The 2003 AACSB Accreditation Standards and Implications for Business Faculty: A Short Note

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ABSTRACT. Recent initiatives by the AACSB International—The Association to Advance Collegiate Schools of Business (AACSB) have resulted in the creation of an alternative "experimental" process and a new set of standards to achieve reaffirmation. The experimental accreditation maintenance process is designed to achieve three outcomes: quality, continuous improvement, and better stakeholder management. The new standards were issued during January 2003, ratified on April 25, 2003, and will affect all subsequent AACSB accreditation and affirmation visits. In this article, the authors discuss (a) how these experimental processes and the new standards differ from the previous accreditation process and standards and (b) the implications for business school faculty members.

For more than 80 years, management education in the United States has been dominated by AACSB International—The Association to Advance Collegiate Schools of Business, an organization that has accredited 399 graduate and undergraduate management programs in the United States. In addition, the AACSB has expanded its reach into Europe and Australia: According to the AACSB Web site, a total of 38 leading European and Australian collegiate schools of business have adopted AACSB standards (http://www.aacsb.edu). However, during recent years various competing business school accreditation organizations have emerged, including the European Foundation for Management Development's (2003) EQUIS quality standards accreditation program, which has accredited approximately 60 leading schools of business in Europe, Africa, Australia, and North America (http://www.efmd.be). EQUIS accreditation is also being adopted by high profile and respected North American schools of business with an international emphasis; these include the University of Montreal, the University of Western Ontario's Ivy School, the University of Florida, Wake Forest University, Washington University, and the American Graduate School of International Management.

As a strategic response to EQUIS and other emerging accreditation bodies, and because of a more global, diverse, and technology-driven environment, the AACSB has revised its accreditation standards and is transforming its reaffirmation framework (the reaffirmation process itself) from a traditional outcome-based process, with reaffirmation occurring every 10 years, to a process-based reaffirmation review that uses a systematic, 5-year review cycle. The traditional reaffirmation process, designed to support the AACSB's mission of stimulating the continuous improvement of management education (http://www.aacsb.edu), originally was based on the assumption that all business schools had similar missions and resources. The new experimental processes, in contrast, explicitly acknowledge that each candidate institution has a distinct mission, unique sets of stakeholders, and resource bases with different outcome expectations. The experimental processes are being used under trial conditions over a 3-year period for the reaffirmation of select accredited institutions with reaffirmation visits scheduled from 2001 until 2004. These new processes are not being used for initial accreditation reviews. They are driven by three major goals of the AACSB: (a) a systematic total quality management approach, (b) efforts to continuously improve performance outcomes, and (c) systems and processes to better manage stakeholder relationships (AACSB, 2001). In addition, the revamped experimental reaffirmation process will consider the unique mission of each candidate school of business and its strategic planning processes, while linking the school's mission to the overall mission statement of the university or institution of higher education in which the school is housed. The experimental review process is designed to "create an ongoing 'accreditation maintenance process' rather than a series of periodic reaccreditations" (AACSB International, 2002, p. 1).

On April 25, 2003, along with proposed changes in the reaffirmation process, the AACSB Blue Ribbon Committee's proposed new "Standards for Business Accreditation" were adopted as accreditation standards. These new standards focus on three distinct areas: (a) strategic management processes of the school of business; (b) process and standards related to students, faculty members, and other stakeholders; and (c) quality management and learning assurance standards (AACSB International, 2003). Although these standards currently are being implemented, schools reviewed under the "experimental review process" already were affected by them throughout the review process. In this article, we refer to the combination of the experimental review process and the new standards as the "experimental accreditation framework," and we refer to the traditional reaccreditation process and traditional standards as the "traditional accreditation framework."

Our purpose in this article is (a) to illustrate how the experimental AACSB reaffirmation maintenance process and the new standards differ from the traditional process and standards and (b) to explore how this experimental process and the new standards may affect faculty members in business schools.

A Historical Perspective of AACSB Policies and Processes

Traditionally, the primary motivation for institutions to seek AACSB accreditation has been to enhance a school's (a) curriculum, (b) image, (c) funding, and (d) faculty (Andrews, Roe, Tate, & Yalpragada, 1994). Accreditation is a hallmark of quality and provides students and other business-school stakeholders with an objective, third-party assurance that the business school is conforming to sound academic management practices and a somewhat accepted curriculum. The AACSB accreditation process, like other service-provider accreditation programs, is similar in purpose to the industry's ISO9000 and ISO14000, which are voluntary global certification standards for quality and environmental management (Munilla, Bleicken, & Miles, 1998). In 1991, as a response to increased social and business concerns about corporate behavior, the AACSB developed new standards for accreditation that related specifically to ethical, global, political, social, legal/regulatory, environmental, and technological issues. Although these changes were primarily curriculum driven (Munilla, et al., p. 58), they were designed to shore up the academic standing of management education (Slone & LaCava, 1993).

In 2001, as evidence of a commitment to maintaining relevance for management education, the AACSB established a Blue Ribbon Committee (BRC) on Accreditation Quality. The Committee's mission was to propose value-increasing enhancements to existing reaccreditation standards and processes to make the AACSB more relevant in the 21st century. These changes were based on goals related to quality assurance, an imperative for continuous improvement, and stakeholder relationship management (http://www.aacsb.edu). The BRC should help the AACSB "develop a process of accreditation based on an initial accreditation review followed by a continuing process of accreditation maintenance" (http://www.aacsb.edu/publications).

The purpose of these new standards—much as that of the 1991 standard changes—was to set a new strategic direction for business schools and to help facilitate the professional school mode that would allow accredited institutions to create a sustainable competitive advantage, as described by Slone and LaCava (1993). Although the experimental review maintenance process and new BRC accreditation standards are process driven, specific outcome mandates are at their foundations. The experimental reaccreditation framework is much more evolutionary than revolutionary in nature, with the objective being to enhance management education. For example, business schools under either the traditional framework or the experimental reaccreditation framework must have an academically qualified faculty, as demonstrated by high quality, creative scholarly activities. Under both the traditional and the experimental accreditation frameworks, creative scholarly activities typically are demonstrated during the reaccreditation process through evidence of an average of two or more published, peer-reviewed journal articles per faculty member in the 5-year review period. In addition, under both accreditation frameworks, the topic of academic assessment and enhancement is still a tenet of the AACSB accreditation and reaffirmation process. In Table 1, we summarize the differences

TABLE 1. A Comparison Between the Current AACSB Business School Maintenance Process and the Blue Ribbon Committee (BRC) Proposed Experimental Review Process

Accrediting process	Accreditation lifespan	Reporting requirements	Drivers of accreditation	Acceptance of diversity by AACSB in business school mission and resource base
Traditional	10 years	Extensive self-study done every 10 years	Outcome driven, with specific achievements mandated	Low: All schools assumed to have similar missions and resource bases
New BRC	5 years	Annual reports, periodic 5-year review, and assessment of strategic plan	Process driven, with mandated outcomes still as the foundation	High: Accreditation mission based; AACSB judges school success as a function of university mission and resource base

between the current accreditation processes and the BRC experimental accreditation-maintenance processes. In Table 2, we illustrate the differences in nature and scope between the current AACSB standards, first adopted in 1991, and the new 2003 BRC standards. The information in Tables 1 and 2 indicate that although there have been many changes, the core foundations of mission-driven academic quality, scholarly contributions, and outcome assessments remain constant.

As shown in Table 2, although the old and new standards maintain the centrality of the mission statement, the BRC standards focus on the strategic planning process and the assurances of learning outcomes. Under the BRC standards, business schools will deliver annual reports to the AACSB to demonstrate sound strategic planning practices and outcome assessment measurements.

AACSB accreditation and reaffirmation alone do not guarantee a business school's future success. In an AACSB-sponsored study of business schools, Porter and McKibbin (1988, p. 173) found that "20 to 25 years of academic business school research has yielded little or no fundamental knowledge that is relevant for the management of contemporary or future business organizations." The need for managerial relevancy was also noted by Hasan (1993, p. 48), who suggested that the "business schools with the creativity, vision, and courage to launch timely, bold reforms . . . will be rewarded handsomely by free-market competition forces, which are the ultimate regulator of the academic quality of business schools." Hasan's statement, along with the AACSB's efforts to make business school accreditation a value-added initiative for the institutions and their stakeholders, suggests that business schools must become more innovative in their curriculum, delivery, and strategy. The 2003 standards emphasize the importance of stakeholder-based initiatives as part of strategy (AACSB International, 2003, p. 23).

How the New Standards Affect Business Faculty Members

The primary impact of the new standards on college of business faculty members will come in the new strategic management standards. Because the 2003 accreditation standards are mission driven, strategy making and strategy implementation become paramount. For faculty members, these standards will determine the dimensions of the curriculum to be emphasized; pedagogical approaches; the type of research that supports the mission; and the corresponding value of teaching, research, and service in both annual evaluations and the tenure and promotion processes. Although faculty members are often innovative and creative and, therefore, often prefer a more flexible strategic environment, AACSB policy will provide the strategic boundaries on business school initiatives.

The strategic management standards demand (a) that the business school's mission be congruent with the mission of the university with which the school is affiliated (mission appropriateness), (b) that the school of business mission statement target the student populations that it will serve (student mission), (c) that the school have a continuous improvement system in place, (d) that there be both stakeholder input and stakeholder review of the college mission statement, and (e) that the college have the necessary financial resources to achieve its mission (financial strategies) (AACSB International, 2003). The AACSB recognizes primary stakeholders in (a) students, (b) administrators, (c) faculty members, and (d) potential employers. In addition, secondary stakeholders that must be considered include (a) alumni, (b) funding agencies, and (c) peer institutions within the same educational system. The new standards suggest that although students are not the only stakeholders, they are a primary stakeholder group that must have input in the business school's strategic management process. This new stakeholder approach to strategic planning forces faculty members to share some of their long-held, and often hard-won, power with other groups, including stu-

TABLE 2. A Comparison Between the Current AACSB Standards for Business Accreditation and the Blue Ribbon Committee (BRC) New Eligibility Procedures and Standards for Business Administration

Standards	Traditional standards for business accreditation (AACSB, 1991)	BRC new standards for business accreditation (AACSB International, 2003)
Number of major standards	6	3
Centrality of mission to accreditation and reaffirmation process	Mission statements required, but outcomes not judged in light of mission	Mission central to the accreditation process; all performance metrics are a function of mission
Standard topics	Mission, faculty composition development (including the proportion of academically qualified and nonqualified faculty members), curriculum/content and evaluation (assessment), instructional resources and responsibilities, students, intellectual contribution	Strategic management standards, participant standards (including the proportion of academically qualified, professionally qualified, and nonqualified faculty members), assurance of learning standards (including assessment)
Metrics	Self-study report done on 10-year basis	Annual reports of data, annual assessment of strategic planning, 5-year review of strategic processes and outcomes

dents, which results in increased customer orientation across business schools.

The second area that will affect faculty members through the new AACSB standards pertains to defining the participants in the teaching–learning process. Participant standards include formal criteria that define (a) student admission requirements; (b) student retention policies; (c) the level of staff and faculty sufficiency to support the mission; (d) faculty qualifications in terms of education, scholarly contributions, and professional development; (e) faculty governance procedures; (f) resources for faculty development; and (g) faculty responsibilities pertaining to educational outcomes. Participant standards determine the quality of the educational experience, who is allowed to attend classes, and who is allowed the privilege to teach. In addition, participant standards must be congruent with strategic management standards, such that the research contribution criteria for faculty members at schools that have a research-focused mission must be more stringent than those for schools with a more teaching-focused mission.

Participant standards ultimately affect faculty teaching load, research expectations, and resource support. Participant standards will drive recruitment decisions, tenure and promotion decisions, faculty development issues, and faculty governance processes. These standards largely determine the teaching–research–service balance, as well as the total faculty workload. In addition, participant standards force faculty members to sustain some level of currency in both their discipline and pedagogy skills, depending on the research component of the college's mission.

The third major component that will influence faculty members through the new standards is an increased emphasis on assessment and assurance of learning standards. These standards affect the development and content of the curriculum through knowledge and skill requirements for undergraduate programs in areas such as (a) communication, (b) ethics, (c) analytical decision making, (d) the use of information technology, (e) value creation chains, (f) globalization, (g) organizational leadership, and (h) appreciation for diversity and multicultural issues. For schools of business with MBA and doctoral programs, additional learning goals relate to (a) the development of leadership skills, (b) use of innovation, (c) development of research skills, and (e) research-related outcomes for graduate students. Although the curriculum at many schools of business has been controlled largely by the faculty members, the new AACSB standards mandate topical coverage and outcome assessments in specific areas. In addition, the AACSB mandates that stakeholders have input on how these knowledge and skill criteria are achieved.

Clearly, business faculty members will be affected significantly by the assurance of learning standards in a number of ways. First, at many colleges of business, both undergraduate and graduate curricula and topical coverage will have to become documented and highly specified to better comply with AACSB requirements. In addition, formal learning outcome assessments will become a part of the normal curriculum development and revision processes, with course content assessed for coverage of defined areas and relevancy to the stakeholders. These new standards most likely will result in more standardized curricula between and among many peer institutions. In Table 3, we summarize three major components of the new 2003 AACSB standards for business accreditation and indicate how they likely will affect business faculty members.

In addressing strategic management standards, business faculty members, along with stakeholders, will be involved in reviewing the business school's mis-

TABLE 3. The Three Major Components of the 2003 New AACSB Standards for Business Accreditation and Illustrative Impacts on Business Faculty Members

AACSB 2003 Standards for Business Accreditation	Illustrative impact on business faculty members
Standard 1: Strategic management standards	
Mission statement	Business students, faculty members, and alumni must have input on the development and review of the college's mission statement.
Student mission	The mission of the college of business must be (a) linked and congruent with the mission of the university of which it is a part and (b) reflective of the resource base of both the university and the college of business.
Continuous improvement	Business faculty members must have continuous improvement plans, and quality management must become a core value and standard operating practice.
Financial strategies	Academic departments within the business school will be affected significantly by resource allocations, depending on how well each department's mission fits with the business school's mission. For a department to prosper, it must become central to the mission of the college of business.
Standard 2: Participant standards	
Student admissions	The quality, nature, and pedagogy of business classes are greatly dependent on the quality of students admitted.
Student retention	Faculty members must ensure that the academic standards in business classes and retention policies help produce students who are consistent with the business school's mission.

(table continues)

TABLE 3. (Continued)

Standard 2: Participant standards (continued)	
Staff sufficiency—Student support	Each department must have adequate resources devoted to academic advisement and placement to achieve the mission.
Faculty sufficiency	The business school must have adequate course coverage and balance the mix of business faculty members deployed with student class load demands.
Faculty qualifications	Business school faculty members must develop and maintain academic qualifications (as typically supported by peer-reviewed, quality research outcomes).
Faculty management and support	Business school faculty members should understand how teaching and service workloads are assigned and what research expectations are, be systematically and formally reviewed, have formal mentoring programs, and understand resource allocation decisions and plans.
Aggregate faculty and staff educational responsibility	The business school must provide adequate resources for faculty development, student-centered learning experiences, and staff development.
Individual faculty educational responsibility	Faculty members must maintain currency both in the knowledge base of their disciplines and in developments in pedagogy and learning technologies. In addition, faculty members must provide "frequent, prompt feedback on student performance."
Student educational responsibility	Students must be encouraged to take responsibility for their own learning experiences and contribute to the learning experiences of others.
Standard 3: Assurance of learning standards	
Management of curricula	All academic departments must coordinate with the other departments of the business school to develop a system to assess and enhance the "substance and delivery of the curricula" and the impact of the curricula on learning. In addition, learning experiences must integrate ethics and corporate social responsibility (CSR) issues, appreciation of diversity, concepts of customer value creation, globalization, and analytical techniques.
Undergraduate learning goals	The department must develop specific learning goals for business students and provide sufficient coverage to achieve these goals.
Master level learning goals	The department must develop both general and discipline-specific learning goals for MBA students.These would emphasize skills, such as leadership, innovation, and analytical thinking.
Doctoral level learning goals	If the department has a doctoral program, specific learning goals must be established for students, including the "acquisition of advanced knowledge" in business, teaching abilities, and ability to do research, including the dissertation.

sion statement; in segmenting, targeting, and positioning the business school; and in developing continuous improvement efforts in core values and in operating practices. Faculty members will be influenced by resource allocations needed to fulfill the business school's mission. Moreover, student admission standards, student retention, academic advisement, adequate coverage of new advances in all business disciplines, maintenance of academic faculty members' qualified status, and balancing workload expectations will all land squarely in the laps of the business faculty members.

Conclusions

The old adage "the more things change the more they stay the same" appears to hold true for business school accreditation. The AACSB has attempted to respond to the demands of business school stakeholders in an effort to force management education to become more relevant through the development of an experimental review process and the Standards for Business Accreditation, adopted on April 25, 2003.

In this article, we explored the traditional and experimental AACSB accreditation frameworks and examined ways that the new framework may affect faculty members. In addition, we discussed the differences and similarities between the traditional and proposed AACSB reaccreditation frameworks. We hope that this article will contribute to the understanding of how the AACSB influences schools of business generally and how its policy affects business faculty members specifically. Future research should provide additional insight into the ways that AACSB policy can be leveraged to create superior value for schools' stakeholders and to enhance prospects for successful reaffirmation. We hope that this article will stimulate research on the interaction of faculty governance and strategy making within a business school context.

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