Schools of Business and the AACSB Accreditation

Mohammad Ashraf  
Professor of Economics  
School of Business  
The University of North Carolina at Pembroke  
One University Drive  
P.O. Box 1510  
Pembroke, NC 28372-1510  
Phone: (910) 521-6464  
Fax: (910) 521-6750  
Email: ashraf@ uncp.edu
Schools of Business and the AACSB Accreditation

The United States experienced a sustained increase in college and university enrollment since the mid-1960s. According to the figures provided by the US Department of Education, total student enrollment increased from about 3.3 million students in 1957 to about 20.4 million students in 2009. As a result of this overall increase and the popularity of “business major” since the 1980s schools and colleges of business also saw an uptick in enrollment.

The US Department of Education data also point out that starting in the early 1980s for-profit schools also experienced an increased enrollment. The enrollment in for-profit schools increased from 111,714 in 1980 to 1,851,986 in 2009—an increase of about 1558%. For-profit schools traditionally tend to be vocational and business schools. This created a competition for public and not-for-profit private schools. While the top-tier schools were pretty immune to this competition, perhaps the hardest hit were the 2nd- and 3rd-tier schools—usually small regional public universities and colleges, euphemistically known as “teaching-focused” schools.

To attract domestic and international students, schools seek and advertise their accreditations. The purpose of seeking any accreditation is, of course, to have an independent and objective measure of quality. For schools of business this means seeking accreditation from The Association to Advance Collegiate Schools of Business (AACSB), an accrediting agency primarily run by deans of schools of business across the US. This is perhaps the most sought after stamp of approval for schools and colleges of business.

To get an AACSB accreditation a school has to show, among other things, that the faculty qualifications are up to date. According to one measure, after a faculty member has earned a terminal degree, he or she is required to publish in quality academic journals. This ensures that the faculty member is current in his or her respective field. After all the main purpose of an institution of higher education is the generation and dissemination of the latest knowledge. AACSB calls a faculty member who is current in his or her respective field an “academically qualified” faculty member.

Publishing in quality journals, however, requires time and effort on the part of faculty members and financial resources on the part of schools. If a faculty member is spending time reading the latest research and publishing, given that there are only 24 hours in a day, he/she will have to cut back on classroom time. Realizing this constraint faculty member are granted course releases for research. Indeed, AACSB promotes and supports (or, to be more accurate, used to support) release time.

Regional public schools rely heavily on state funding. Since the 1980s, the US economy suffered from four major downturns according the National Bureau of Economic Research. While the economy recovered from the earlier recessions, the 2007-2009 downturn left deep and lasting economic scars. The biggest and deepest since the Great Depression, it has been nicknamed the Great Recession. Recovery, such as it is, seems to be extremely fragile. These economic events
have had devastating impact on the state support for higher education. As states’ revenues dried up so did the state funding for colleges and universities. Public universities, especially smaller ones, had to stretch the proverbial dollar. Overtime research support in the form of course releases and conference travel funds decreased and class sizes increased. Whatever increases in public funding were made, as the data collected by *The Chronicle of Higher Education* show, they disproportionally went to the administrators. Not only did the administrators get raises in salaries, the number of administrators also increased.

AACSB, in order to address the changing needs of business education, and perhaps to increase its membership, periodically revises its standards. It used to be that in order to obtain an AACSB accreditation schools and colleges of business had to limit teaching loads to a maximum of three courses/sections per semester. As mentioned above, the idea was that as a sign of currency in one’s field a faculty member must publish in quality journals. To meet this requirement, regular teaching loads had to be reduced. Overtime, however, these restrictions were relaxed. According to the current AACSB standards, no such restriction is placed on schools.

Furthermore, AACSB leaves it up to the school to monitor its quality of publications. Often smaller regional schools use *Cabell’s Directory of Publishing Opportunities* as a guideline. If a journal appears in the *Cabell’s Directory*, it is considered acceptable. *Cabell’s Directory*, however, does not monitor the quality of a journal, nor does it make any such claim. For a journal to be listed in the *Cabell’s Directory* essentially all the journal publisher has to do is to let the *Cabell’s Directory* “Review Board” know about the existence of the journal. If the journal claims to be a “peer reviewed” journal, *Cabell’s Directory* lists it as such. Pretty much any journal may be listed in the *Cabell’s Directory*. The result is that a whole new industry of journals has developed which follows a “self-publication” model—you pay a “publication fee” and your paper will be published. A paper submitted to such a journal often receives an acceptance letter, along with instructions for publication fee payment, within hours. This is hardly enough time to read a paper, let alone rigorously review and comment on it.

Combine these factors and you get a rather toxic mix: a school gets AACSB accreditation without having to provide release time to faculty members, AACSB increases its membership and membership dues, and a faculty member with questionable credentials stays “academically qualified.” There is, however, one problem. Remember the main purpose of institutions of higher learning? It was to generate and disseminate knowledge. Publishing in quality journals ensures that this objective is served. For credible knowledge to be generated, however, it is imperative that ideas are scrutinized and analyzed by the experts in the field. Otherwise it’s just the illusion of knowledge which, it can be argued, is far more dangerous than ignorance. After all, the root cause of superstition is the illusion of knowledge.

One solution to this problem may be to enforce a policy which ensures that only articles appearing in quality journals are accepted. Given the financial constraints, since faculty members at “teaching-focused” schools are not provided course releases, schools may lower the required
number of publications per time period, but not the quality. Instead of requiring, say, two or three (lower quality) journal publications per a five-year period, the requirement may be lowered to one (high quality) journal publication per a five-year period.

For this to happen, however, school administrators, AACSB, and faculty, all have to agree and monitor. A faculty member in any discipline who has obtained a terminal degree from a respectable program knows (or at least should know) which journals have a rigorous review process and which journals follow a self-publication model. Whether, as faculty members, we willfully ignore this, is a different matter. We ignore this, however, at our own peril.

Continuation of current practices may render AACSB accreditation meaningless and, in the process, damage our institutions of education. Bond rating agencies and mortgage-backed securities anyone?