

## **THE CHALLENGES AND TRENDS IN THE DEVELOPMENT OF CHINA BUSINESS SCHOOLS IN ALIGNMENT WITH THE AACSB NEW STANDARDS: EVIDENCE FROM DATA ANALYSIS**

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### **ABSTRACT**

April 8, 2013, the Association to Advance Collegiate Schools of Business International (AACSB International) formally promulgated the revised AACSB Accreditation Standards at the annual meeting. The AACSB Accreditation Standards have profound impact on higher business education worldwide. The changes in AACSB Accreditation Standards would have major impact on the development of global business education whatsoever, and would lead the global business education to a brand new era. According to the AACSB new Standards, more emphasis on innovation and distinctive development has been put on the development trends of business education. More attention has been put on the balance between teaching and research, academic and professional engagement, as well as social impact and business ethics. This article will analyze on one hand, the revisions in the AACSB new Standards and the impact on global business education; and on the other hand, the fact of higher business education development in China by analyzing their home page news reports of 5 leading business schools. Conclusions of the challenges and trends in the development of business schools in China will be drawn based on the analysis results.

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**Key Words:** The AACSB New Standards, Challenges, Innovation, Integration

## **Introduction**

AACSB, EQUIS and AMBA are acknowledged as the most influential international accreditation systems for higher business education. In particular, AACSB, with worldwide influence on higher business education, is the most stringent accreditation system among the three. On April 8, 2013, the 2013' AACSB annual meeting was held in Chicago, during which the AACSB International formally promulgated the AACSB new Accreditation Standards for Business Education and the AACSB new Accreditation Standards for Accounting Education. The AACSB new Standards had made significant revisions to the AACSB 2003 Standards. This article will only focus on the AACSB Business Education Accreditation Standards in analysis.

The AACSB International had been promoting the implementation of the AACSB new Standards from 2013 to 2016. Institutions applying for AACSB accreditation may choose to apply the 2003 Standards or the new Standards. After 2016, full implementation of the new Standards would apply to all institutions involving in the accreditation of higher business education.

The AACSB Standards are the most important principals for the development of business education. The business schools in China face challenges in development. This article will select 5 leading business schools in China, and analyze their home page news reports through strict data collection, classification, and analysis. Based on the analysis results, this article will draw conclusions for the development of business schools in China aligning with the perceptions of the AACSB new Standards. The research expectation of this article is to inspire the transformation in vision and innovation in development strategy for business schools in China.

## **Main Revisions in the AACSB New Standards**

The most obvious change of the AACSB new Standards is the number of chapters and terms. The AACSB 2003 Standards contain 3 chapters and 21 terms, while the AACSB new Standards have 4 chapters and 15 terms. The AACSB new Standards adhere to mission-oriented, but have integrated and simplified the part of Strategic Management; while the requirements of Innovation and Impact are added.

The contents of Chapter 2 in the AACSB 2003 Standards are split and integrated. The scope of Participants in business education is expanded; administrators and professional staff are included in. The adequacy, interaction and collaboration between faculty, administrators and professional staff is highlighted.

For the part of Students, the AACSB new Standards concern not only admission but also the academic fulfillments and progress of degree completion and career development. A special chapter: Teaching is added to reflect its importance. The contents of responsibilities of faculty and administrative staff are integrated into the faculty-student interaction and teaching effect. Course Management is integrated into AoL (Assurance of Learning). Chapter 4 focuses on the academic and professional engagement of students and faculty. A new chapter: Executive Programs is added. According to the terms, if the revenue from executive programs accounts for more than 5% of the business school's annual income, the executives programs should be included in the scope of the business school's accreditation.

Year	Amendments/Revision	Main Changes	Note
1919	The first version of the AACSB Accreditation Standards were published	N/A	The AACSB International was founded in 1916
1991	The first major amendments to the AACSB Business Accreditation Standards	The term <i>Mission Oriented</i> was mentioned for the first time	As a main competitor, the ACSBP was founded in 1988
2003	The second major amendments to the AACSB Business Accreditation Standards	Faculty classification into 2 categories: AQ (Academically Qualified) and PQ (Professionally Qualified)	The AACSB International heading into global market; Many Business Schools were short of faculty
2013	The third major amendments to the AACSB Business Accreditation Standards	The terms Innovation, Impact, and Engagement were mentioned for the first time; Faculty classification into 4 categories: SA (Scholarly Academics), SP (Scholarly Practitioners), PA (Practice Academics), IP (Instructional Practitioners) More emphasis has put on AoL (Assurance of Learning); The balance between academic and professional engagement	Global Business Education becomes more and more international; EQUIS and AMBA are main competitors in the global market

Table 1. Milestone and major changes of the AACSB Business Accreditation Standards

### Highlights of the AACSB New Standards

Business schools are supposed to be mission-oriented. The mission statement must be “clear” and “distinctive”. A business school’s major characteristics and overall strategic objectives should be reflected in the mission statement. Major business community that the business school serves and rankings in business education should be demonstrated in the mission statement.

The AACSB new Standards introduce 3 key ideas: Innovation, Impact and Engagement. Business schools will have to prove that their programs support the school’s mission, and to show the impact and innovation in teaching, research and community service, as well as the academic and career development engagement of faculty and students.

Business schools must prove its impact in society, not only in intelligence contribution but also in a broader context. For example, impact of research on public policy. In peer review procedures, the time frame of the school's impact is not limited in the past 5 years.

The AACSB new Standards emphasize that the school's academic activities should include academic research, practical research and educational management research. Business schools are encouraged to balance various types of research according to the school's mission.

Business schools are supposed to achieve academic and professional integration aligns with the school's mission. According to the terms, students will participate in both academic and career development. Faculty is encouraged to balance in academic and professional engagement.

Faculty members are divided into 4 categories according to their academic qualifications and professional experience: Scholarly Practitioners (SP), Instructional Practitioners (IP), Scholarly Academics (SA) and Practice Academics (PA). The AACSB new Standards encourage diverse backgrounds of faculty members, as well as exchanges and cooperation between academic and professional faculty members.

<b>Requirements</b>	<b>Academic engagement</b>	<b>Professional engagement</b>
<b>Doctor's degree</b>	SA	PA
<b>Management experience</b>	SP	IP

Table 2. AACSB faculty classification criteria according to the AACSB new Standards

A faculty member may change from one category to another. For example, a lecturer without a doctor's degree who has management experience and focuses on teaching belongs to IP. As long as considerable academic engagement has been done, he may change to SP.

The AACSB new Standards encourage faculty to publish on journals that have broader impact worldwide for peers and professionals to read. As many schools put more attention on research than teaching, the AACSB new Standards also emphasize that teaching and research are interrelated, while teaching is as equal important as research for all business schools.

Regarding AoL, business schools are encouraged to take integrated approaches for learning outcome assessment and conducting research on stakeholders' interests, such as faculty, alumni, and employers etc. A more comprehensive assessment system of teaching and learning in a broader context is encouraged. Learning objectives, teaching mode and assessment system is supposed to be developed exclusively for each program, while taking into account the views of all stakeholders.

### **Research Logics**

News is the fact that has been reported publicly, summarizing the most important information of an organization at a certain time. News reports basically reflect the important facts of the organization during that time. Business schools choose to report some of the events happened on their home pages according to importance. To a large extent, the news reports on a business school's home page show what the business school values and would like to show to public. This article selects news reports from the Focal News section, which focuses on the business school's most important events and is most valuable to research. It is logically feasible to choose news reports as research objects and as the window to see the way of thinking

and idea of running a business school. This article chooses 5 business schools in China for analysis. Through strict data collection, classification and statistical analysis, in alignment with the perceptions of the AACSB new Standards, this article will draw a conclusion of suggestions for the development of business schools in China.

### Research Designing

Collect news reports from the business schools' home pages; classify each news report item; according to the classification results, get the characteristics of the news reports of the business schools; analyze the underlying ideas of the business schools regarding operating and development. According to the research results, aligning with the AACSB new Standards, this article puts forward constructive suggestions for the development of business schools in China.

This research follows the principle of objective priority at classifying, which is, the same form but different objectives are classified according to objectives. In terms of classification, according to the characteristics of business programs and the requirements of the AACSB new Standards, this article sets 6 categories: Teaching, Academic Activities, Social Activities, Alumni, Administration, and Campus Activities. Each category contains a certain sub-categories. The Academic Activities category contains: academic achievements, academic conferences, academic honor, and research projects as sub-categories. The Teaching category contains: curriculum, famous teachers, and excellent courses as sub-categories. The Social Activities category contains: policy advice, public relations, corporate cooperation, media relations, and social welfare as sub-categories. The Alumni category contains: alumni lectures and alumni gala as sub-categories. The Campus activities category contains: campus lectures, students prizes, careers, and student activities as sub-categories. The Administration category contains: admissions and school administration as sub-categories.

Regarding the fact that the business schools' activities are complex, this article could only be close to mutual exclusion and integrality, but it can not be exhausted.

### Data Collection and Classification

As the AACSB new Standards were pilot launched in 2013 but officially launched in 2016, it would take some time to observe the business schools' corresponding response and behavior for data collection. Regarding the completeness and timeliness of the data, this article selects news reports from the 5 business schools from 1 September 2015 to 1 March 2017, and carries out the data collection and classification into categories according to the logical rules determined in research designing.

Campus Activities			Academic Activities				Teaching			Social Activities			Alumni		Administration	
Student Activities	Campus Lectures	Students Prizes	Academic Conferences	Academic Achievements	Academic Honors	Research Projects	Curriculum	Famous Teachers	Excellent Courses	Corporate Cooperation	Public Relations	Media Relations	Alumni Gala	Alumni Lectures	Admissions	School Administration
371	142	35	329	10	80	39	175	82	16	52	66	94	118	61	39	42
548			458				273			212			179		81	

Table 3. Summation of each category and data of respective sub-categories

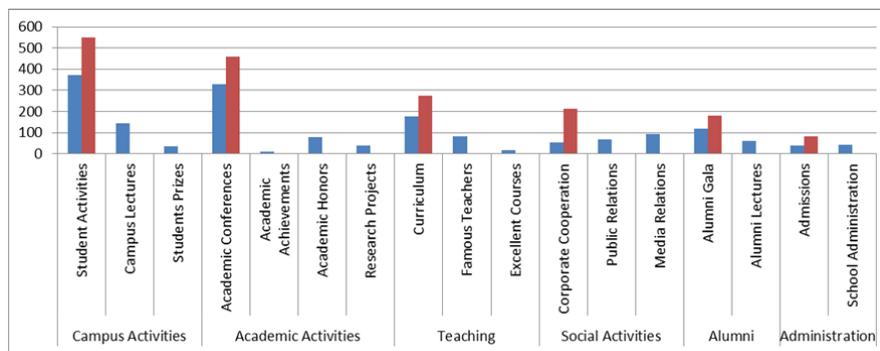


Figure 1. Data of each category and respective sub-categories

## Results and Discussion

The “business thinker” Peter F. Drucker said that, “Management is practice. Its essence is not knowing but doing. Its test is not logic but results. Its only authority is performance.” The 5 business schools selected in this article are top business schools leading the highest level of business education in China. The results of data analysis shows that the idea of “planned economy” still affects the initiative, openness and innovation of business schools in China.

Category	Frequency	Proportion
Campus Activities	548	31.29%
Academic Activities	458	26.16%
Teaching	273	15.59%
Social Activities	212	12.11%
Alumni	179	10.22%
Administration	81	4.63%
Summation	1751	

Table 4. Summation of frequency and proportion of each category

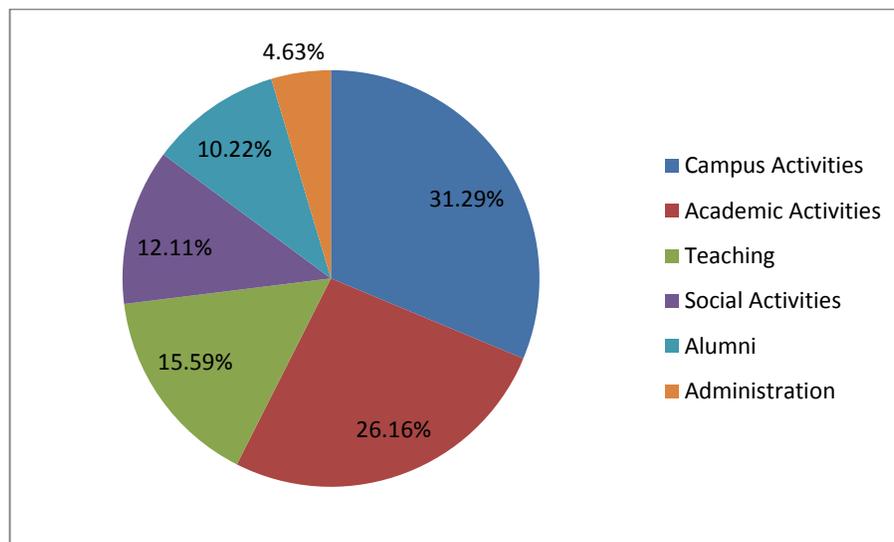


Figure 2. Frequency and proportion of each category

The Campus Activities in business schools still achieve a dominant position although that the frequency gap between Campus Activities and Academic Activities is notably flatted than before, indicating that business schools in China are far from being academically oriented, while still have a long way to become research schools.

Regarding the data on Academic Activities, business schools are ranked first in Academic Conferences than Academic Achievements. The news reports of academic achievements cover research papers, monographs, and research reports, which are most direct and concentrated. Although management is a discipline that embraces practice, first-class academic achievements are still the foundation of first-class business schools. Otherwise, business schools could be replaced by enterprises while entrepreneurs could be substitutes for professors.

Regarding the data on Alumni, the frequency of Alumni Lectures is far less than Alumni Gala, which shows that in China, both business schools and their alumni are active in setting up communication events, organizing and participating in various alumni activities. Meanwhile, with the access of alumni events and chances of alumni gathering, business schools could expand their social visibility, reputation and influence, in order to attract perspective and potential students, and furtherly promote the rapid development of the business schools.

The low frequency of Media Relations shows that the business schools' performances are not attractive to social media. Meanwhile, the business schools lack the will, skills and experience to cooperate with social media extensively and effectively. Business schools in China have not yet updated the idea of "planned economy" to "market economy", while still draw up and carry out plans behind closed doors.

The results of data analysis show that in business schools in China, the frequency of Academic Conferences and Alumni Gala is much higher than that of Academic Achievements and Alumni Lectures, respectively. Frequent academic conferences and alumni gatherings cost a great deal of the business schools' resources and plenty of the alumni's time. To a certain extent, this would affect the students' persistence of learning, while have negative effects on rigorous academic atmosphere. Anyhow, this is not conducive to the cultivation of outstanding entrepreneurs, while nor to the production of first-class academic achievements.

## Conclusion

Top business schools must create two famous products: outstanding entrepreneurs and first-class academic achievements. According to the analysis in this article, business schools in China face with challenges in development in alignment with the AACSB new Standards.

The dominant social status of government in China has not been changed. The government still firmly controls the development of industries and enterprises by authorizing and approving projects through appropriating public funds and taxation. Therefore, entrepreneurs have to spend a lot of time and budget to deal with government departments. In traditional Chinese culture, how to build up social relationship is a required course to learn. Social relationship is both resource and wealth. In China, for students and perspective students of a business school, alumni relationship is the primary goal of admission and first consideration of the “investment dividend” from the business school. The admission of a better business school means better alumni, higher level partners, and more rewards in the future.

Business development should be supported by the government. Business rules should be followed by the public. Enterprises should be respected by the society, and commercial interests should be fairly distributed in society. If too much emphasis is put on social relationship philosophy, modern commercial civilization would be weakened remarkably. Those would enormously hinder the healthy development of business education.

The authorities for education in China are supposed to encourage business schools to set up market-oriented strategy and give greater autonomy in operating the business school, including admission, program structure designing, teaching and research, alumni, corporate relations, international development, the election of the school board and appointment of the dean etc.

Business schools should contribute more on innovation and distinction, such as innovation in enrollment, in order to enroll students that have influential achievements or potential capacity in business.

Business schools should emphasize the integration of research and teaching, and the application of academic achievements in teaching. A business school would be higher-grade by providing intelligence contribution which is of both academic and practical to entrepreneurs and business professionals.

Business schools should attach more importance to the connection between academic and practice by inviting competent entrepreneurs and business professionals as visiting professors. Meanwhile, faculty members are encouraged to take part-time positions in enterprises, and engage in cooperative research and consultancy for enterprises and community services.

Business schools should focus on social impact and business ethics. Business schools should play a positive role in sustainable development and educating responsible business leaders.

Regarding media relations, business schools should invest more on promotion, and report their outstanding achievements to public in a timely manner.

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