A score card approach to management education accreditation

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Abstract

Accreditation of business programs and institutions is a powerful industry in the United States and Europe. The industry has massive followers and holds sway over the fate of many an institution. World wide data are not easily accessible but some figures are indicative of the scale and scope of the industry. It is estimated that there are over 4,000 MBA programs in the US, offered by 454 institutions (AACSB, 2014). A multiple of that exists worldwide. Each and every of those institutions needs accreditation or a confirmation of the conformity of the institutional framework, the conversion process and the ultimate outcome with specific standards. The problem, however, is that the standards and those who measure them, have run out of steam, an issue that attracted many including some US politicians(WSJ, July 8, 2015). The following article explores today's accreditation practice flaws and the potential for a substitute. The article starts with a brief critique of current practice. This is followed by an analysis of the three conceptual foundations of a substitute: systems thinking, metrics and the balanced score card. This alternative blends those conceptual foundations and suggests a novel accreditation instrument: the Program Accreditation Score card or PAS. The article further explores the tenants of this novel instrument and explores its applied dimensions. The article relies on several works on the issue of the accreditation of management education efforts. It refers to existing approaches practiced by key accreditation market leaders and explores some contextual literature. The article could lead to the introduction of a structural change in the conceptual framework and the operational tools of the management education accreditation industry.

Present day flaws and desired future framework. There exists a wide array of comprehensive accreditation approaches defined and pursued by key market leaders in, primarily, the United States and Europe. It is an industry that claims value added in terms of visibility, fund raising, innovation, faculty pride and community service. It is, to all appearances, a highly concentrated industry whether in the United States, the prime player, or Europe, the follower. The United States claims, in 2014, 502 accredited members (AACSB, 2014) or an estimated 64% of the domestic market (783 programs).

Comprehensive accreditation frameworks set by market leaders in the United States and Europe suffer from serious conceptual and operational flaws undermining the very purpose of the effort. Prime among those flaws is the fact that the accreditation efforts are seen as events rather than systems, they create closed rather than open systems, they build barriers rather than bridges, they project dark tunnels rather than mirrors and they produce clones rather than innovators. There are operational flaws too. They range from the time demands of the process to the cost and resource implications. This is taking place at a time when legitimate concerns about the quality of business education have long been expressed (The Fiscal Times, November 2, 2011, HBR May, 2005). And attention to the problem is drawn by United States politicians (WSJ, July 2015). An improvement upon this flawed performance would avoid these structural failures. Systems and metrics innovation It is the author's contention that remedy and innovation in accreditation frameworks could be based on three conceptual components: systems thinking, metrics analysis and score card framework.

Systems thinking

Let us recall that a system is a set of related components that work together in a particular environment to perform whatever functions are required to achieve the system's objective (Boulding, 1956). Systems thinking has roots into L. von Bertalanffy systems theory or the modeling concept that explores the interrelationship and overlap between separate disciplines (von Bertalanffy, 1968). Systems are goal-seeking by definition and system goal fulfillment is a measure of system performance. Every system has inputs and an outputs but system effectiveness is dependent on the existence of a feedback mechanism that can ascertain output compatibility with identified goals. If not. A system should have the ability

to adjust its inputs and/or processes to make outputs goal compatible. A system could be open or closed. Open systems interact with, and respond to, an external environment over which it has no control. The process of accreditation of a management education effort could be viewed as a system with inputs, outputs, processes and feedback mechanism. It is an open system subject to environmental influences and liable to adjustment.

Performance metrics

"Metrics are standards of measurement by which efficiency, performance, progress, or quality of a plan, process, or product can be assessed" (Investopedia, 2015). Metrics are the backbone of the score card analysis introduced a near decade ago in order to communicate corporate progression towards strategy induced goals (Kaplan, 1992). Developing performance metrics usually follows a process where critical processes or requirements are established, specific quantifiable outputs are identified and targets against which results can be scored are created. Those are recognized as parameters or a numerical or other measurable factor forming one of a set that defines a system or sets the conditions of its operation. A performance metrics are used in several contexts, including strategic management, in order identify and improve various internal functions and their resulting external outcomes. Performance metrics provide a framework for system component behavior. Performance metrics could establish measures of system component performance.

The balanced score card framework

A balanced score card is essentially a monitor of strategically identified financial and non-financial performance parameters against a desired end result (Kaplan, 1992). It is a representation of clusters of metric performance parameters reflecting the overall performance of the organization. Business organizations recognize four clusters of metric performance parameters: growth, process, customer and finance. There exists a measure of interdependence between those clusters although improvement in one area would not necessarily lead to an improvement in the performance of other areas. A management education effort's accreditation score card could represent performance within each system component metric.

The conceptual and operational link

It is the author's contention that Accreditation of a management education effort can become the final outcome of a blend of the three concepts outlined above. Accreditation of a management education effort could then be viewed as a system with inputs, transformation mechanisms, outputs and a self-regulating feedback loop. It is a flow where inputs go through the transformation in order to deliver the output. And it is a self-regulating event where a feedback flow would adjust inputs and eventually the transformation mechanism to conditions surrounding the output as well as the environment as a whole. Metrics provide performance parameters reflecting system component attributes. The following graphic model represents the outcome of this interaction. It contains all four elements of a system i.e. inputs, transformations, outputs and feedback and the pertinent metrics. Four metrics represent performance within system components. All four of them, taken together, lead to a score card. A metric would contain key performance variables within the system component and a scale of performance of this variable. An input metric, to take an example, would include a range of variables clustered around, among other things, entrants, delivery, infrastructure, support and fees. The management program subject to accreditation monitoring would have to confirm the existence of this monitoring variable and a fit within the scale provided by this variable. Scales are derived from a quantitative analysis of variable performance within a generic norm, a population average or a desired framework.

Figure (1) Accreditation system model
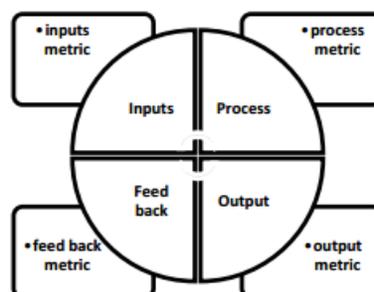
The Program Accreditation Scorecard (PAS)

The entire effort could lead to what one may call the "Program Accreditation Score card" (PAS) or a matrix featuring metric performance attributes as well as an aggregate for the entire program. It is a dynamic whole as scores, underlying measurement parameters, parameter performance scales and parameter performance attributes change over time and adjusted scorecard attributes are developed. An accreditation score card could deliver added value by highlighting what may be considered "best practices" within the management education industry, guide strategic thinking within the organization as a whole, facilitate strategic alliances among management education institutions, enhance the relevance of feedback and, last but not least, create a comparative parameter. The very process of deducing scores and reaching a score card will also be more concrete and less time consuming that current practice.

Summary and conclusions

Accreditation of business programs and institutions is a powerful industry in the United States and Europe. The industry has massive followers and holds sway over the fate of many an institution. World wide data are not easily accessible but some figures are indicative of the scale and scope of the industry. A considerable volume of management degree programs are conducted Worldwide. Institutions delivering or manage management related educational programs throughout the World need accreditation or a confirmation of the conformity of the institutional framework, the conversion process and the ultimate outcome with specific standards. The problem, however, is that the standards and those who measure them, have run out of steam and the search is for a substitute. The article provides a critique of current practice and suggests a substitute based on three concepts: systems thinking, metrics and the balanced score card. This alternative blends those conceptual foundations and suggests a novel accreditation instrument: the Program Accreditation Score card or PAS. The article further explores the tenants of this novel instrument and explores its applied dimensions.

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