

A COMMENT ON THIRD PARTY CERTIFICATION OF BUSINESS PROGRAMS

Craig A. Kelley, California State University, Sacramento, Department of Management, Sacramento, CA
95819-6088; (916) 278-7199

ABSTRACT

Much has been made of the implementation of the mission-driven AACSB accreditation standards in recent years. The experience of some schools with the process of initial AACSB accreditation or reaffirmation begs the question of whether the application of the standards has in fact changed. It is the purpose of this paper is to hopefully stimulate discussion on the potential impact, both positive and negative, that these standards may have on marketing programs.

INTRODUCTION

AACSB accreditation. Of the more than 2,400 collegiate business programs in the United States, only about 360 have achieved AACSB certification (www.aacsb.com). Each year business schools spend thousands of dollars to seek initial or reaffirm their accreditation. Is the money well spent? What are the true benefits and value of accreditation? Is the spirit of the AACSB standards being fully implemented by stating a school can define itself and then have a review team question its mission because it does not conform to a preconceived notion of what the team views a business school should look like? Are business schools blindly following other schools and trying to be something they cannot be given their fiscal and physical resources and mix of faculty? The experience of some business schools in that are seeking initial accreditation or reaffirmation under the new AACSB standards is causing some faculty to struggle with the answers to such questions. The purpose of this paper is to stimulate rationale debate on the entire issue of third party certification of business programs.

CONSUMER USE OF THIRD PARTY CERTIFICATION

AACSB accreditation may be considered a third party certification of an educational service. Questions at the heart of AACSB accreditation are whether consumers (i.e., employers of a business school's graduates) understand what AACSB certification means and believe the certification is an important determinate in the hiring a school's graduates. To begin to answer these questions a review of the literature related to third party certification and seals of approval is offered.

The research on the impact of seals of approval and third party certification have on purchase behavior has been mixed. Taylor (1958) reported that there was virtually no consumer benefit in the use of seals of approval. Parkinson (1975) found that although consumers highly regarded seals of approval, they tended to attribute far greater meaning to the presence of a seal of approval than was justified. Coney and Beltramini (1985) found the presence of an independent testing firm's seal enhanced believability of advertised research results, while Beltramini and Evans (1985) found simply mentioning a seal's sponsoring organization did not generate the same effect. Kamins and Marks (1991) reported third party certification had a positive effect on purchase intention for specific consumer segments. Beltramini and Stafford (1993) found consumers do not comprehend what is meant by a seal of approval and the presence of a seal of approval did not enhance the believability of ad claims.

Research that has investigated the impact of AACSB certification also has produced mixed results. Kim et al. (1996) found that under certain situations employers of accounting graduates may view AACSB accreditation as a market signal of a quality education. Englebrecht, Lyer and Patterson (1994) suggested there are positive effects for AACSB accredited school's graduates. However, several others have argued that AACSB standards negatively impact the quality of professional accounting education (Edney 1991; McGee 1991; Porter 1992; Slone and LaCava 1993).

The marketing education literature has seen its share of articles related AACSB accreditation. Most of them have assumed accreditation was something that should be pursued and focused on how to implement the AACSB standards. For example, Graeff (1998) specified a process for developing student learning objectives to meet AACSB outcomes assessment. Pharr and Morris (1997) investigated processes marketing departments could use to redesign their marketing curricula to meet AACSB guidelines regarding curriculum design. Marshall et al. (1996) examined the entire issue of how to install a quality improvement process in the marketing curriculum. However, there is a lack of research in the marketing literature on the impact AACSB accreditation has on employer decision-making regarding the hiring of

graduates from accredited and nonaccredited business schools.

MISSION-DRIVEN STANDARDS

It is difficult to argue that schools of business should adhere to a progressive set of standards that includes an effort to continuously improve? This is the foundation of the argument that AACSB accreditation is necessary to acquire and maintain. AACSB first set standards for collegiate business education in the United States in 1916. Its founding schools included New York University, Harvard, Columbia, Cornell, Dartmouth, Northwestern, Ohio State, Tulane, University of California-Berkeley, University of Chicago, University of Illinois, University of Nebraska, University of Pennsylvania, University of Pittsburgh, University of Texas, University of Wisconsin and Yale University. In April 1997, the membership of AACSB voted a change in the organization's name to the International Association for Management Education. AACSB has since accredited a few programs outside the United States.

In the 1980s criticism began to emerge concerning the timeliness and practicality of the AACSB standards. The Association of Collegiate Business Schools and Programs (ACBSP) was formed in part because some AACSB standards were out of date and had limited practical application (Brown 1989). Furthermore, companies such as Motorola and PepsiCo set up their own business schools because collegiate business schools, including AACSB accredited schools, were lagging in making changes to their curricula to reflect the modern business climate (*Economist* 1991). Therefore, AACSB in 1991 adopted a mission-linked set of standards and procedures. The idea was to mirror the concept of total quality management by having AACSB accreditation promote continuous quality improvement in collegiate schools of business.

The standards consist of major sections such as mission and objectives, intellectual contributions, faculty composition and development, curriculum content and evaluation, and students. A potentially controversial standard relates to currency in one's area of teaching responsibility (Standard FD.5). The lead dean reviewing the author's school for reaffirmation stated a Ph.D. indicated someone was current for only five years after they received their degree. What research supports a five year limit? Where is it written on a diploma that one's degree is only good for five years? Does not the fact that someone has 10, 15, 20 or more years of teaching under his or her belt count for anything? Perhaps

what this dean meant to communicate was a degree is not sufficient to be listed as academically qualified and current. Rather a combination of academic degree and 'additional' activities is required.

Continuous improvement is a criterion by which AACSB judges business schools to accredit. It is difficult to argue with this criterion. After all, what organization does not want to improve? However, two problems may arise from this criterion. First, industry has begun to reject TQM because of the difficulty in implementing it in the modern workplace. Second, the process of continuous improvement may yield incremental diminishing returns. To illustrate this point, suppose a faculty member teaches a new class. The second time the faculty member teaches the class there can be measurable improvements made. Even the third time the class is taught may produce significant improvement. However, there comes a point, the fourth, fifth or sixth time the course is taught, where the incremental improvement is not significant or measurable. If someone teaches a course over 10, 15 or 20 years, is it possible for them to reach perfection? Furthermore, how much real change occurs in marketing thought over time? An illustration of this point can be found a response by David Foard of the Harrow Business School in the United Kingdom to an Elmar (Electronic List of Marketing Academic Research) list question concerning the future of marketing faculty,

"I have been teaching marketing for the past 28 years and this kind of question has crossed the collective mind in this time! Apart from an infinite variety of 'specialists' carving out niches for themselves in substance during these years. If you attend conferences over a few years it is almost frightening how often the same ideas are represented in new words, or dressed differently whilst the fundamentals of customer centered service do not change. The language used to describe what is an essentially simple process become more peculiar, especially amongst US of A academics who seem to dream up descriptions to suit, whilst not adding significantly to the knowledge."

THE AACSB REVIEW TEAM

Review teams consist of deans from accredited institutions and a representative from a member company. This team reviews the school's self-

evaluation report prepared by the schools the year prior to the team's visit. The lead dean usually corresponds with the dean of the school being reviewed prior to the team visit. The team spends less than a week visiting the school. Given such a short visit and relying almost exclusively on a written report prepared by the applicant school, the team makes a recommendation to AACSB whether the school should receive AACSB accreditation, complete reaffirmation or be placed on continuing review. There is no appeal process. In essence, the applicant school must appease a very small number of people. Does this make sense? What if the reviewing deans have a positive or negative bias against the applicant school? Furthermore, where is it written that deans are necessarily the best judges of the mission of a school? And from where do these deans hail?

IS STANDARDIZATION POSSIBLE WHEN SCHOOLS ARE DIFFERENT?

AACSB states that "certain standards or portions of standards apply differently, depending on the various missions and objectives of different schools (AACSB 1994, p.2)." Can a standard be applied if schools define themselves differently? Does not the word 'standard' mean there is consistency in how it is applied? How many faculty attending the Western Marketing Educators' Association Conference can say their school looks anything like the schools on the annual ranking of the top 25 business schools in the U.S. by *Business Week*? Most likely very few can. AACSB would say that a school does not have to look like any of them. Each school must decide its own mission. But it is possible for a review team to evaluate an area such as intellectual contributions and not be influenced by what tier one schools require? It is a common sight at many second and third tier schools to have many faculty involved in developing one process after another to meet AACSB standards. Are the faculties at the top tier schools involved to the same degree? The answer is most likely no. Can one really believe high salaried faculty members at the Wharton School at the University of Pennsylvania or the Kellogg School at Northwestern University spend their time in seemingly endless meetings to generate processes for faculty development, curriculum assessment or intellectual contributions? If the application of standards to schools is not equal, how can anyone expect the standards be applied equally and uniformly?

TOWARDS A SOLUTION

What can marketing educators do to facilitate AACSB accreditation? First, since marketing is customer-focused, the emphasis should be on increasing employment opportunities for the school's graduates. Students are products and the objective of a business school should be to produce the best possible products possible given its resources. Marketing educators can take the lead in this endeavor. Second, marketing educators could apply pressure on deans to modify the AACSB accreditation process. Currently, the accreditation process involves peer review by only deans. Should not the review teams include faculty to make them truly peer review committees?

CONCLUSION

Undoubtedly there will be many faculty who will disagree with the questions and comments put forth in this paper. Seemly every regional or national marketing education conference or issue of the *Journal of Marketing Education* or *Marketing Education Review* contains articles on how to implement the AACSB standards. The intent of this paper is not to suggest that accreditation is not worthwhile. Rather, the purpose is to engage marketing faculty in a discussion of questions surrounding the merits of AACSB accreditation relative to the costs associated with acquiring and maintaining accreditation. It is possible that accreditation may not hold much meaning for many individual business programs in the United States as many may think.

REFERENCES

- AACSB (1994). Achieving Quality and Continuous Improvement Through Self-evaluation and Peer Review. (April 12), St. Louis, American Assembly of Collegiate Schools of Business.
- Beltramini, R. F. and K. R. Evans (1985). "Perceived Believability of Research Results Information in Advertising," Journal of Advertising, 17 (1), 18-24, 31.
- Beltramini, R. F. and E. R. Stafford (1993). "Comprehension and Perceived Believability of Seals of Approval Information in Advertising," Journal of Advertising, 22 (September), 3-14.
- Brown, D. (1989). "B-Schools and Built-in Obsolescence," Management Review, 78 (October), 8-10.

Coney, K. A. and R. F. Beltramini (1985). "Believability in Advertising: The 'Too Good to be True' Phenomenon" AMA Winter Educators' Proceedings, 135-139.

Edney, R. K. (1991). "Is the Accounting Profession Facing Brain Drain?" Practical Accountant, 24 (January), 74-80.

Englebrecht, T. D., G. S. Lyer and D. M. Patterson (1994). "An empirical Investigation of the Publication Productivity of Promoted Accounting Faculty," Accounting Horizons, 8 (March), 45-68.

Economist (1991). "MBAiling: Have Business Schools Lost Touch with Business?" 319 (April 20), 13.

David Foard October 14, 1998, Elmar list response.

Graeff, T. R. (1998). "Writing Behavioral Learning Objectives for Marketing Courses: Meeting the Challenge of AACSB Outcomes Assessment," Marketing Education Review, 8 (Spring), 13-26.

Kamins, M. A. and L. J. Marks (1991). "The Perception of Kosher as a Third-Party Certification Claim and Advertising for Familiar and Unfamiliar Brands," Journal of the Academy of Marketing Science, 19 (3), 177-185.

Kim, K., et al. (1996). "AACSB Accreditation: A Positive Signal in Accounting Job Markets," Mid-Atlantic Journal of Business, 32 (June), 123-135.

McGee, R. W. (1991). "Break up the Accounting Education Monopoly," Financial & Accounting Systems, 7 (Spring), 54-63.

Marshall, G. W., F. G. Lassk, K. N. Kennedy and J. R. Goolsby (1996). "Integrating Quality Improvement Tenets into the Marketing Curriculum," Journal of Marketing Education, 18 (Summer), 28-38.

Pharr, S. and L. J. Morris (1997). "The Fourth Generation Marketing Curriculum: Meeting AACSB's Guidelines," Journal of Marketing Education, 19 (Fall), 31-43.

Parkinson, T. L. (1975). "The Role of Seals and Certifications of Approval in Consumer Decision-Making," Journal of Consumer Affairs, 9 (Summer), 1-14.

Porter, G. L. (1992). "Professional Accounting Education-Back to the Future?" Management Accounting, 73, 63-64.

Reingold, J. (1998). "The Best B Schools," Business Week, (October 19), 87-92.

Slone, R. R. and J. LaCava (1993). "Responding to the New B-School Challenges: An In-process Observation," Journal of Organizational Management, 6, 64-71.

Taylor, D. A. (1958). "Certification Marks - Success or Failure," Journal of Marketing, 22 (1), 39-46.