Measure for Measure or A Pound of Flesh? (A comparison of quality assurance schemes)

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Abstract

Business schools and H.E. institutions in general are subject to a range of quality assurance mechanisms, some of which result in accreditation. A taxonomy is suggested that classifies these mechanisms into subject-specific and programme-specific QA/accreditation and "whole school" schemes. Subject- and programme- specific schemes have value in terms of requiring clear thinking about the purpose of the programmes and how they should be delivered and quality controlled. They aim to give a range of stakeholders some assurance about the quality of the subjects and programmes offered. However, they do not give a clear picture of the quality of the business school as a whole, but only some of the component parts.

Whole school accreditation on the other hand assesses the complete range of activities of a school and can benchmark it against international best practice. Examples include the American AACSB and European EQUIS schemes and the latter is explained in the paper. EQUIS is primarily a tool to help schools improve through the benchmarking exercise but generates consultancy advice from the peer review team consisting of Deans from schools of international standing. While there are strong reasons for UK schools to undergo the EQUIS process, it will be a challenge for many schools to reach the standards. The paper proposes the possibility of ABS or LTSN establishing a UK equivalent.

Key words: quality assurance, accreditation, EQUIS, EQUAL, QAA, RAE.

The UK Higher Education sector is now well used to and is beset by a raft of quality assurance processes and associated accreditation bodies. Many of these have a particularly UK focus and pay little attention to the future needs of our graduate output in terms of having to operate in an international milieu. Today's (let alone tomorrow's) graduates must think and act not only nationally but also internationally. They must recognise that, even if they personally do not wish to work or even compete abroad, the world will come to compete in their own backyard.

This issue is of particular importance to business schools who themselves must compete internationally especially at postgraduate level. The UK QA processes rarely benchmark schools against the international competition and it may, therefore, be well worth considering a more global accreditation process. Furthermore, the UK QA processes often assess part of the activities of a school rather than the whole.

Would it not be useful to have a "rounded" view of the quality of a school? This paper suggests that, while the current processes have their merits, business schools could improve further by supplementing UK schemes by a wider accreditation such as that offered by the European scheme, EQUIS (see below).

Let us, therefore, consider some of the organisations that either do or could influence quality improvement in business schools. These are shown in Figure 1 and have been classified into three sections, which will be considered in turn:

a. those that concentrate on subject specific quality assurance;

b. those that are concerned with accrediting specific programmes, often for professional membership;

c. those that accredit a school as a complete entity.

ACCREDITATION & QUALITY INFLUENCES

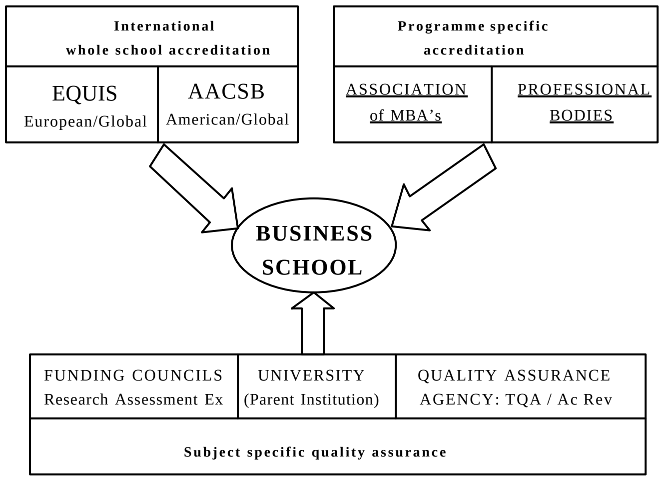

Figure 1: Organisation that may influence quality improvement in Business Schools

Subject Specific Quality Assurance
Business (broadly defined to include private and public sectors) is, by its very nature, multi-disciplinary. It follows that business schools must, at minimum, contain multiple subject disciplines and perhaps should be organised on multi-discipline lines. Business schools commonly include the UK funding agencies' subject classifications of business and management, accountancy, economics, law, maths/stats, social sciences, languages, and perhaps computing. The "business and management" grouping typically contains human resource management and marketing but may also contain finance, management science, information management, etc. Subject specific QA agencies then normally assess the quality of provision separately by each subject group. Examples of these include the QAA Teaching Quality Assessment or Academic Review and the Funding Councils' Research Assessment Exercise.

This leads, in my view, to the first issue with subject specific QA. Single subject assessment cannot give a "rounded" view of the overall quality of a school. Furthermore, the sum of the parts does not necessarily give a clear picture of the whole. However, it must be acknowledged that a "good" single subject assessment will probably help to sell that subject area to the external market and to gain a niche name for the school. It is also helpful to the subject area in internal political machinations!

The Research Assessment Exercise is one such single subject measure and much has been written about it. Over the last decade or so, it has certainly been instrumental in raising research high up on the agenda in HE. However, despite the rhetoric, the RAE panels tend to take an Anglo-American view of what constitutes good research. What counts are relatively theoretical articles published in "top" (mainly American) journals refereed by a peer group. In itself, this approach is perfectly laudable but it does tend to play down the usefulness of more applied research published journalistically for an audience of end users, i.e. practising managers. The research portfolio of many continental European business schools is much more eclectic but is still highly valued by their own range of stakeholders. However, the RAE is one of the few measures of the intellectual capital contained within business schools and it is, therefore, a quality measure.

Assessment of teaching quality as carried out by the Quality Assurance Agency is another external single subject measure. Once again, the sum of individual assessments is unlikely to give an overview (other than perhaps of consistency over time). As an example, my own school is likely to be assessed in Law in 2002, Accountancy and Economics in 2003 but Business and Management may not be done until 2006. At what point can a statement about the overall teaching quality of Plymouth Business School be made?

Another question is whether the new QAA Academic Review process (QAA 2000) is really measuring the quality of programmes or is more checking a paper trail of QA procedures and processes. The latter does not necessarily lead to the former but the jury will be out for some time on the validity of the process. However, I am unconvinced that an old style TQA score of say 23 points necessarily meant that students were taking a good degree course. My experience of one of the pilot Academic Reviews certainly showed me that we will all have to think very carefully about our programme aims, learning and skills outcomes and how we design curricula to achieve them. No doubt most schools do this at present but the explicit process will be beneficial, even if measuring output standards is difficult.

We will also have to consider meeting explicitly the new Subject Benchmarks and be able to defend any omissions. It should be noted that the General Business and Management Benchmarks (QAA 2000) aim to give guidance and not to set a national curriculum. The Benchmarking Group, of which I was Chair, aimed to walk the tightrope of being neither too prescriptive nor too bland. The intention was to encourage schools to reconsider carefully their aims and intended outcomes but in the expectation that 80-90% of schools already cover the ground. The benchmarks were designed to be developmental rather than to be rigid statements about programme design and thus to be a quality improvement tool.

Lastly in this group of approaches to quality improvement, business schools themselves and their parent institutions often carry out quality audits with a view to Kaisan (continuous improvement). The drivers for this activity are often the fear of an imminent QAA or RAE assessment but, having said that, these external processes have led institutions to carry out more formal and frequent internal reviews.

In summary, single subject assessment appears to have value in the cause of quality improvement but it is not sufficient alone to improve and measure the overall quality of a school. The assessments discussed above suffer from a relatively narrow UK focus. Furthermore, each assessment on one criterion leads to a tendency for temporary narrow vision – should we not consider a more strategic approach to quality improvement? Finally each assessment has a very heavy burden in cost and resource terms and it is perhaps time for some cost/benefit analysis.

Programme Specific Accreditation

Many business schools choose to submit to professional body accreditation in order to enhance their market position and also to be able to offer some exemptions from (or access to) the professional qualifications. Some of these bodies are quite prescriptive in their requirements, which may not fit totally with the academic development of students. However, over the years the schools and the accreditation bodies have generally learnt to work well together and the principles of accreditation are not at issue. The question is more one of whether, in the new QAA scheme of Academic Review, it will be possible to carry out more joint accreditation and so reduce the burden of assessment.

This is a particularly interesting question in the context of assessing MBA programmes. Some years ago the Association of MBAs and the Association of Business Schools worked together towards developing threshold guidelines for "quality" MBA programmes. ABS adopted them as Association policy and they subsequently became the basis for the European MBA guidelines developed by the European Quality Link (EQUAL) and ratified by its members, i.e. 10 European national business school associations (*efmd* 1998). These guidelines are characterised by specifying that MBA programmes should, *inter alia*:

- be designed as "career accelerators" and not career preparation;
- have a normal entry requirement of a degree and a minimum work experience of 2 years ;

- cover a general business and management curriculum and not develop subject specialisation, e.g. MBA (Marketing) not generally permitted;
- have a minimum duration of 1 year full-time equivalent.

At the same time, the Association of MBAs implemented a revised accreditation system with stiffer entry requirements, clearer assessment expectations, a broader assessment of the underpinning quality of the whole school (e.g. including its rating in the RAE) and a requirement for evidence of employer support. AMBA now accredit about 30 UK schools and a growing number of non-UK schools. Many schools view AMBA accreditation as a significant milestone and an external signal of quality.

The QAA is now considering the development of postgraduate benchmarks in business and management, including the MBA. A starting point for these should be the earlier MBA guidelines and it would be sensible if some form of joint assessment (QAA/ABS/AMBA) of schools could also be developed.

International Accreditation

We now move into the relatively new territory, at least in the UK and Europe, of whole school accreditation. Here the school would be assessed against a wide range of criteria which could include *inter alia* the quality of taught programmes, the quality of research, the strength of corporate links, etc. The process would assess the school "in the round" but without denying that most schools would have distinguishing features and particular areas of expertise. Ideally, the process would allow international comparisons.

The AACSB (American Association of Collegiate Schools of Business) has carried out such accreditations in North America for many years. It has now moved further afield with the apparent intent of becoming the major international body in this field. Historically, its approach has appeared fairly rigid and very much modelled on the traditional structure of US schools. This model is not typical of schools outside the US and particularly not in Europe. In the 1990s the potential spread of AACSB accreditation was seen as a possible threat to the development of a diverse range of European schools (fear of a straightjacket?) and also inappropriate.

Considerable debate took place in various *efmd* (European Foundation for Management Development) forums in the early part of the decade to assess whether a similar but distinctive scheme for Europe was either desirable or feasible. One of the prime reasons for the formation of EQUAL (see above) under the auspices of *efmd* was to develop a possible accreditation framework, i.e. to act as a think tank. The EQUIS scheme was developed and approved by the *efmd* Deans and Directors meeting in January 1997. Twenty of Europe's most prestigious schools agreed to act as the "pioneer" group to test and help develop the system over a two year period. EQUIS is now well established and thirty seven schools had been accredited by mid 2000 with another twenty or so in the pipeline. Some of the early schools included London Business School, INSEAD, IMD, IESE, Bocconi. The scheme is now sufficiently well regarded to be attracting a number of non-European schools including some from the US!

EQUIS – the European Accreditation Scheme

EQUIS stands for the European QUality Improvement System. The system is defined in two main documents published through *efmd* and it is explained here through various extracts from these documents.

€ *The Dynamic Model for Quality Development – Guidance Notes on the EQUIS Quality Criteria*, *efmd* 1997.

€ *Guide to Self Assessment*, *efmd* 1999.

The EQUIS system is based on a commonly agreed framework of high quality standards for institutions of international standing, with respect for diversity and the legitimacy of national standards. It thus provides an indication that recognised schools meet quality standards in their own environment and also satisfy international standards. Schools meeting the criteria are awarded the European Quality Label.

The EQUIS system has three major objectives:

1. to provide market information to students and employers;
2. to provide an instrument for comparison and benchmarking;
3. to promote quality improvement throughout Europe.

The key characteristics of the process are:

- an international and intercultural approach to accreditation;
- criteria which reflect some of the major characteristics and dominant values in European management education;
- response to corporate concerns and involving close links with companies;
- emphasis on personal development of managers including entrepreneurial skills;
- a learning process for schools with an international forum for defining the relevant quality criteria.

The prerequisite for a business school to enter the EQUIS process is that it shall have high standing in its national environment. EQUIS may be looked on as a supranational accreditation process over and above national accreditation (where it exists). In particular, it assesses whether a school has international standing and whether the school is itself intrinsically international in its structure and activities. However, the basic premise of EQUIS is that a school must define its own mission in its own context and, therefore, EQUIS is not setting a blueprint or straightjacket for European business schools.

The EQUIS model is shown in Figure 2. It aims to show that a school must set its mission not only in its own context but also in relation to the international and corporate perspectives, which themselves pervade everything. The mission is influenced by market needs but the mission also helps to define the school's target markets. In turn its students and participants influence the design and delivery of programmes but this is counter-balanced by the expertise and profile of teaching faculty. However, the availability of faculty and their ability to deliver are strongly influenced by the resources available. International and corporate expectations also influence the quality and quantity of resources and faculty, and these can, of course, be utilised to gain more resources. In top schools faculty carry out research to develop new knowledge and practice and are also innovative. These activities flow through to enrich programme development and delivery and hence the participants' learning experience. Finally, business schools are expected to make a contribution to the wider community in which they operate.

EQUIS MODEL

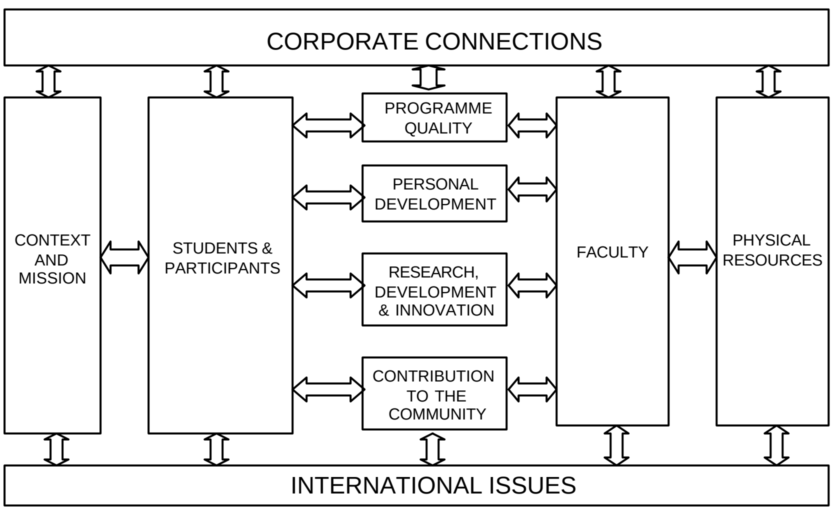

Figure 2: The EQUIS model for quality in Business Schools

The EQUIS process is multi-stage:

a. application by candidate school and assessment of eligibility by EQUIS Steering Committee to ensure a reasonable chance of success;

b. preparation of Self Assessment document by school;

c. visit by International Peer Review Committee for 3 days. This group normally consists of 3 academics (at Dean level), one of whom is from the home country to explain the national system, and one corporate member;

d. peer review report submitted to EQUIS Awarding Body for decision on whether to accredit and award the EQL. In the event of non-accreditation, a school may re-apply after a two year period.

Assessment criteria are specified in the following areas.

- **Context & Mission**: environment, status & governance, vision & mission, strategic positioning, strategic objectives.
- **Students** (all programmes): target profiles, selection criteria, course preparation, progression, career placement.
- **Programme Quality**: design, content, delivery, student assessment, programme evaluation, compatibility with other European systems.
- **Personal Development**: support and counselling services, personal effectiveness, application of skills.
- **Research, Development & Innovation**: research activities, innovation in learning delivery.
- **Contribution to the Community**: external relations, social & economic contribution, extra-curricular activities, service to education.
- **Faculty**: size & composition, policy & management, development & education.
- **Resources**: financial management, premises & equipment, library & research facilities, computing facilities, support facilities.
- **Connections with Corporate World**: policy on developing & maintaining corporate links, evidence on impact of links throughout the school's activities.
- **International Issues**: evidence of the international dimension in the school's activities, international relationships.

Of course, many of these aspects are considered in subject specific assessments but the difference here is that the aspects are considered holistically. The Peer Review team expects the multi-lateral linkages between aspects to be evident.

The main objective for the schools is no doubt to be accredited so as to achieve high standing in the market place and reap the rewards in terms of student recruitment and revenue generation. However, whatever the outcome, virtually all schools that have been through the process have found it to be testing but an invaluable aid to clarifying their strategies. The main benefit has been its impact on quality improvement rather than the accreditation *per se.* Indeed the process can be viewed as a value-for-money benchmarking and consultancy exercise. After all, how else would a school obtain three day's advice from three international deans from prestigious schools and a business person?

As Chair of EQUAL, I have had the privilege of being on a number of Peer Reviews and of being a member of the Steering Committee and Awarding Body. So what are the issues that frequently emerge that schools find difficult or testing?

The system is designed to be mission driven so as to encourage diversity. While generally not questioning the mission, the Review Team sometimes finds that the strategy for achieving it is not always well thought through. The strategy may have gaps or may only pay lip service to certain aspects, which unravel as the Team delves into other aspects. Sometimes the strategy is clear to management but unknown to most of the staff!

Given the quality expected of schools going through the process, there are generally few problems with the quality of students, physical resources and programme quality. However there are frequently issues about the degree of internationalisation of students and faculty.

Inevitably, large undergraduate or first degree programmes tend to have a predominantly national student intake. The issue is how to give them an international experience. Learning a foreign language is seen as important, along with exchange or placement opportunities linked to high quality foreign institutions. Postgraduate programmes tend to have a good international mix of students.

There are very few schools with a truly international mix of faculty but foreign recruitment is strongly encouraged. The faculty are expected not only to teach international business but also to offer an inter-cultural experience. Schools are, therefore, expected to facilitate the local faculty to broaden their international experience by foreign exchanges or sabbaticals, giving summer schools overseas and attending international conferences, etc.

Another major area of concern is the different definitions of *research*, how it is organised, its quantity and quality, and how it feeds through into teaching. Business schools in continental Europe have a more flexible and applied view of what constitutes research than the Anglo-American model. These two viewpoints have given the peer reviewers and the Awarding Body some difficulties in assessment. As a result, EQUAL has set up a working party to try to establish some guidelines, which should be available in January 2001. Despite these definitional problems, a number of schools have not had a clear research policy nor resourced it sufficiently. Sometimes research is hived off into a small separate unit and, therefore, the dissemination link to teaching is tenuous. Another related issue is that the number of faculty holding doctorates is often low. As a guide for UK schools to meet the benchmarks, the proportion of faculty with a doctorate should probably exceed 50% and an RAE rating of a 4 should be aimed for. There should also be evidence of relevance to the corporate world and transference of knowledge to teaching. Nobody said it would be easy!

Links to the corporate world are particularly expected in connection with teaching programmes. These may include input at the programme design stage, visiting or part time speakers, placement opportunities for projects and/or jobs and a history of graduate recruitment by well-known organisations. Certainly, an advisory or governing board which includes corporates is expected and there is some expectation of executive development programmes.

The final area that causes major debate is the degree to which the school is international in its outlook and is of international standing. The latter point is somewhat subjective and it obviously depends on how well known the school is. The international outlook is evidenced by most things the school does. The reviewers look at the proportion of foreign students and staff, language provision, curriculum content, inter-institutional links, student placements abroad, international conference papers, consultancy and executive education contracts with multinationals, etc. However, internationalisation of a school is neither cheap nor easy.

In summary, achieving the European Quality Label through EQUIS is quite a challenge but your school "has arrived" if you've got it! The major benefit of undergoing the EQUIS process is the opportunity to think through the fundamentals of where your school is and where is it going, and then having the strategy analysed constructively by a team of international peers. At the end of it, you know the whole school has been assessed in the round!

Conclusions for the UK business school sector

This paper suggests that, while business schools have to take part in subject-specific and often programme-specific assessments for government and market reasons, these assessments perforce take a limited view of a school's activities. That is not to deny that the exercises generate some value although there is the question as to whether the benefits outweigh the costs – the pound of flesh.

I am a much greater fan (but perhaps biased!) of a whole school accreditation scheme such as EQUIS since it aims to improve the quality of every activity in the school. The benefits range from recognition as a top quality school in Europe, if not beyond, to the outputs from an external consultancy exercise. There is a cash cost (currently 18,000 euros) and the opportunity cost of time and resource. However, the time is spent productively in developing strategies, programmes, systems, etc rather than ensuring that the paper trail is auditable. Staff are more likely to enjoy this process and see real value stemming from it. To me, the benefits more than outweigh the costs – measure for measure.

The reality is that relatively few business schools in the UK or elsewhere are in the top tier. So, is an international accreditation system asking too much of them? Many UK schools primarily have a regional agenda and mission which is absolutely valid and valuable. However, I would argue that a whole school accreditation system within a national context carried out by peers would add value to these schools far greater than that available through QAA or HEFC audits. We could perhaps envisage the establishment of a UK EQUIS equivalent scheme which could be a stepping stone or first stage process towards international accreditation. The UK scheme would relax the internationalisation requirement and widen the definition of research but maintain the corporate links aspect. Is there a case, therefore, for the Association of Business Schools or the LTSN for Business, Management and Accountancy to develop such a scheme?

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