

Globalization : Indian B-Schools In Pursuit Of Accreditation

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INTRODUCTION

As a consequence of globalization, particularly over the last decade, Indian B-schools have been growing both in size and strength, keeping pace with the phenomenal advances made by the industry and economy, with around 2000 B-schools currently operational. An increase in competition, it might be argued, should bring about a concomitant increase in overall quality. However, the most serious concerns about the very relevance of MBA degrees are in terms of their knowledge creation and ability to add value, whether through teaching concepts irrelevant to the modern managers, or undertaking poor-quality research (Pfeffer and Fong, 2002, 2004; Thomas, 2007b). Indeed, the whole contextual environment is in flux, with globalization, disruptive technologies, demographic changes, and global deregulation - all making the task of offering MBA degrees more complex (Friga *et al*, 2003; Figueiredo de Ono and Carmona, 2007). These external changes have forced changes upon the MBA marketplace, in turn, resulting in the emergence of different strategies, including many new competitors, geographic expansion, alliances between existing competitors, and changes in the delivery format, away from the traditional full-time program towards executive or online formats (Friga *et al*, 2003; Cornuel, 2007). Antunes and Thomas (2007) provide a good example of these developments, arguing that the European schools are adopting distinct approaches in dealing with these changes, depending on institutional differences. One estimate puts the current number of business schools worldwide at over 8000 (Trapnell, 2007). Such proliferation makes it even more difficult for the prospective student to identify where he or she should apply to study. This has resulted in the industry offering two different sources of help to the market: accreditation and rankings. Some evidence exists, though, that prospective students do regard some form of accreditation as being indicative of the fact that the school concerned has achieved at least some minimum standard (Policiano, 2007).

Just apt is our Prime Minister, Dr. Manmohan Singh's remark at the inaugural session of National Knowledge Commission in 2005: *"The time has come to create a second wave of institution building and of excellence in the field of education, research and capability building, so that we are better prepared for the 21st century."* The Introduction of Foreign Universities Bill 2010 has opened the floodgates for foreign institutes and it is estimated, the education industry to geometrically progress three - five times its present capacity in the next five years, with spectacular opportunities found for investment, returns and careers. So the need of the hour is to refurbish the B-schools from a despotic policy regime, and introduce them to the culture of self-regulation for competency and capacity building.

Globalization or internationalization of higher education, particularly in management education, has brought in new waves of change. Internationalization of Indian management education has brought out new opportunities for maintaining quality in terms of teaching, research, curriculum, design, pedagogy, faculty development and students' progression. Technological innovations in teaching and learning are now the focus of attention. To be comparable with the best, it is essential for the Institutes to attract the international faculty, international students, develop a transparent admission process, credit acceptance, credit transfer and providing physical infrastructure and facilities comparable with the west. There is also an urgent need to align the curriculum and pedagogy suited to the multicultural global market, owing to the swift shift in expectations from the rapidly globalizing corporates. To promote India as an Education Hub would mean moving towards accreditation. Bill on Accreditation is an evidence of the Government's commitment towards quality in education, which makes it mandatory for all education institutions. Apart from the education providers, even the industry and social groups are keen to understand the winds of change taking place around the world in shaping human resource talent to face the challenge of change.

'Accreditation' is a periodic, standards-based, peer-based scrutiny of the academic quality of institutions and programs. One of the major issues in the global education market is accreditation and rankings, the means by which

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universities differentiate themselves. The two national system of accreditation bodies in India are NAAC (National Accreditation and Assessment Council) and National Board of Accreditation (NBA). In an increasingly global environment, potential students and other stakeholders have been looking for mechanisms by which to compare different business programs, but differences in methodology limit the usefulness of national ranking systems for purposes of international comparison. For this reason, a number of independent international accreditation agencies have become increasingly active and prominent in accrediting business schools and education programs. The main organizations offering international accreditation services are the American Association of Collegiate Schools of Business (AACSB), European Quality Improvement System (EQUIS) & Association of MBAs (AMBA), and IACBE (International Assembly for Collegiate Business Education). Each of these systems has a different orientation and differing sphere of operation, so that they are more complementary than competitive, a point reflected in the tendency for schools to seek multiple accreditations. To be successful in their applications for accreditation, business schools must commit significant amounts of academic and administrative time and resources to navigate their way through the accreditation process, but the benefits are significant (Teicher & Watson 2007, ;10).

Judith Eaton, who is serving her 11th year as president of the Council for Higher Education Accreditation, spoke to ACCCA (2008): *'Accreditors are explicit about what an institution needs to accomplish to meet a standard. Institutions benefit when they work with the accreditors to find a way to make sure that the standard is met..... Stay informed. Accountability is a really important issue; governance is emerging as an important issue. Staying informed gives institutions perspective about why accreditors are asking for what they are asking.The extent to which colleges and university leaders become involved with accreditation is an asset. Become part of peer review teams. Engage in accreditation'*.

This qualitative paper, based on an intense review of literature related to the topic and discussions with the academicians and professionals is divided into two sections. The first section details about accreditation bodies at various levels: National, Regional and International. The second section discusses the readiness of Indian B-Schools' in the context of current waves of global change.

LEVELS OF ACCREDITATION BODIES

ACCREDITATION BODIES AT THE NATIONAL LEVEL

✿ **The National Assessment and Accreditation Council (NAAC)** is an autonomous body established by the University Grants Commission (UGC) of India to assess and accredit institutions of higher education in the country. It is an outcome of the recommendations of the National Policy in Education (1986), that laid special emphasis on upholding the quality of higher education in India, through a combination of self and external quality evaluation, promotion and sustenance initiatives by collaborating with other stakeholders of higher education to undertake quality-related research studies, consultancy and training programs.

✿ **National Board of Accreditation (NBA)** is a constituent of All India Council of Technical Education (AICTE). The New Education Policy of 1986 had recognized the need for a statutory Body at the National level responsible for overseeing the growth and quality of Technical Education in the country. Accordingly, the All India Council for Technical Education (AICTE) was established by an Act of Parliament (AICTE Act No. 52 of 1987) in 1987. As a part of its program and activities, the National Board of Accreditation (NBA) was set up by the AICTE in September 1994, for the purpose of assessment of Quality and Accreditation of Technical programs in India. NBA is also concerned with assessing and assuring the quality of the various constituent elements of the Technical Institutions, such as academic ambience, infrastructure, financial resources, physical resources, human resources, supporting systems like library resources, computational resources, and avenues to mould and develop the students' personality and learning characteristics.

REGIONAL ACCREDITATION BODIES

✿ **South Asian Quality Assurance System (SAQS):** Association of Management Development Institutions in South Asia (AMIDSA), a not for profit association, based at Hyderabad launched the accreditation system for Business Schools called the *"South Asian Quality Assurance System"* (SAQS). SAQS is the South Asian system of quality assessment, improvement, and accreditation of higher education institutions in management and business

administration.. The following Schools from India have been awarded this accreditation:

1. Management Development Institute, Gurgaon
2. ICFAI Business School, Hyderabad
3. Prin. L.N. Welingkar Institute of Management, Development & Research, Mumbai
4. Xavier Institute of Management, Bhubaneswar.
5. XLRI School of Business & Human Resources, Jamshedpur
6. International Management Institute, New Delhi

✿ **Association of Asia Pacific Business Schools (AAPBS):** Turn of the millennium was the new wave of economic upswing and higher education in the Asia Pacific, which necessitated global quality endorsed by the best of the regional accreditation agencies with a pan Asia Pacific reach. The Association of Asia Pacific Business Schools (AAPBS) was formally launched by the 11 participating schools from the region, including Indian Institute of Management, Ahmedabad during the Seoul conference held on October 17, 2004. The AAPBS promised the growth of higher education benchmarked with the best in the world, development of high quality in management education in the region and to develop an Asia Pacific wide accreditation process with the help of international accreditation agencies.

The list of B-schools from India in this group currently includes:

1. Birla Institute of Management Technology
2. ICFAI Business School
3. Indian Institute of Management, Ahmedabad
4. Indian Institute of Management, Bangalore
5. Indian Institute of Management, Calcutta
6. Indian Institute of Management, Indore
7. Indian Institute of Management, Kozhikode
8. Indian School of Business, Hyderabad
9. Management Development Institute
10. Magnus School of Business (Associate Member)
11. Mudra Institute of Communication, Ahmedabad
12. Symbiosis Institute of Business Management
13. XLRI, Jamshedpur

INTERNATIONAL ACCREDITATION AGENCIES

✿ **Association to Advance Collegiate Schools of Business (AACSB):** It was in 1916, when a group of 16 University Deans got together to discuss ways of sharing information, knowledge and processes to offer the best possible education to their cohorts in running their businesses, which culminated in the International Association for Management Education and later, American Assembly of Collegiate Schools of Business. The first accreditation standards were announced as far back as 1919. The current name AACSB International to broad base its accreditation process, was given in 2001, when a new set of standards was adopted by the institutions. In 2003, members approved a revised set of standards that are relevant and applicable to all business programs globally, and which support and encourage excellence in management education worldwide. AACSB International accreditation represents the highest standard of achievement for business schools worldwide. As of now, 1100 members from 70 countries are on the member rolls of AACSB International. AACSB accreditation is considered to be the hallmark of excellence in management education. *IIM Ahmedabad and IIM Bangalore are under the process of accreditation of AACSB.*

✿ **European Foundation For Management Development - European Quality Improvement System (EFMD-EQUIS):** The fundamental objective of EQUIS, linked to the mission of EFMD, is to raise the standard of management education worldwide. Its scope covers all programs and assesses institutions as a whole, from degree programs, including research, e-learning units, executive education provision and community outreach. Institutions must be primarily devoted to management education, balance between high academic quality and the professional relevance provided by close interaction with the corporate world. EQUIS is supported by a broad international body of academics and professionals. 115 institutions have been awarded EQUIS, with 33 countries represented among the accredited schools. *Indian Institutes accredited by EQUIS: IIM Ahmedabad & IIM Bangalore.*

✿ **Association of MBAs (AMBA) of United Kingdom:** Since its beginnings in 1967, the Association's objectives have been to promote MBA, MBM, DBA program to institutions, prospective students, employers and to increase the

supply of and demand for MBA programs. AMBA not only focuses on assessment of quality of MBA programs, but ensures the highest standards of teaching, faculty and student interaction against a set of criteria established by the International Accreditation Advisory Board (IAAB). Senior academicians and corporate representatives comprising the board monitor the accreditation criteria. The IAAB includes Dr. Pritam Singh, Emeritus professor of Management of MDI Gurgaon. AMBA has accredited MBA provisions at 168 schools in 72 countries. *Indian Business Schools accredited by AMBA are : MDI Gurgaon & SPJIMR, Mumbai.*

✿ **The Accreditation Council For Business Schools and Programs (ACBSP) :** The ACBSP, founded in 1988 and located in Overland Park, Kansas, a suburb of Kansas City, is the leading specialized accreditation association for business education supporting, celebrating, and rewarding teaching excellence. ACBSP acknowledges the importance of scholarly research, improved teaching and faculty involvement within the contemporary business world to enhance the quality of classroom instruction and to contribute to student learning. As of August 2010, ACBSP had 828 member campuses, 134 of which are located outside of the United States. Of those member campuses, 529 have achieved accreditation and more than 220 are in candidacy for accreditation. Individual membership now exceeds 8,000. *In India, PSG Institute of Management, Coimbatore is accredited by ACBSP.*

✿ **The International Assembly For Collegiate Business Education (IACBE) :** Founded in 1997, IACBE has grown into a premier professional accreditation body for student-centered colleges and universities, whose primary purpose is excellence in teaching and learning, with well over 200 members in the United States and throughout the world. Institutions outside the US, with quality business programs are encouraged to obtain specialized accreditation, which enables them to partner and have student/faculty exchanges with IACBE member institutions. Emphasis on performance is integral to the quality assurance process of IACBE. Currently, the IACBE has over 230 members in more than 20 countries, and has accredited over 160 programs till date. *In India, Alliance University, School of Business, Bangalore is accredited by IACBE.*

READINESS OF INDIAN B- SCHOOLS FOR INTERNATIONAL ACCREDITATION

B-schools are expanding their capacity, aligning with the global players through dedicated tie-ups, experimenting with global practices in pedagogy, curriculum, infrastructure building, faculty acquisition and training, building intellectual capital and so on. The globalization process of a B-school is complicated and involves a highly evolved system, structure, and management and high quality of faculty, who are constantly exposed to global quality assessment benchmarks. Quality is intangible, but indisputable and fixing on what quality is all about becomes a great task. Benchmarking is one of the best ways to resolve the dilemma. In the process, the institution benchmarking, itself with the best continues to scale up in the value chain.

The importance of International accreditation validates the programs and activities of recognized schools according to international standards and, consequently, opens up the school's educational offerings to international students. Business schools have to be more selective in hiring of faculty, the students they enroll, the courses they teach, and the curriculum that they follow. In an increasingly global market, accreditation ensures that teachers are among the best and brightest in their international field and that students will gain a valuable education that is relevant in today's business world.

AACSB International, the American global accrediting agency - is the Gold Standard among accreditation bodies. Jerry Trapnell, the agency's executive vice-president and chief accreditation officer, shares his views: "*India is a large growing market for B-schools. We have been working with B-schools in this region. There are many schools that could meet the standards set by us. The policy regime is also conducive to our work in India. Size of a B-school or its brand equity is no criteria for us. There is intense engagement with Indian B-schools and active participation in common forums and conferences by our agency's senior team. We expect to start having AACSB- accredited schools in India soon.*" (Business India, October 4-17, 2010).

Indian B-Schools are poised for international accreditations, with a wave of changes in quality, on par with their peer group in the global context. Hence, the forthcoming challenge for B Schools is to build capacity with quality.

Internationalization of Indian B-Schools is evidenced through:

✿ Six International Accreditations have been granted to the Indian schools. The accredited B-schools are: IIM A

(EQUIS-EFMD), IIM B (EQUIS-EFMD), S. P. Jain (Association of MBAs), PSG Institute of Management, Coimbatore (ACBSP), MDI Gurgaon (Association of MBAs) and Alliance University, School of Business, Bangalore (IACBE) as internationally accredited schools.

✿ Now, there are over 60 international accreditations being pursued around the country.

✿ Enrolment of International Students in the campuses of: MDI, Gurgaon, IBS-Hyderabad, SPJIMR-Mumbai, IIM-Bangalore, IIM-Ahmedabad.

✿ Collaborations with foreign schools is a prevailing trend in a few of the institutions, to name a few: ISB, Hyderabad, SPJIMR, Mumbai, IIM-A, IMT Ghaziabad, MDI Gurgaon.

✿ Visiting faculty from abroad is also gearing up in Indian B-Schools of ISB Hyderabad, JBIMS Mumbai, Institute of Public Enterprises, Hyderabad, IIMs, etc.,

✿ Student exchange program in collaboration with B- Schools overseas is getting established by many of the Indian B-Schools.

✿ Some of the leading B Schools are offering globally focused courses in India:

✿ S.P. Jain Institute of Management & Research and ESB Business School - Centre for European Business Studies (CEBS).

✿ Manipal University: T.A. Pai Management Institute, Manipal - Masters in European Studies and Management (MESM).

✿ IIM Ahmedabad - Chinese language.

✿ India-EU Study Centre, New Delhi.

✿ Great Lakes Institute of Management, Chennai - Chinese language and Chinese management techniques.

✿ Shingo Institute of Japanese Management, Hyderabad - Japanese management systems and techniques.

✿ International Assembly for Collegiate Business Education (IACBE) has established its India office at Alliance University, School of Business, a leading business school at Bangalore.

✿ It is credible to note that an eminent B-School expert and former director of Indian Institute of Management Lucknow and MDI, Gurgaon and currently Emeritus Professor of MDI, Dr. Pritam Singh has been invited to join the International Accreditation Advisory Board (IAAB) of Association of MBAs, one of the top three global accreditation agencies. Dr. Singh is the first Indian to join any international accreditation advisory body.

✿ AACSB International has announced the formation of a new Blue Ribbon Committee on Accreditation Quality (BRC). The panel includes Ajit Rangnekar, Dean of Indian School of Business, Hyderabad. This global committee of business and business school experts will evaluate the state of readiness of AACSB's accreditation standards and processes to ensure the alignment of business practices and management education.

Despite the laurels achieved, considering the robust number of B-Schools in the last two decades, except for a few top B-Schools, a majority have underperformed at the global context, or even the Asian context.

✿ So far, only six B-Schools have been accredited by international accreditation, with a contingent of more than 2000 B- Schools.

✿ Only IIMA and IIM B are accredited by EQUIS, whereas, there are seven schools from China to get the prestigious accreditation.

✿ In the Financial Times 2010 global ranking, only one Indian business school - Indian School of Business (ISB), Hyderabad made it to the '*among the top 100 B- schools of the world*', despite international accreditations.

✿ Ranking of executive MBA programs in Financial Times 2010 did not include any Indian business schools.

CONCLUSION

The Indian economy, having weathered the low ebb of the global economic depression with élan and demand for the MBAs shooting up, the coming years are going to be brighter, but challenging as some of the leading B-Schools have used the interim to build on their strength and become strong global players. Accreditation exists to ensure consistency and quality of graduate business education. Only dedicated autonomous organizations can provide students and employers with an independent view of a school's quality, benchmarking to an international standard,

and indicating that the school's educational curriculum meets specific quality standards. International accreditation is the way to define quality in the emerging scenario of intense international competition. Massive and urgent reforms being carried out in the Higher Education sector is commendable, leading to new opportunities for the Indian B-schools. There is a need for more information and transparency regarding Indian business education market, besides more research on the Indian business context in the global scenario. The Indian market for business education will be amongst the world's most dynamic and pertinent in the coming decade. For business schools in India to achieve their true potential and gain genuine international stature and influence, the path of recognized accreditation is indispensable.

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