

Quality Assurance, Accountability, and Accreditation in Collegiate Business Programs

Executive Summary

This paper argues that when states require business programs offered in the state to achieve specialized business accreditation, institutions should be able to choose either the Association of Collegiate Business Schools and Programs (ACBSP) or AACSB International - The Association of Advance Collegiate Schools of Business (AACSB). The choice would be based on factors such as the program's mission, its resource base, the incoming qualifications and aspirations of its student population, and overall state needs for a variety of business education programs. ACBSP and AACSB are the only two business accrediting bodies recognized by the Council for Higher Education Accreditation (CHEA), the agency that assures a standard of quality and good practice among accrediting agencies.

Currently, Louisiana and Pennsylvania require business accreditation for some of their public institutions, but these states recognize only AACSB as fulfilling this requirement. Because of the policies in these states and because other states are considering requiring business accreditation, the ACBSP Board of Directors felt compelled to commission this white paper outlining the need for a more balanced approach to business school accreditation.

If states choose to require specialized accreditation for collegiate business programs, then educational quality and the public interest will be best served if both ACBSP and AACSB are accepted as legitimate choices. Several positive consequences are derived from this balanced approach:

- Accreditation will be better tailored to differing institutional missions.
- More students will enjoy access to quality business programs.
- Costs to institutions and the state will decrease.
- There will be less undue pressure on accrediting bodies.
- There will be less undue pressure on institutions of higher education.
- Transfer of student credits among institutions and programs will be enhanced.
- Higher quality in community college programs will be recognized and encouraged.
- More faculty with practical business experience will be in the classroom.

Introduction

Each state recognizes its responsibility to provide oversight of public and independent or private institutions of higher education. The chief purposes of this responsibility are to ensure student access to high-quality programs relevant to their aspirations and that public subsidies and student tuition dollars are well-spent. Most states have citizen boards and administrative agencies to carry out these functions.

While some states have developed elaborate quality assurance and accountability measures of their own, most rely to varying degrees on accreditation agencies to guarantee a baseline of quality. A college or university's recognition by one of the regional or national accrediting bodies may be a requirement for state approval, although most states have additional criteria as well. With respect to individual college and university programs, some state higher education governing bodies also require additional specialized accreditation in fields like business, engineering, teacher education, nursing, and so on.

Relying on specialized accrediting bodies to provide quality assurance is a generally positive policy, but it becomes complicated when there is more than one credible accreditation group. Such is the case when applied to recognition of collegiate business programs. Two reputable bodies offer accreditation for college and university business programs: the Association of Collegiate Business Schools and Programs (ACBSP) and AACSB International - The Association of Advance Collegiate Schools of Business (AACSB).

This paper argues that when states require business programs to achieve specialized business accreditation, institutions should be able to choose either ACBSP or AACSB based on factors such as the program's mission, its resource base, the incoming qualifications and aspirations of its student population, and overall state needs for a variety of business education programs.

Currently, Louisiana and Pennsylvania require business accreditation for some of their public institutions, but these states recognize only AACSB as fulfilling the accreditation requirement. Because of the policies in these states and because other states are considering requiring business accreditation, the ACBSP Board of Directors felt compelled to commission this white paper outlining the need for a balanced approach.

This paper has several audiences. Members and staffs of statewide governing and coordinating boards represent a chief audience because they are charged with overseeing

the quality of programs offered to the public. These board members and their executives are most apt to adopt and implement policies on achieving business accreditation. State, federal, or private bodies that determine certification and licensure requirements for individuals who practice in specialized areas of business are also appropriate audiences for this paper.

In addition, the paper will be of interest to a broader audience because these policy options affect so many students and their families, faculty members and administrators within colleges and universities, and citizens and taxpayers who underwrite public higher education costs. State policymakers in legislatures and the executive branch and their staffs, especially those involved in educational and appropriations policy, will find this discussion relevant to their work as well.

Accreditation and the Public Interest

Accreditation is a process of self-review and examination by outside experts based on published standards designed to assure quality in educational systems and processes, to encourage improvement, and to provide the public with confidence that an accredited program meets its stated objectives. In the United States, this is a nongovernmental activity, although state and federal agencies often require institutional accreditation as a condition of receiving financial support and may also require specialized accreditation of schools and programs.

There are multiple accreditation agencies in the United States. The two main types are regional or national accrediting groups that offer institution-wide accreditation and specialized or program-accrediting groups that address fields such as business, law, a variety of health care professions, social work, and many others.

This approach to quality assurance serves the public interest in two ways. First, because it is standards-based and uses outside peer experts to review institutional and program performance, it offers a reasonable level of objectivity. Second, because its focus emphasizes ongoing improvement, it helps ensure that higher education in this country will become even more effective in the future.

This approach to quality assurance is not perfect. However, accreditation in the United States has proven to be a durable way of assuring quality. Even its critics aim to improve the present system rather than replace it with something new.

Recognition of Accreditation Bodies – CHEA

Accreditation of colleges and universities and programs within them justifiably underpins public confidence only if the accrediting agencies are scrutinized for quality and integrity. There are fly-by-night entities, often a single individual operating out of a post office box, which purport to offer “accreditation” for a fee.

To distinguish these inadequate and frequently fraudulent enterprises from the genuine article, the Council for Higher Education Accreditation (CHEA) was formed in 1996. Because recognition by CHEA is so important to the credibility of accrediting bodies, to the public, and to policymakers’ reliance on them, it is worth citing CHEA’s mission:

The Council for Higher Education Accreditation will serve students and their families, colleges and universities, sponsoring bodies, governments, and employers by promoting academic quality through formal recognition of higher education accreditation bodies and will coordinate and work to advance self-regulation through accreditation.

CHEA recognition is the gold seal of approval for accrediting bodies. Prior to recognizing an accrediting group, CHEA goes through an elaborate procedure based on published standards, a rigorous self-study, an on-site visit by outside experts, and additional scrutiny by a review committee. Consequently, the public and their representatives can be assured that a program or institution accredited by a CHEA-recognized agency offers quality educational services.

ACBSP and AACSB are the only two associations recognized by CHEA for granting specialized accreditation for business schools and programs.

ACBSP and AACSB

The Association of Collegiate Business Schools and Programs and the Association to Advance Collegiate Schools of Business share similar aims in that both associations support high-quality business programs in the United States and across the globe, follow a similar process for reviewing business programs, and encourage continuous quality improvement. As of May 2005, ACBSP has 395 members of which 298 are accredited; AACSB reports that 504 of its members hold business accreditation as of April 2005. AACSB also reports there are 167 accounting programs separately accredited by AACSB. Accounting accreditation is extended to schools having AACSB business accreditation.

However, there are some important objective differences between these bodies that might cause a college or university to select one over the other for accrediting purposes. With some exceptions, the membership of ACBSP tends to include more modest-sized schools with lower annual operating budgets. Many ACBSP colleges and universities have special missions including faith-based institutions, historically black colleges and universities, universities serving Hispanic populations, and a tribal college. AACSB has accredited business programs that also have diverse missions including faith-based institutions and historically black colleges and universities, although as a percentage of total membership, ACBSP has a greater number of these types of institutions.

ACBSP offers an accreditation process for associate degree programs as well as baccalaureate and graduate programs, while AACSB addresses only baccalaureate and graduate business and accounting degrees.

AACSB charges significantly more for the direct fees of membership and accreditation. It is generally agreed that the ongoing costs of compliance with AACSB standards for faculty credentials and workload are substantially higher than those for ACBSP.

There are other important differences as well. ACBSP focuses on the needs of business programs whose primary mission is excellence in teaching. AACSB standards require business and accounting programs to have broader missions that address the critical importance of high-quality teaching supported by a focus on research production consistent with the school's mission. A school whose primary mission is teaching would not be programmatically or financially capable of meeting these standards without a change in mission. For both organizations, there may be other aspects of a business school mission that may encompass public and/or professional service recognized by both organizations. AACSB standards also have specific expectations for business school and accounting faculty to have academic preparation and documented professional development activities to support the teaching and research expectations. As such, AACSB standards do have objective expectations that faculty members have doctoral degrees and appropriate academic and professional experience supported by research outcomes to ensure currency in the field of teaching. ACBSP-accredited schools are more likely to have faculty with substantial business experience as well as appropriate academic credentials.

While acknowledging these differences, both associations are committed to fostering high-quality business education programs through a rigorous program of institutional self-study, peer review by outside experts, and actions based on adherence to quality standards.

State Policy Toward Business Program Accreditation

If states choose to require specialized accreditation for collegiate business programs, then educational quality and the public interest will be best served if both ACBSP and AACSB are accepted as legitimate choices. Several positive consequences are derived from this balanced approach:

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- More students will enjoy access to quality business programs.
- Costs to institutions and the state will decrease.
- There will be less undue pressure on accrediting bodies.
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Each of these consequences is explored in detail in the following sections.

Mission Compatibility

Overall, the American higher education system is recognized as the best in the world both for achieving superior levels of quality and for providing the broadest range of opportunity for students to participate. In part, this reputation is a result of the range of differing missions in which a variety of programs and services are available to student consumers. The vast majority of American institutions, both two-year and four-year, value teaching over research. Research-oriented universities, while still supporting good teaching, devote primary attention to generating and disseminating new knowledge that improves business practice and education alike. Colleges and universities that emphasize excellence in teaching also prize scholarship and research as essential to good teaching.

The United States has two business accrediting associations, each of which focuses on institutions with these different mission priorities. ACBSP emphasizes excellence in teaching over research, while recognizing the educational value of research. Compared to ACBSP, AACSB recognition demands more research productivity. When both agencies are

acknowledged as having suitable standards, this sensible balance between emphasis on teaching and research is preserved.

Student Access to Quality Programs

A major responsibility of state higher education agencies is maintaining and expanding student access to a range of quality educational options. Community colleges offer the highest levels of access; many four-year colleges and universities offer generous admissions to qualified students, though four-year colleges and universities are typically more restrictive than two-year institutions. Both two-year and four-year schools often require stiffer admissions qualifications for entry to professional programs than they do for acceptance to the institution itself.

Institutions seek to balance the need to provide educational opportunity to aspiring students with the importance of admitting students to programs where they have a good chance of success. Most states satisfy this need for balance by supporting institutions with a range of admissions practices. As long as there is consistency between a college or university's mission and its admissions practices, having a variety of admissions thresholds is good for states and their students.

Among accredited business programs, those with AACSB recognition are generally the most restrictive with regard to access, consistent with the association's standards. ACBSP colleges and universities typically offer more generous admissions policies for their business programs, while maintaining that students receive both an early diagnosis of their entry skills and assistance if necessary in meeting program standards. Recognizing the two accrediting bodies as appropriate for institutions and programs with varying admissions policies helps maintain this goal of access to quality educational programs.

Costs to Institutions and Taxpayers

Accreditation of any kind entails two kinds of additional costs: the expense of going through the accreditation process itself, and the far greater cost of compliance with the accrediting association's expectations and standards.

There are significant differences between the two associations in the costs of seeking and achieving accreditation. These cost variances may be justified in light of the different

expectations of the two organizations, but they can be significant over time, especially for very tightly funded programs and when incurred for more than one institution.

Far greater variations exist between ACBSP and AACSB in the cost of meeting the different standards. The additional costs of AACSB recognition come from that association's requirements for lighter teaching loads (necessary to facilitate faculty research and scholarly activity), overall higher compensation costs of faculty, and additional expenses associated with greater investments in facilities, library resources, technology, and other aids.

While ACBSP is not aware of a definitive study in this area, educators familiar with both sets of requirements estimate the additional yearly costs to be at least \$500,000 and often more for larger programs. These costs may be justified for certain institutions. However, they do put a heavy burden on institutions already strapped by limited state funding. If a public system comprised of, say, five or more institutions that would not ordinarily seek the more expensive accreditation are required to do so, the price is magnified both for them and for the taxpayers who support public higher education.

Undue Pressure on Accrediting Bodies

Educational professionals, especially those associated with implementing and enforcing standards, do their best to remain impartial and objective in rendering judgments about a program's adherence to those standards. Yet when faced with the challenge of a broad range of programs being forced to gain accreditation or cease operation, one must wonder if the accreditors might waver occasionally. Not granting accreditation to a school after repeated attempts might lead legislators or representatives of an institution to become involved in the details of accreditation on behalf of a school located in their district or over which they hold some responsibility. No one would argue that the politicization of accreditation in the state legislature is a good thing. The balanced approach of allowing schools to choose between the two accrediting associations and to offer an option that more accurately reflects its mission, while not erasing the potential for pressure, does alleviate it.

Undue Pressure on Institutions of Higher Education

Forcing a college or university whose mission is best suited to ACBSP standards to meet AACSB requirements does a disservice both to the school and its students. As noted earlier, the strength of American higher education lies partly in the capacity of different institutions to address the needs of different segments of the student population. All students deserve

high-quality options, but quality can be achieved in various ways depending on student need, the resources available, and the educational purposes of the institution. Requiring institutions to seek only one sort of accreditation, whether AACSB or ACBSP, means that some institutions will have to distort their preferred missions and educational values in order to meet accreditation standards. By recognizing both associations as valid and appropriate options, states reduce this pressure substantially.

Transfer of Credits

Ensuring that students can move from one institution to another with most of their academic accomplishments intact is a top priority for most states and their higher education governing and coordinating boards. “Legitimate transfer”—ensuring that students who have earned reasonably equivalent skills in one program will be able to transfer those courses to another—is a holy grail for higher education leaders and a very understandable expectation of students, their families, and their political representatives. Requiring students to repeat studies unnecessarily is unfair and costly. However, defining legitimate transfer in specific situations is no easy task.

Practices by some AACSB schools restrict transfer from community colleges and from non-AACSB accredited programs at four-year institutions. The case for this approach rests on the view that moving from one program to another helps maintain the quality of the receiving institution and also ensures that students will be successful in their studies. These are appropriate goals, but they do work against the increasing public expectation that learning, wherever acquired, will be portable.

Some states have gone as far as enacting legislation to require credit transfer among institutions, including at least one state that requires course transfer in business programs. It is important to note that credits may be accepted as general electives at the institution, but not applied toward degree requirements of the student’s major.

ACBSP includes community colleges among its members, and its standards encourage the policy of legitimate transfer defined above. When business program accreditation is required, states which accept both business accrediting groups are helping to maintain a policy that fosters greater student mobility. This is so because institutions with ACBSP accreditation, both community colleges and four-year colleges or universities, more readily accept credits into the business major than do AACSB members.

Community College Program Quality

The nation's community colleges enroll over six million students in credit-bearing courses and attract about half of all enrolled minority students. Clearly, community colleges are vital to spreading educational opportunity and preparing the workforce for the challenges of global competition. Many community college students aspire to continue their education at baccalaureate institutions. It makes sense to assist colleges that typically have open admissions to maintain and strengthen the quality of their business programs both for students who plan to transfer as well as for those whose primary goal is the two-year credential. ACBSP proudly includes community college business programs as part of its accreditation process. Current total membership is 227 baccalaureate/graduate degree programs, of which 161 are accredited, and 168 associate degree programs, of which 137 are accredited. Community colleges account for over one-third of ACBSP's total membership; nearly half of the accredited members are community colleges.

Faculty with Practical Experience

The quality of the teaching faculty is the most important ingredient in a program's value to students. To be sure, faculty members with doctorates bring a depth of theoretical understanding as well as the fruits of their specialized dissertation research to the classroom. At the same time, teaching faculty who also have extensive and current business experience can give students a functional understanding of contemporary business practices and methods. Provided that these individuals who practice what they teach hold relevant educational credentials, such as a Master of Business Administration degree, a law degree, or other appropriate graduate degree, and are fully supported by the program in their teaching, the result for students can be an exceptionally strong learning experience. The most effective business programs will offer a blend of doctorally qualified faculty as well as those who have spent years acquiring hands-on business experience.

Colleges and universities with AACSB recognition tend to employ more faculty with research priorities, consistent with the association's relatively greater attention to research. ACBSP institutions will strike a somewhat different balance, emphasizing strong teachers with practical business backgrounds. Both approaches are sound, and states which recognize both accrediting associations will host programs that emphasize both of these important educational values.

Summary

This paper argues that when states require their collegiate business programs be accredited, the colleges and universities should be able to choose between the two recognized accrediting bodies based on the institution's mission, program, and resource base. The two accrediting associations for college level business programs are the Association of Collegiate Business Schools and Programs (ACBSP) and the AACSB International - The Association of Advance Collegiate Schools of Business (AACSB). Both set high standards and carefully monitor program adherence to those standards. Both are recognized by CHEA, the agency that assures quality in accreditation. They differ in that ACBSP emphasizes excellence in teaching over research (though it stresses the importance of research to good teaching), while AACSB expects more research productivity from its member programs. Members of ACBSP tend to be smaller institutions with more limited budgets which service unique populations, offer more generous admissions and credit transfer policies, and follow more flexible curricular formats. By permitting institutions to select either of these associations, states will help to maintain student access, reduce costs, preserve program diversity, enhance credit transfer, support community college business programs, and ensure that teaching faculty will exhibit both appropriate academic credentials and practical experience.

About the Author

Terry MacTaggart is an experienced leader and scholar in higher education. His work focuses on higher education leadership and policy, statewide governance and economic development. He has held the Chancellor's position at the Minnesota State University System and the University of Maine System. Prior to his system level service, he was Chancellor at the University of Wisconsin-Superior.

He is Chairperson of the Commission on Institutions of Higher Education (CIHE) of the New England Association of Schools and Colleges (NEASC). He has chaired multiple visiting teams for several regional accrediting groups. He has served as a Fulbright Scholar to Thailand as an expert on accreditation and quality assurance.

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July 15, 2005