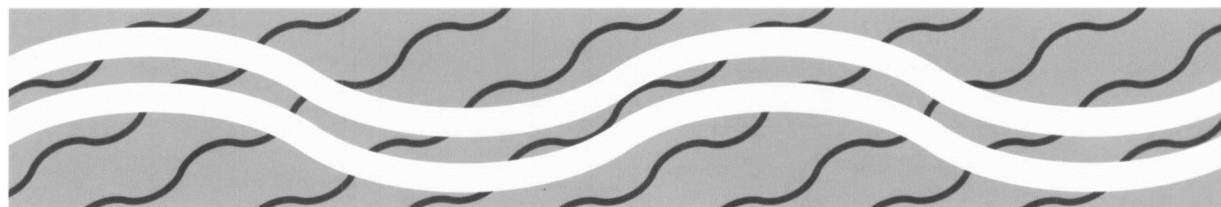# Major Changes in AACSB Standards (2003 compared to 2013)

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By unanimous vote, the Accreditation Council of the AACSB adopted on April 8, 2013, new eligibility procedures and accreditation standards for business accreditation. These new standards will have a profound effect on business management education in the coming decade. As Farmer and Abdelsamad (2014) indicate, accreditation by the Association to Advance Collegiate Schools of Business (AACSB) is an important measure of business school quality. Whether the business school seeks initial accreditation or has been previously accredited, the recognition of a school and the realization that accredited schools, by virtue of that accreditation, provide evidence that the business school is committed to accountability and high quality. As of June 2015, AACSB had 1400 educational members; 736 accredited business schools (517 in U.S. and 219 outside U.S.); 182 accredited accounting programs (172 in U.S. and 10 outside U.S.).

Business schools seeking AACSB accreditation for the first time work closely with an AACSB staff liaison and mentor[2] in preparing their self-evaluation report and for the visit, and eventually work with a peer review team that visits the campus in a multi-year process. Normally, the peer review team for a business-only accreditation visit consists of three business deans; for a school seeking business and accounting accreditation, normally there are two business deans and two accounting professionals/academics. Schools that successfully navigate the initial accreditation process must continue the same processes with the same motivation because there is a five-year continuous improvement review process for those business schools that are current holders of AACSB accreditation. A review of a five-year report and a day and a half visit by a peer review team are critical elements of the review. This is not an all-standards review, rather it is a review of the standards the peer review team has the most important questions and concerns about the business school visited.

While Farmer and Abdelsamad's (2014) article described AACSB accreditation from the perspective of the "maintenance review," this article (a) highlights key 2013 eligibility procedures, preamble, standards, and the appendix, and (b) notes differences in the 2013 vs. 2003 standards or interpretations of these standards. It also identifies myths concerning the 2013 standards and includes suggestions for a more successful accreditation visit.

Why New Standards?
Our business environment is changing
Countries across the globe are witnessing dramatic demographic shifts. Such shifts will have profound implications for present and future generations. At the same time our world is undergoing major global economic changes. On practically a daily basis, the world we live in experiences technological changes, economic homogenization, social integration, and greater information access and sharing.

To remain relevant business schools must do several things
Business schools must be more accountable for what they do. Social responsibility must be a

central part of their mission. Business schools have the potential to set the example for university colleagues by embracing more sustainable practices. Business schools can help themselves as well as industry by improving business practices through scholarly education and significant intellectual contributions.

AACSB accreditation demands evidence of continuous quality improvement in three areas

The current standards require quality and continuous improvement. An essential ingredient in the face of a fast-changing world is innovation. Innovation must align with mission and strategy. Business schools must be entrepreneurial and willing to experiment. Innovation is critical to survival and success. This statement is certainly true for academic units.

Another area is impact. The current standards identify eight different impact categories. Impact is the means by which business schools can show how they are making a difference on several dimensions.

A reading of the AACSB Members Forum might lead one to believe that the only impact is "academic impact" but all of those effects should be utilized in describing a business school's activities consistent with its mission.

The third area is engagement

Business schools are expected to have professional and academic engagement activities. The current standards require business schools to make a difference by virtue of their academic and professional engagement activities. Many of our business schools focus primarily on their academic engagement activities (e.g., production of scholarly outcomes as documented in Standard 2) yet there are so many activities they could engage in to the mutual benefit of their schools and industry (e.g., faculty internships, practice-oriented intellectual contributions that address managers' and executives' needs, training and development, and consulting).

A Closer Look at Some Changes in the 2013 Standards

One obvious difference between 2003 standards and 2013 standards is the reduction from 21 standards with three parts to 15 standards with four parts.

Also, in AACSB's October 2013 Volunteer Newsletter, AACSB identifies changes that affect Standards 1, Mission, Impact, and In-

Table 1.

2003 Standards	2013 Standards
Strategic Management	Strategic Management & Education
Participants	Participants - Students, Faculty & Prof. Staff
Assurance of Learning	Learning and Teaching
	Academic and Professional Engagement

novation; 2, Intellectual Contributions, Impact, and Alignment with Mission; 7, Professional Staff Sufficiency and Deployment; 8, Curricula Management and Assurance of Learning; 12, Teaching Effectiveness; 13, Student Academic and Professional Engagement; 14, Executive Education; and 15, Faculty Qualifications and Engagement. However, important changes are also imbedded in the preamble and in the closing appendix. The writers will highlight some of the standards listed above and comment on aspects of the preamble and appendix.

Today's high-quality business schools must adapt to a new environment and be willing to change. AACSB has adopted new accreditation standards that, in the authors' opinion, better align today's business schools with the needs and wants of the external and internal stakeholders they serve.

Standard 1

Standard 1 (2013): Mission, Impact, and Innovation combines the previous Standard 1 (Mission Statement), Standard 3 (Student Mission), and Standard 4 (Continuous Improvement Objectives) from the 2003 standards. Basically, the new Standard 1 (Mission, Impact, and Innovation) deepens the understanding of the school's mission and answers the question: How is the business school trying to distinguish itself?

Standard 1 helps the business school address several key issues:
(1) by providing guidance in decision making – overall direction;
(2) by identifying main characteristics that indicate how the business school positions itself;
(3) by being appropriate, descriptive, and transparent to the business school's constituents;

(4) by periodically reviewing and revising the mission, expected outcomes and strategies (key stakeholders must be involved); and

(5) making sure the business school constantly evaluates its progress toward mission accomplishment, continuous improvement, impact, and innovation.

Standard 2

Standard 2 (2013) Intellectual Contributions, Impact, and Alignment with Mission. This is covered in other parts of the article.

Standard 3

Standard 3 (2013) Financial Strategies and Allocation of Resources is consistent with previous Standard 5 (Financial Strategies). This standard describes the business school's financial resources and strategies for sustaining those resources in support of the school's mission. The business school not only must have the resources, but the strategies utilized must be realistic and allocations appropriate. The school needs to identify *realistic* sources of financial resources for its current and planned activities.

The financial aspect has always been a concern but for many institutions, especially those public institutions where the level of support has sharply declined. The result: a need to turn elsewhere for additional funding. Countries vary rather dramatically in the extent that external friend and fundraising is a way of life. Fortunately, for schools in the U.S., alumni and other external support is the norm. However, whether private or public, the business schools must identify sources of revenue, manage resources well, and accurately determine the costs of doing business.

Standard 4

Standard 4 (2013) Student Admissions, Progression, and Career Development addresses policies and procedures for student admissions, academic progression, and support for career development. The 2013 standards bring another explicit recognition: the importance of the role of professional staff in meeting organizational goals. In this instance the focus is upon student success as measured on a number of dimensions from degree completion to job placement.

Standard 4 recognizes the importance of effectively and efficiently serving the needs of today's student. The admissions process cannot be haphazard; on the contrary this process must be clear, effective, and aligned with the school's mission, expected outcomes, and strategies. Business school's track admissions, retention, progression, and graduation quite carefully. Many business schools have put together their own career development and placement operations within the unit, given their belief that their students were not well served.

Standard 5

Standard 5 (2013) Faculty Sufficiency and Deployment requires the business school to obtain quality outcomes in all that it does. The expectations are based upon the business school's mission, academic degree programs, other activities, the student population served, locations, and delivery modes. The mix of academic programs (e.g., bachelor's, master's, and doctoral) affects the appropriate mix and number of faculty needed. Multiple locations require a distribution of the high-quality faculty needed as well as consistent quality in programs offered, regardless of location.

Standard 5 directs two categories of appropriately qualified faculty members in assessing a business school's faculty sufficiency. The specific criteria for the two categories of "participating" and "supporting" faculty are determined by each institution--not AACSB. The criteria have to be beyond stating that all full-time faculty members are participating, which is not an acceptable definition.

Table 2.

Faculty Member Sufficiency[3]
Participating – Faculty engages in the activities of the business school in matters beyond teaching responsibilities (career advising, academic advising, internships, and committees).
Supporting – Normally, this person's appointment is on an *ad hoc* basis[3] a term or academic year. Typically, the focus is on teaching responsibilities.

The ratio of participating to supporting faculty is likely to vary by academic program. For example, a given Ph.D. program may utilize 100% participating faculty while an Executive MBA program might utilize an 80%-20% participating mix, with the supporting faculty being highest-level corporate executives. At the undergraduate

level, a business school may decide that a very high percentage of classes taught during the daytime are taught by participating faculty, yet use more of a mix of supporting and participating faculty in the evening classes.

Participating faculty make up 75% of the overall teaching. Participating faculty contribute 60% or more of teaching in each discipline, academic program, location, and delivery mode. However, should a shortfall come to light when numbers are calculated, the business school should make sure it answers a series of questions:

- Are academic programs of high quality?
- Is there sufficient faculty-student interaction?
- Are research expectations being met?
- Are we effectively and efficiently deploying the faculty we have?

Standard 6

Standard 6 (2013) Faculty Management and Support explicitly addresses the same expectations of the 2003 Standards with respect to managing the faculty resource. This standard includes the deployment of faculty and faculty professional development. It stresses the importance of communicating and documenting faculty management processes and supporting faculty members throughout their careers. The school should maintain sufficient records to demonstrate its faculty management processes, including promotion and tenure policies and amounts of resources devoted to faculty support.

Standard 7

Standard 7 (2013) Professional Staff Sufficiency and Deployment addresses the need for each business school to have well-defined and effective processes in use for managing and developing professional staff and services. Schools use different models in which student support services may be provided by professional staff, faculty, or both within or outside the school.

Standard 7, newly added and most important, recognizes the importance of professional staff and the contributions they make to the mission. These contributions benefit students and faculty members. Their work occurs both in and outside of the classroom environment. Although it varies by business school, professional staff members contribute in many ways including: alumni relations, fundraising, student admissions, information technology, student learning support, and academic advisement and assistance. At many of these institutions these services are central-

ized, but, the quality of those services may leave something to be desired. A result is that through private fundraising and other arrangements, some of these activities are now being done by professionals within the business school.

Standard 8

Standard 8 (2013) Curricula Management and Assurance of Learning is a new Standard 8 that gives context to assurance of learning. The link between curricula management and assurance of learning is made more explicit. AoL is a large part of overall curricula improvements. The learning goals selected are mission-driven. The chosen learning goals and curricula reflect expectations of stakeholders. This standard replaces the old Standard 12 (Aggregate Faculty and Staff Educational Responsibility), and combines with new Standard 9 (Curriculum Content) in replacing old Standard 15 (Management of Curricula), Standard 16 (Undergraduate Learning Goals), Standard 18 (Master's Level General Management Learning Goals), Standard 19 (Specialized Master's Degree Learning Goals), and Standard 21 (Doctoral Learning Goals).

Institutions must provide evidence to back the claims business schools make about the skills, knowledge, and abilities of their graduates. The expectations of the standard are built upon learning goals derived from the educational expectations for each degree program. Evidence of curricula improvement is expected. All of the activities enumerated must include significant involvement by the faculty. The business school must develop a portfolio of evidence that demonstrates achievement of learning goals for *each degree program.* If goals are not fully met, efforts are made to eliminate the discrepancies. Faculty and professional staff interactions and engagement are expected. Under the 2003 standards, business schools tended to strongly favor direct assessment as the key part of the portfolio of evidence. However, the new Standard 8 makes it clear that the evidence gathered may include indirect assessment.

Standards 9 - 13

Standard 9: Curriculum, Standard 10: Student Faculty Interactions, Standard 11: Degree Program Educational Level, Structure, and Equivalence, Standard 12: Teaching Effectiveness, Standard 13: Student Academic and Professional Engagement are not discussed since they are similar to the 2003 Standards. However, emphasis should be placed on their engagement,

innovation, and impact as they pertain to those standards.

Standards 14 - 15

Standard 14 (2013) Executive Education is new and is not addressed explicitly in the 2003 Standards. It recognizes the role played by executive education and its impact in the community and the deployment of faculty and other school resources. *Standard 15 (2013) Faculty Qualifications and Engagement* once again links mission to topic under study--faculty member background including credentials and activities he or she performs. The business school must "…maintain and strategically deploy Participating and Supporting faculty who collectively and individually demonstrate significant academic and professional engagement…"[4] The standard recognizes the importance of faculty recruitment and deployment. Also imbedded in this standard is the recognition that each business school is working to complete a portfolio of needs made upon its faculty by internal and external stakeholders. Hence, it should come as no surprise that proof of both academic and professional engagement is expected for initial or reaffirmation of AACSB accreditation.

Standard 15 requires the business school to develop criteria consistent with its mission for the classification of its faculty members. The most recent five-year period of a faculty member's performance is matched against the business school's criteria to determine whether the faculty member holds qualified faculty status. The faculty member information most carefully scrutinized is the type and level of academic preparation as well as the faculty member's professional experience. Such examination takes place upon initial hiring (e.g., a new hire who has quite recently earned his or her Ph.D. or is ABD) and, after that individual has been at the institution beyond the five-year period, he or she needs to meet the maintenance classification requirements as set by the school criteria.[5]

The business school must maintain and strategically deploy participating and supporting faculty who collectively and individually demonstrate significant academic and professional engagement while sustaining intellectual capital tied to their school's mission, expected outcomes, and strategies. Teaching, scholarship, and other aspects of the mission matter for this standard. Faculty divide resources into four categories; however, Table 3 and the text provided has as its focus the faculty members

who achieve qualified faculty status. The five categories the business school determines consist of: scholarly academics (SA), practice academics (PA) scholarly practitioners (SP), and instructional practitioners (IP); all are deemed as holding qualified faculty status. These four categories are labeled below in Table 4 after a brief definition is provided. The fifth category (not shown), is for those individuals who do not meet the business school's established criteria and are identified as "other."

Table 3.

Qualified Faculty Status – Two Stages	
Initial Academic Preparation	Sustained Academic Preparation
Initial Professional Experience	Sustained Professional Engagement

As noted previously there are four categories of qualified faculty status: (a) scholarly academics, (b) practice academics, (c) scholarly practitioner, and (d) instructional practitioner. Here we briefly define the category consistent with AACSB's 2013 Standards.

Scholarly academics (SA) sustain currency and relevance through scholarship and related activities. Newly hired individuals who have earned their research doctorates within the last five years fit this category.

Practice academics (PA) sustain currency and relevance through professional engagement, interaction, and relevant activities. This category may be appropriate, for example, where faculty members were initially hired as academic scholars but decide to augment that initial preparation with significant professional development and engagement activities.

Scholarly practitioners (SP) sustain currency and relevance through continued professional experience, engagement, or interaction and scholarship related to their professional background and experience.

Instructional practitioners (IP) sustain currency and relevance through continued professional experience and engagement related to their professional backgrounds and experience. For this group, new hires will normally bring with them significant and substantive professional experience.

Table 4. Sustained Engagement Activities

	Academic (Research/Scholarly)	Applied/Practice
Professional Experience, Substantial and High Level Responsibility	Scholarly Practitioners (SP)	Instructional Practitioners (IP)
Doctoral degree	Scholarly Academics (SA)	Practice Academics (PA)

The school must have the documentation to support their classification of total faculty resources as "scholarly academics," "practice academics," "scholarly practitioners," or "instructional practitioners." Individuals who do not meet criteria for any of the noted areas will be classified as "other."[6]

Ratios normally expected by AACSB. The school needs at least 90% of the faculty to qualify as SA, PA, SP, or IP. By example, 20 faculty members at 100% plus 10 faculty members at 50% equal 20 + 5 = 25 faculty members. Of the 25 full-time faculty equivalent, at least 22.5 (90%) need to qualify as SA, PA, SP or IP. Normally, at least 40% of the faculty members are SA (10). Normally, at least 60% of the faculty are SA, PA, or SP (15). Qualified faculty members must be distributed across all programs, disciplines, locations, and delivery modes.[7]

Comments on Standard 15. The criteria used to determine faculty qualifications must be consistent with the school's mission. The school will likely consider, among other things, the following relevant information: (a) initial academic preparation; (b) initial professional experience; (c) sustained academic and professional engagement; and (d) ongoing professional engagement.

- Initial preparation includes academic degrees, certifications, licenses, other academic credentials.
- Initial professional experience includes the nature of the job, level of responsibility, duration of leadership and management position in a business or other organization.
- Sustained academic and professional engagement are expected of the faculty members who are deemed qualified.
- To state the obvious, qualified faculty must maintain their productivity.

Helpful Suggestions and Observations for Accreditation Preparation

This section is based upon the four authors' decades of service to AACSB; knowledge of the AACSB accreditation process; and their experience serving in many capacities including mentoring schools, serving on or chairing initial accreditation and continuous improvement reviews, serving as members of AACSB's initial accreditation and continuous improvement review committees, and on the AACSB's board of directors. The suggestions made by Farmer and Abdelsamad (2014) still apply under the 2013 AACSB standards. However, before discussing the basic reasons that may lead to difficulty, we want to mention two myths we hear at meetings and in private discussions with fellow colleagues.

Myth #1
The 2013 standards are welcomed because they are easier to achieve than the 2003 standards. This is an empirical question that will be answered by AACSB's data collection and experiences of business schools required shift to the new standards. Nothing we see or hear from the first wave of schools that have voluntarily been reviewed suggests a relaxation of standards. What we do see are standards that guide business schools to sharpen their focus around innovation, impact, and engagement. AACSB requires business schools to better align themselves with the needs of internal *and* external stakeholders. We also see intellectual contributions tied to mission alignment, curricula management and assurance of learning firmly linked, the role of professional staff given greater emphasis, importance of executive education acknowledged, and faculty qualifications and engagement joined meaningfully.

Myth #2
Business schools outside of the United States do not go through as rigorous an AACSB initial or continuous improvement review accreditation process as those schools within the United States. Nothing in the experience of the authors, given their wealth of international accreditation experience, supports the idea that standards are more relaxed for non-U.S. business schools. What the authors do see is a variety of approaches

to delivering management education, different structural arrangements (South Korea), including hierarchies that include ministries of higher education (UAE), business schools that are more aligned with chambers of commerce and needs of the region (France), as well as institutions that offer education on separate campuses based on gender (Saudi Arabia). As is the case in the U.S. with institutions responding to the requirements of regional accreditation agencies and specialized education programs, business schools abroad that hold AACSB accreditation may have to respond to a country's accreditation requirements as well as AACSB's standards. Further, many of the business schools operate in such a competitive environment that they may hold not one but as many as *three different business school accreditations.*

Experience with the 2013 Standards
Twelve schools were reviewed in 2013-14, whereas 101 schools were reviewed in 2014-2015. Of the combined 113 schools, 94 (83%) were granted extensions, and 19 (17%) were put on 6-year review. It is too early to draw definitive conclusions as to whether the new standards are easier and whether the difference in results is statistically significant. However, it seems to us that the results are similar to those found by Farmer and Abdelsamad (74% were granted extensions and 26% were put on 6-year reviews).* As time passes and more data are collected, more definitive conclusions can be drawn. As to which of the 2013 Standards were paramount in causing 6-year reviews, the information was not available at the time of this writing.

Recommendations
1. Make sure people at your institution are informed when it comes to AACSB standards and processes, especially the leadership and other business school colleagues. The dean provides strong leadership, direction, and knowledge; but faculty members must be fully engaged.
2. The preparation time for an initial accreditation visit or a continuous improvement review is lengthy. Given the five-year cycle between visits, a business school cannot relax or "celebrate" for a few years. Make sure preparations for the next visit begin very soon after the continuous improvement visit and no later than three years prior to the next visit. One important time-consuming component to

*Farmer and Abdelsamad

consider even if the school is using a specific accreditation database such as Digital Measures or Sedona is the collection of all faculty data. Some other relevant activities such as the search process for new faculty cannot occur overnight.
3. Under the 2003 AACSB standards business schools were made aware that they must be mission-driven, but the 2013 AACSB standards demand more. Ensure that the mission articulated is clear and distinctive and that expected outcomes and strategies are delineated.
4. Intellectual contributions have been an integral part of faculty members' productivity for decades. The current standards require that impact of the school's faculty scholarship be articulated and measured with regard to teaching business, business theory, and business practice. Alignment between mission and intellectual contributions' impact is essential.
5. In the past, many institutions treated assurance of learning (AoL) as an end in itself. Now a new standard gives context to AoL. Assurance of learning needs to be reviewed as a way to manage the curriculum.
6. Discrepancies in the business school's documentation is a red flag to a peer review team. Thus, faculty documentation, including credentials, must be consistent and accurate across the various tables in any report submitted to AACSB to be reviewed by a peer review team. From the five-year biographical sketches to the curriculum vitae, make sure the information is correct!
7. A school's credibility is at risk if the intellectual contributions information reported is inaccurate. Make sure the business school's classification of each faculty member (SA, PA, SP, and IP) actually matches the credentials, experiences, and accomplishments that person possesses.
8. Make sure the faculty qualification criteria for the four categories noted (SA, PA, SP, and IP) are consistent with the mission and are sufficiently rigorous. The criteria should pass the "snicker" test.

Summary
This paper discusses the 2013 AACSB standards, identifying some of the significant differences from the 2003 standards, and provides some suggestions and insights that will enhance the probability of success. This paper is not intended to be comprehensive but rather highlights some key aspects of the 2013 standards and differences

from the 2003 standards. The current standards are reduced from 21 to 15. While the mission-driven component remains, the business schools must create a more distinctive mission determining the role of innovation, impact, and engagement. The role of the professional staff is given special attention. The important linkages within key standards are made more explicit.

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Notes:

[1] Authors' names are alphabetized.

[2] A mentor is the individual assigned to assist an applicant during the preaccreditation process. The mentor reviews the eligibility application, facilitates development of the Standards Alignment Plan, and provides comments and recommendations.

[3] Activities of a nontenure track person may qualify that person to be classified as "participating."

[4] Eligibility Procedures and Accreditation Standards for Business Accreditation, AACSB, adopted April 8, 2013, p. 38.

[5] Normally, the new research doctoral hire has up to an initial five-year window to build a record of scholarship and teaching that meets the criteria established for AACSB purposes. The individual who has completed all but the dissertation (ABD) has a three-year window.

[6] Eligibility Procedures and Accreditation Standards for Business Accreditation, AACSB, Adopted April 28, 2013, Latest revision January 31, 2014, p. 39.

[7] Eligibility Procedures and Accreditation Standards for Business Accreditation, AACSB, Adopted April 28, 2013, Latest revision January 31, 2014, p. 42.