  - too little research publication
  - too little connection to the corporate world.
- The EC noted that, in Kazakhstan HEIs there is still far too much centralised control over course curricula, and the organisation of teaching and degree standards are limiting universities' freedom and ability to respond to the needs of the economy, students, and employers.



# The University in Kazakhstan

- The university at the centre of the present paper is the largest and oldest US-style university in Central Asia.
- It offers 15 degree programs at both undergraduate and postgraduate levels, including business administration, economics, political science, international relations, public administration, journalism, and law.
- All programs are taught in English.
- In 2004, the university became a private, non-profit institution, with a 60 percent stake held by the President, and 40 percent held by the Ministry of Education and Science.
- In 2011, the university had 3,400 students, including 2,160 students in the BSc degree, 435 in the MBA, and 40 in the Executive MBA.



# AFBE Accreditation of the University in Kazakhstan

- In September 2011, a peer-review team visited the university. AFBE subsequently provided 81 recommendations to improve program quality towards world-class standards, and awarded all programs **Level 2 (regional)** accreditation.
- The most problematic areas were ***Context & Mission, Program Quality, Research, and Physical Resources.***



# Recommendations

- The following is a sample of the recommendations provided in the AFBE audit report:
  - **1. Context & Mission**
  - *Rec1.1: The university encourage the government to relinquish control over academic programs by granting 'special status', and hence, provide an opportunity for private Kazakhstan higher education institutions to gain international recognition for quality education programs.*
  - **2. Program Quality**
  - *Rec2.1: The business school develop a policy to restrict assessment to no more than 4 items for both undergraduate and postgraduate courses.*
- **5. Research**
  - *Rec5.1: The 'bar' be raised to a level which 'stretches' faculty (particularly those at the senior level) to publish in more highly regarded journals (e.g., listed in Scopus, rather than merely Cabell's), and hence, potentially increase the citation impact in other journals (an important consideration in world university rankings).*
  - *Rec5.2: If the university mantra of 'education to change society' is to provide any real meaning, then it should provide a foundation value to guide the focus of research; in other words, the majority of research output should be based on data from Kazakhstan.*
- **8. Physical Resources**
  - *Rec8.1: The university and business school work towards addressing the issue of disability access to all buildings.*
  - *Rec8.2: The university should establish a policy that no computer on campus will be more than 5 years old.*



# Subsequent Visits

- Subsequent to the initial audit and accreditation, the President of the university requested AFBE monitor progress in operationalizing the 81 recommendations.
- AFBE developed a project schedule, and visited Kazakhstan in January 2012, April 2012, November 2012, and April 2013.
- Table 1 shows the distribution of recommendations across domains, as well as the relative progress during the improvement monitoring stage.
- Figure 2 shows the target and actual S-curve of progress from September 2011 to April 2013. By April 2013, 90 percent of the issues contained in the recommendations had been implemented, and 80 percent of the recommendations by number were complete.

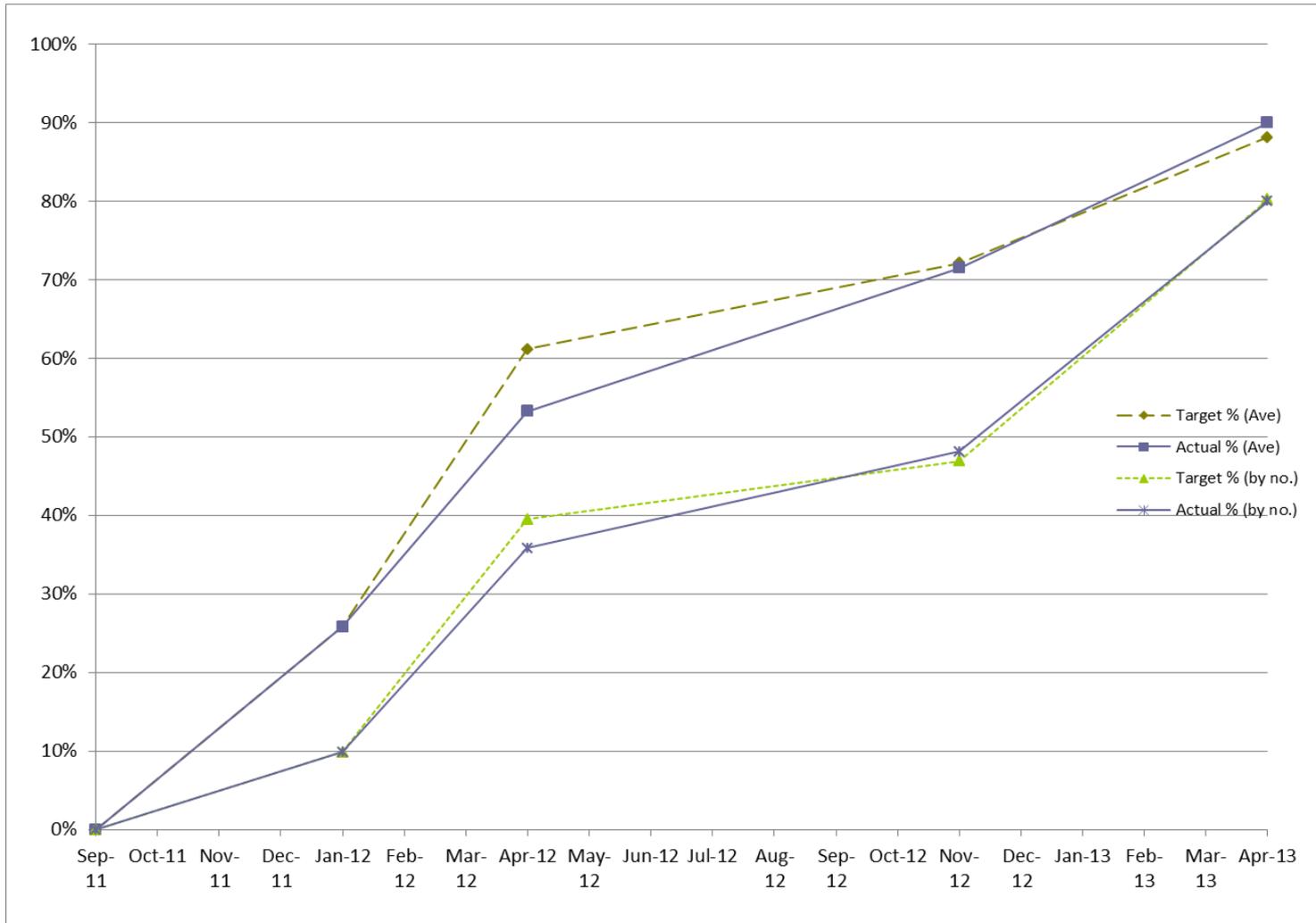


# Table 1: Progress on Recommendations

Domain	Sep-11		Apr-13	
	No.	No.	%Comp	Eff No.
Context and Mission	18	3	63%	1.1
Program Quality	17	1	90%	0.1
Students	6			
Academic staff	7			
Research	13	1	30%	0.7
Personal Development	2	1	40%	0.6
International Issues	3			
Physical Resources	10	4	33%	2.7
Service to the Community	3	1	80%	0.2
Corporate Connections	2	1	50%	0.5
<b>TOTAL</b>	<b>81</b>	<b>12</b>		<b>5.9</b>



# Figure 2: Progress on Recommendations



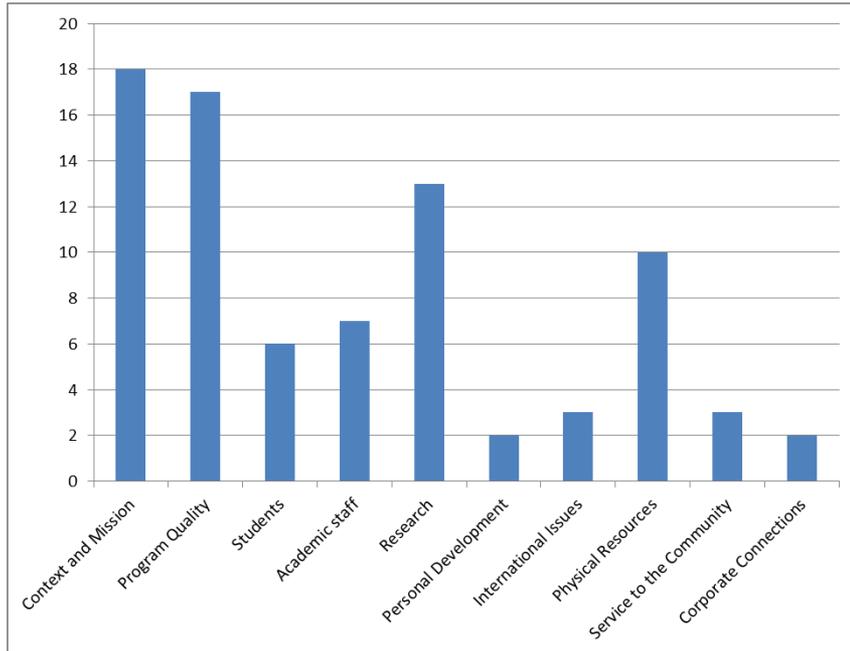


# Improvement

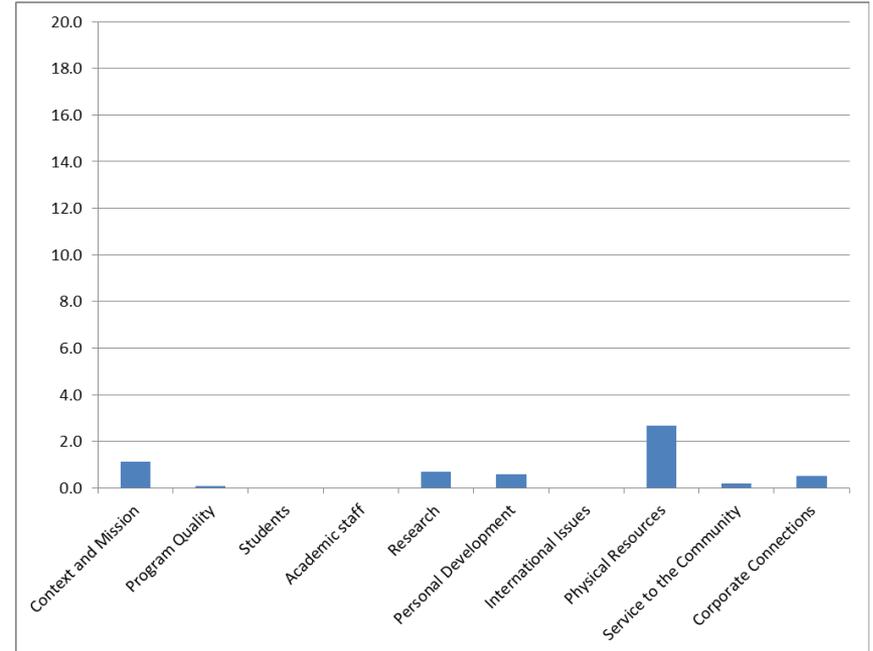
- Figure 3 shows that the outstanding recommendations in April 2013 were predominantly in ***Context & Mission*** and ***Physical Resources***, reflecting firstly, continuing Kazakhstan Ministry of Education control of curriculum, and secondly, the longer-term need for expenditure on disability access, and to upgrade the currency of computer technology.
- In recognition of the remarkable progress made over the 18 month period, the BSc, MBA, and Executive MBA were awarded **Level 3 (International)** accreditation in April 2013.
- AFBE believe the business programs now provide students with a world-class educational experience. However, if the business school aspires to ‘big three’ accreditation, there are still substantial issues that require redress. These issues include continued government control over curriculum, and university ownership

# Figure 3: Outstanding Recommendations

September 2011



April 2013





# Discussion and Conclusions

- Much of the argument of this paper has been to highlight how the ‘big three’ accreditation agencies (i.e., AACSB, EQUIS, AMBA) have formed elitist clubs as a mechanism for members to achieve comparative advantage in the market for students (particularly international students).
- Given that there are about 1,000 ‘big three’ accredited business schools, over 12,000 non-accredited schools have been left with little option for quality improvement towards a world-class educational experience for their students.
- This is more than a ‘great divide’ between accredited and non-accredited business schools – it reinforces the economic ‘great divide’ between developed and less-developed countries, since over 90 percent of accredited business schools are in developed countries. As such, it portrays a moral and ethical imperative that should sit uneasy with anyone concerned with equality and social justice.



# Discussion and Conclusions (Cont'd)

- In response, AFBE accreditation was designed to provide an inclusive option for the vast majority of business schools that are purposely excluded from the elitist clubs, in the belief that a world-class educational experience can manifest in an economic, political, and social context that the 'big three' might subjectively find unpalatable from their European and American positions (for example, ownership structure or government control does not necessarily impact on the quality of programs).



# Discussion and Conclusions (Cont'd)

- AFBE have accredited a number of business schools in the Asia region. All except the business school in Kazakhstan have wished to remain anonymous – the ‘big three’ have covertly fostered a veil of shame for any business school certified at less than international standards. Also, all institutions except the business school in Kazakhstan accepted the AFBE report and recommendations, but did not proceed with developmental assistance - unofficial information indicates a propensity for the report to remain confidential to senior administrators under that same veil of shame.
- Developmental success at the business school in Kazakhstan can be attributed to an insightful President dedicated to quality improvement, rather than mere certification. The AFBE recommendations were used to guide senior administrators and faculty towards world-class best practice.
- The business school in Kazakhstan likely remains a significant distance from ‘big three’ acceptance, but it now delivers a superior product than was the case pre-AFBE, and faculty and staff now possess a firm understanding of the issues that contribute to world-class business degrees.



# Discussion and Conclusions (Cont'd)

- The difficulty for the proliferation of AFBE accreditations is overcoming the imbued thinking in business schools that separates accreditation from program quality enhancement, and places the 'big three' as the only aspirational prize. But in fact, the most important issue is program quality, from which certification may flow as a serendipitous outcome.
- There are over 12,000 business schools worldwide that will never be accepted into the 'big three' elitist clubs. AFBE accreditation offers an alternative mechanism that seeks to separate certification from the delivery of a world-class educational experience for students.
- It is time that business schools recognize this separation for the benefit of students, faculty, and the host societies.



Questions?