BUSINESS SCHOOL ACCREDITATION IN DEVELOPING COUNTRIES: A CASE IN KAZAKHSTAN

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ABSTRACT

International accreditation of business schools has become dominated by the ‘big three’ of accreditation agencies – AACSB, EQUIS, and AMBA. Accreditation provides public notification that an institution or program meets benchmark standards, and reflects an institution committed to self-study, external peer-review, and continuous improvement. However, from the perspective of the more than 12,000 business schools worldwide that do not, and most likely will never, meet ‘big three’ imposed benchmarks, accreditation is an exclusion mechanism providing comparative advantage to accredited schools. This is more than a differentiator between accredited and non-accredited business schools – it reinforces the economic ‘great divide’ between developed and less-developed countries, since over 90% of accredited business schools are in developed countries. Consequently, accreditation becomes a moral and ethical imperative that should sit uneasy with anyone concerned with equality and social justice. In response, the Asian Forum on Business Education (AFBE) has designed an inclusive international accreditation system that is affordable, and fosters quality improvement at institutions that may initially be some considerable distance from meeting ‘big three’ standards. This paper provides an insight into one such accreditation process at a business school in Kazakhstan, and demonstrates the remarkable progress that can be achieved when quality improvement, rather than mere certification, is the guiding principle.

Keywords: Business Schools, International Accreditation, Kazakhstan.

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INTRODUCTION

The American Psychological Association observes that accreditation is both a status and a process (APA, 2013). When an institution or program attains this status, a message is sent to the public indicating that the standards of quality set forth by an accrediting agency have been met. As a process, accreditation reflects an institution or program’s commitment to self-study, external review by one’s peers and continuous pursuit of quality education and training (APA, 2013).

For business schools, international accreditation can be beneficial for a number of reasons. First, it fosters clarity and strategic intent about markets served and services offered (Lejeune, 2011). Second, accreditation provides a lever for quality improvement (Elliott, 2013; Istileulova & Peljhan, 2013). Third, the value of accreditation as a quality differentiator appears to be rising, particularly in the market for international students (Shiffler, 2013; Urgel, 2007; Zammuto, 2008). However, a plethora of scholars point out that accreditation has also become competitive mimicry, which has tended to override national distinctiveness under the duress of European and American educational hegemony (see, for example, Bell & Taylor, 2005; Dameron & Durand, 2013; Lowrie & Willmott, 2009; Prøitz, Stensaker & Harvey, 2004; Thomas, et al., 2013; Wilson & McKiernan, 2011); Julian and Ofori-Dankwa (2006) refer to this insidiousness as accreditocracy.

This accreditocracy process has become
dominated by the big three accreditation agencies:

1. European Quality Improvement System (EQUIS);
2. Association to Advance Collegiate Schools of Business (AACSB); and,
3. Association of MBAs (AMBA).

At the time of writing, AACSB has accredited 736 member institutions in 48 countries and territories (AACSB, n.d); EQUIS has 144 accredited business schools in 39 countries (EFMD, n.d); and AMBA has accredited 225 business schools in 47 countries (AMBA, 2015).

As the Queensland University of Technology proudly boasts, it is one of the less than 1% of all business schools globally that have achieved triple accreditation (QUT, 2014). Indeed, 98% of the big three accredited business schools have only one accreditation. In other words, about 1,000 business schools in the world have big three accreditation (i.e., about 7% of all business schools).

Considering there are at least 13,670 institutions worldwide offering a business degree (The Economist, 2011), over 12,000 business schools do not have big three accreditation, little means of achieving such world-class standards, and are deliberately excluded from those elitist clubs – deliberate because the unaccredited mass provides accredited business schools with the comparative advantage they seek. As AACSB notes, “95% of surveyed schools reported that AACSB Accreditation is an indicator that their quality is higher than that of non-AACSB-Accredited schools” (AACSB, 2014).

It is within this context of exclusion that the accreditation process of the Asian Forum on Business Education (AFBE) has found a deserving market. This paper will provide background to AFBE accreditation before discussing its application at a business school in Kazakhstan. When certification is disengaged from quality improvement, an inclusive process that provides recommendations for quality improvement consistent with world-class benchmarks can substantially enhance the educational experience of students.

AFBE Accreditation

The Asian Forum on Business Education (AFBE) was established in 1992 as a mutual self-help group of business scholars in the Asia region (Perryer, 2015). AFBE was founded on the belief that, with the increasing globalization of business schools and the very rapid growth of many developing economies in Asia, it was becoming increasingly essential for those involved in business education to develop an international perspective. With its underlying objectives in mind, AFBE introduced a quality audit and assessment system in the field of business education, designed to provide an accreditation framework based on a set of criteria developed as a benchmark for world-class business programs.

AFBE is the only Asian-based international accreditation agency for business programs. AFBE Accreditation has been designed as an alternative approach to the big three (i.e., EQUIS; AACSB; AMBA) and as an inclusive mechanism for business schools and their programs. AFBE Accreditation is premised on the following beliefs:

1. The big three are exclusive and designed to eliminate all but the most prestigious business schools (Egan, n.d). As such, complaints have been made by a number of business schools deeming it unfair that they be held to the same standards as long-established, well-funded institutions with rich endowments to research (Yunker, 2012). Further, the 'big three' offer no mechanism for program quality improvement and do not provide quantitative measures of the standards business schools are expected to meet and maintain in order to become accredited (Lowrie & Willmott, 2009; Yunker, 2012). Thus, for the vast majority of business schools that do not meet these agencies' ambiguous international requirements, taking steps to improve becomes a guessing game.
2. Big three accreditation is time-consuming and expensive, to the extent that a typical accreditation process may take 12-18 months and cost over US$200K (including fees, peer-review visit expenses, and internal administration; Egan, n.d).
3. EQUIS and AACSB accreditation systems focus on the entire business school, and hence, a high-quality business program may go unrecognized, if the business school is not able to achieve accreditation (Egan, n.d).
4. The big three attempt to expropriate European or US criteria to any context and irrespective of local social and political
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milieu (Egan, n.d). As a growing number of non-North American universities expressed demand for accreditation, statements made by AACSB respondents indicated the concerns of present members, wishing to ensure that nothing would be done to make it ‘easier’ for an international school to be accredited, lessening the perceived value of AACSB accreditation (Lowrie & Willmott, 2009). Further, an associate dean of a European business school whose institution had completed the AACSB accreditation processes, described the AACSB model as “too American... too homogenous” and based off of the uniform, “steamroller aspects” of the US education system (quoted in Durand & McGuire, 2005, p. 181). Another representative from an AACSB accredited institution felt that they were operating on the defensive when working with AACSB reviewers, feeling they had to ‘justify’ every aspect of their institution’s approach that did not conform to the American standard (quoted in Durand & McGuire, 2005, p. 181). Unsurprisingly, 72.3% of AACSB’s accredited members are still based in the US (AACSB, 2014).

In order to counter the negative consequences of ‘big three’ accreditation processes, AFBE Accreditation has been designed as:

1. An inclusive system that uses levels of accreditation, so that no business program is excluded from the system. AFBE will subsequently provide guidance to business schools as a means of improving quality standards toward world-class best practice (Egan, n.d).

2. A cost-effective and expeditious process, in which a business program may be audited and accredited within six months, and at a fraction of the cost (Egan, n.d).

3. A program-focused system that will audit the quality of business programs, rather than an entire institution (Egan, n.d).

4. A process that accounts for regional and local contextual differences and recognises that these differences, while perhaps not complying with European or US subjective criteria, may none-the-less not negatively impact the quality of a business program (Egan, n.d).

Apart from being an external benchmarking exercise measured against world best practices that provide valuable feedback for quality enhancement, AFBE Accreditation is envisioned as a process that may act as an intermediate step for those institutions that aspire to accreditation by the big three at a later time (Egan, n.d). As such, the accreditation model was created to provide compatibility with big three frameworks, which are largely similar, but each takes a somewhat distinct point of view of program quality. For example, AACSB is more focused on processes and management control, while EQUIS is more focused on strategic and accountability considerations (Lejeune & Vas, 2009).

In addition, AFBE recognizes a distinction between international certification and world-class business programs in the sense that while a business school may be hamstrung by the local context in the achievement of international certification, this should not inhibit the business school’s capacity to strive towards a world-class educational experience for its students.

The AFBE accreditation model fosters 10 domains of program excellence (see Figure 1). The model recognizes that the interaction between the Operational Unit (i.e., business school), the program, students, and academic staff are the core of program quality (Egan, n.d). The model also recognizes that domains have differing degrees of significance in terms of their impact on the quality of educational outcomes. The 10 domains of the model, and the relative weightings (determined by an expert panel of scholars in the field), are:

1. Context and Mission 1.50
2. Program Quality 2.00
3. Students 2.00
4. Academic staff 2.00
5. Research 1.75
6. Personal Development 1.75
7. International Issues 1.50
8. Physical Resources 1.50
9. Service to the Community 1.00
10. Corporate Connections 1.00

(Adapted from Egan, n.d)
Levels of Accreditation

The AFBE auditing process using the 10 domains of program excellence leads to accreditation based on a continuous scale, rather than the traditional ‘yes/no’ outcome offered by the ‘big three’ (Egan, n.d). The criteria listed below have been devised in relation to the levels of AFBE accreditation related to the continuous scale, and the possible award decisions; (adapted from Egan, n.d):

- **Award Level 3 (International) Accreditation** (period 5 years) - when AFBE is satisfied that international standards are substantially met. This level of accreditation is viewed as being at a standard that would likely lead to accreditation by AACSB/EQUIS/AMBA.
- **Award Level 2 Accreditation** (period 3 years) - when regional standards are met. This level is indicative of a business school that has a substantial regional reputation and presence, but yet to achieve the standards expected of world-class business programs.
- **Award Level 1 Accreditation** (period 3 years) - when local standards are met. This level is indicative of a business school that is local in orientation, retains a good local reputation, but that lacks any penetration beyond its national borders.
- **Award Associate Accreditation** (period 3 years) - when AFBE believes that there are significant areas in which its standards of accreditation at even the local level are absent.

Accreditation Process

AFBE accredits business programs that must be registered by a national governing body (such as a Ministry of Education). The accreditation process involves:

- Application by the business school, including the completion of a self-assessment datasheet. The datasheet involves 15 questions that provide basic information to AFBE, such as student numbers, faculty, and revenue details.
- Peer-review visit by AFBE auditors:
  - 3 auditors with doctoral degrees in a business-related field, and extensive experience in business school administration in an OECD country.
  - 5 days at the business school, including (a) interviews with senior managers, administration, faculty, students, alumni, and graduate employers; (b) examination of documents, such as business strategy, policies, corporate communication, and student theses and grades.
- Compilation by AFBE of a comprehensive report designed to provide a path forward towards improved program quality, and potentially, future accreditation by AACSB, EQUIS, and/or AMBA. The report will contain recommendations and a project schedule for implementation.
- The business school may then either use the AFBE report and recommendations for internal implementation or alternatively, the business school may choose to have AFBE make regular visits to monitor implementation progress.

Case: Accreditation in Kazakhstan

In September 2011, an AFBE peer-review team conducted an audit of the Bachelor of Science, MBA, and Executive MBA programs delivered by the business school of a respected English-language university in Almaty, Kazakhstan. This section provides some background information about the Kazakhstan higher education system and the university at the centre of this paper before describing the AFBE accreditation procedure and outcomes.

Kazakhstan's Higher Education System

Kazakhstan has a strong tradition of higher education. For example, in the 1960s, the country had the highest percentage of students among the population in all of Central Asia. Under
government reforms in the 1990s, private institutions were first established, and then grew rapidly in number from 0 in 1990 to 106 in 1999 (Kazakhstan – Higher Education, 2011), and 132 in 2010, of which 42 were public and 90 private (Kalanova, 2010). Total enrollments in higher education institutions (HEIs) in 2010 were 610,000, of which 290,000 studied at private HEIs, or 48% of the total (EC, 2010).

Under the previous Soviet system, the Ministry of Education and Science held near-monopolistic control over university curricula, pedagogy, finance, and governance in a model focused on standardization and formalization (Clark, 1986). In more recent post-Soviet times, government reform has shifted some control for curricular matters, finance, and governance from the central Ministry to universities (Caboni et al., 2003). However, in 2007 the government still specified about 50% of course content as mandatory requirement for a degree program (OECD, 2007), and despite striving toward the principles of university autonomy prevalent in the Anglo-American system, the structure and content of education is still subject to rigid and excessive state regulation (Gurevich, 2011). The government also specifies faculty/student ratios. These are prescribed as 8:1 for daytime education, 16:1 for evening education, and 32:1 for distance education (Caboni et al., 2003). The government also specifies minimum amounts that a HEI should spend per student on providing courses, which is built into the fee structure (EC, 2010).

Many challenges have been noted for higher education in Kazakhstan, including the need to diversify institutional revenue sources, fostering of curricular and academic innovation, endemic corruption, more autonomy in the regulatory environment (Caboni et al., 2003); absence of international accreditation, lack of qualified faculty members (Javoronkova; Feoktistova, 2014); too little research publication, and too little connection to the corporate world (Istieulova, 2011). The European Commission (EC, 2010) noted that in Kazakhstan HEIs are still under far too much centralised control regarding course curricula, and the organisation of teaching and degree standards is “limiting universities’ freedom and ability to respond to the needs of the economy, students, and employers” (p. 12).

The University in Kazakhstan

The university at the centre of the present paper is the largest and oldest US-style university in Central Asia. It offers 15 degree programs at both undergraduate and postgraduate levels, including business administration, economics, political science, international relations, public administration, journalism, and law. All programs are taught in English. In 2004, the university became a private, non-profit institution, with a 60% stake held by the President, and 40% held by the Ministry of Education and Science. In 2011, the university had 3,400 students, including 2,160 students in the BSc degree, 435 in the MBA, and 40 in the Executive MBA.

AFBE Accreditation of the University in Kazakhstan

In September 2011, a peer-review team visited the university. AFBE subsequently provided 81 recommendations to improve program quality toward world-class standards, and awarded all programs Level 2 (regional) accreditation. The most problematic areas were Context & Mission, Program Quality, Research, and Physical Resources (see Table 1).

The following is a sample of the recommendations provided in the AFBE audit report:

1. Context & Mission

Rec1.1: The university should encourage the government to relinquish control over academic programs by granting special status, and hence, provide an opportunity for private Kazakhstan higher education institutions to gain international recognition for quality education programs.

Rec1.2: If the university and business school desire to live the espoused creed of education to change society, then they should be anticipating the future functional needs of society, and leading the market for more innovative program offerings that will likely be needed over the next 3-5 years. Such programs might include entrepreneurship, small business, project management, strategic procurement, agribusiness, or energy management. It is argued that the business school could create awareness and demand for such programs by way of alumni and advisory committee connections, and a carefully thought through marketing and
Communication strategy.

2. Program Quality

Rec2.1: The business school should develop a policy to restrict assessment to no more than four items for both undergraduate and postgraduate courses.

5. Research

Rec5.1: The bar should be raised to a level that stretches faculty (particularly those at the senior level) to publish in more highly regarded journals (e.g., listed in Scopus, rather than merely Cabell’s), and hence, potentially increase the citation impact in other journals (an important consideration in world university rankings).

Rec5.2: If the university mantra of education to change society is to provide any real meaning, then it should provide a foundation value to guide the focus of research; in other words, the majority of research output should be based on data from Kazakhstan.

8. Physical Resources

Rec8.1: The university and business school should work towards addressing the issue of disability access to all buildings.

Rec8.2: The university should establish a policy that no computer on campus will be more than five years old.

Subsequent to the initial audit and accreditation, the President of the university requested AFBE monitor progress in operationalising the 81 recommendations. AFBE developed a project schedule, and visited Kazakhstan in January 2012, April 2012, November 2012, and April 2013.

Table 1 shows the distribution of recommendations across domains, as well as the relative progress during the improvement monitoring stage. Figure 2 shows the target and actual S-curve of progress from September 2011 to April 2013. By April 2013, 90% of the issues contained in the recommendations were implemented, and 80% of the recommendations by number were complete. There remained 12 recommendations outstanding, but on average, these recommendations were also about 50% complete, leaving effectively 6 of the original 81 recommendations outstanding.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Sep-11</th>
<th>Apr-13</th>
<th>%Comp</th>
<th>Eff No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context and Mission</td>
<td>18</td>
<td>3</td>
<td>63%</td>
<td>1.1</td>
</tr>
<tr>
<td>Program Quality</td>
<td>17</td>
<td>1</td>
<td>90%</td>
<td>0.1</td>
</tr>
<tr>
<td>Students</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic staff</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>13</td>
<td>1</td>
<td>30%</td>
<td>0.7</td>
</tr>
<tr>
<td>Personal Development</td>
<td>2</td>
<td>1</td>
<td>40%</td>
<td>0.6</td>
</tr>
<tr>
<td>International Issues</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical Resources</td>
<td>10</td>
<td>4</td>
<td>33%</td>
<td>2.7</td>
</tr>
<tr>
<td>Service to the Community</td>
<td>3</td>
<td>1</td>
<td>80%</td>
<td>0.2</td>
</tr>
<tr>
<td>Corporate Connections</td>
<td>2</td>
<td>1</td>
<td>50%</td>
<td>0.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>81</td>
<td>12</td>
<td>5.9</td>
<td></td>
</tr>
</tbody>
</table>
Figure 2: Progress on Recommendations

Figure 3 shows that the outstanding recommendations in April 2013 were predominantly in **Context & Mission** and **Physical Resources**, reflecting first, continuing Kazakhstan Ministry of Education control of curriculum, and second, the longer-term need for expenditure on disability access, and to upgrade the currency of computer technology.

In recognition of the remarkable progress made over the 18 month period, the BSc, MBA, and Executive MBA were awarded Level 3 (International) accreditation in April 2013. AFBK believes the business programs now provide students with a world-class educational experience. However, if the business school aspires to **big three** accreditation, there are still substantial issues that require redress. These issues include continued government control over curriculum and university ownership.
Figure 3: Outstanding Recommendations

(a) September 2011

(b) April 2013
DISCUSSION AND CONCLUSIONS

The structure of much of the argument of this paper has been to highlight how the *big three* accreditation agencies (i.e., AACSB, EQUIS, AMBA) have formed elitist clubs as a mechanism for members to achieve comparative advantage in the market for students (particularly international students). Given that there are about 1,000 *big three* accredited business schools, over 12,000 non-accredited schools have been left with little option for quality improvement towards a world-class educational experience for their students. This is more than a great divide between accredited and non-accredited business schools – it reinforces the economic great divide between developed and less-developed countries, since over 90% of accredited business schools are in developed countries. As such, it portrays a moral and ethical imperative that should sit uneasy with anyone concerned with equality and social justice.

In response, AFBE accreditation was designed to provide an inclusive milieu for the vast majority of business schools that are purposely excluded from the elitist clubs, in the belief that a world-class educational experience can manifest in an economic, political, and social context that the *big three* might subjectively find unpalatable from their European and American hegemonic positions (for example, ownership structure or government control does not necessarily impact on the quality of programs). AFBE accreditation is intended to serve as an intermediate step for institutions that may seek further accreditation at a later time, but wish to be recognised for their current standards of quality via an assessment model that is in many ways compatible with the ‘big three’, as well as a variety of other internationally recognised benchmarks for business education quality (i.e. Council for Higher Education Accreditation, Commonwealth of Learning; Egan, n.d).

AFBE have accredited a number of business schools in the Asia region. For the purposes of this article, all except the business school in Kazakhstan have wished to remain anonymous – the *big three* have covertly fostered a veil of shame that befalls any business school certified at less than international standards. Also, all institutions except the business school in Kazakhstan accepted the AFBE report and recommendations but did not proceed with developmental assistance (and indeed, unofficial information indicates a propensity for the report to remain confidential to senior administrators under that same veil of shame).

Developmental success at the business school in Kazakhstan can be attributed to an insightful President dedicated to quality improvement, rather than mere certification. The AFBE recommendations were used to guide senior administrators and faculty toward world-class best practice. The business school in Kazakhstan likely remains a significant distance from *big three* acceptance, but it now delivers a superior product than was the case pre-AFBE, and faculty and staff now possess a firm understanding of the issues that contribute to world-class business degrees.

The difficulty for the proliferation of AFBE accreditations is overcoming the imbued thinking in business schools that separates accreditation from program quality enhancement, and places the *big three* as the only aspirational prize. But in fact, the most important issue is program quality, from which certification may flow as a serendipitous outcome.

There are over 12,000 business schools worldwide that will never be accepted into the *big three* elitist clubs. AFBE accreditation offers an alternative mechanism that seeks to separate certification from the delivery of a world-class educational experience for students. It is time that business schools recognise this separation for the benefit of students, faculty, and the host societies.

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