

# Understanding business school accreditation: The network approach

(Competitive paper submitted to the IMP 2014 Conference)

## ABSTRACT

Accreditations are generally perceived as certificates of excellence that business schools seek in order to appear as legitimate players in the global higher education markets. The present study focuses on the interaction taking place between a business school and an accreditation agency before, during, and after a complex process of gaining an accreditation. Building on the network theory, our case study elaborates the accreditation process of Northern Finland-based Oulu Business School (OBS), and the interactions taking place within the school's focal net in years 2005-2013 when the school was embarking on both of the two major international institutional accreditations, AACSB and EQUIS. The paper allows us to gain theoretically and managerially novel insights for asymmetrical relationship development between a small and peripheral organization anxiously trying to initiate a long-term relationship with a dominant, global player to get an access to the network of the most prestigious business schools. From the network theory perspective, the study of a public organization seeking global legitimacy from a private, non-profit, legitimacy-awarding body creates new understanding on the relationship development between non-business actors.

**Keywords:** *AACSB, accreditation, business school, dyadic relationships, EQUIS, network theory*

## INTRODUCTION

Accreditations are generally perceived as certificates of excellence that business schools seek in order to appear as legitimate players in the global higher education markets. Stemming from the increasing aspirations of the world's business schools to internationalize their operations and improve their competitive positions also in more local and domestic settings, the business of awarding these global credentials (practiced predominantly by the AACSB International and EFMD) has become extremely thriving commercially. As a corollary of this, understanding the essence of the accreditation business is no longer only in the interests of business school deans but provides academically attractive research avenues also for business scholars.

The present study focuses on the interaction taking place between a business school and an accreditation agency before, during, and after a complex process of gaining an accreditation. Building on the network theory, our case study elaborates the accreditation process of Northern Finland-based Oulu Business School (OBS), and the interactions taking place within the school's focal net in years 2005-2013 when the school was embarking on both of the two major international institutional accreditations, AACSB and EQUIS (Flesher 2007; Thomas, Thomas & Wilson 2013). From the perspective of business schools' management this setting allows us to compare and contrast the policies and practices of these two leading accreditation agencies. Thus, studying the OBS accreditation process allows us to gain theoretically and managerially novel insights for asymmetrical relationship development between a small and peripheral organization anxiously trying to initiate a long-term relationship with a dominant, global player to get an access to the network of the most prestigious business schools. From the network theory perspective, the study of a public organization seeking global legitimacy from a private, non-profit, legitimacy-awarding body creates new understanding on the relationship development between non-business actors.

## RESEARCH ON BUSINESS SCHOOL ACCREDITATIONS

Surprisingly for many business scholars, the business of business schools has become truly global, multi-billion dollar industry. According to the estimates of the AACSB International, there are currently altogether 14,000 business schools operating around the world. During the 1990s the primary growth driver for the industry was the emergence of management education markets in the post-socialist societies such as Russia, Poland and Baltic countries. The next phase of the expansion occurred as China integrated in the world economy creating a huge demand for educated managers. Representative of this development is that in the United States alone, international higher education students contribute more than 24 billion dollars to the US economy annually through their tuition and living expenses only (US Department of Commerce 2014). While the massification of higher education has provided an access to more and more students, the college degrees are increasingly considered as passports to all kinds of jobs. The biggest winners from this higher education megatrend are business schools.

The fact that business schools are generally non-profit organizations does not preclude them from economic aspirations and engaging in a number of marketing activities, in which no business school admits to be 'below average' or to be recognized as a lower tier institution (Alajoutsijärvi, Juusola & Lamberg 2014). However, stemming from the ever increasing number and variety of business schools operating in the global higher education markets,

their quality assurance and signaling have become crucial for prospective students, their tuition-fee paying parents, and future employers. As a corollary of this, seeking international rankings and major business accreditations is generally perceived as a necessity for many business schools (Wedlin, 2006; Alajoutsijärvi, Juusola & Siltaoja 2014).

Among the growing body of scholarly literature on accreditation-awarding organizations, the following perspectives have been addressed: development of the different accreditation agencies (primarily AACSB and EQUIS) and their standard frameworks (Jantzen 2000; Casile & Davis-Blake 2002; Durand & McGuire 2005; Martell 2007; Flesher 2007; Francisco, Noland & Sinclair 2008; Thomas, Thomas & Wilson 2013), analysis of competition between different agencies (Roller, Andrews & Bovee 2003), scholarly criticism and advices regarding how to develop and truly implement the stated quality assurance schemes and procedures (Yunker 2000; Swanson 2004; Navarro 2008; Podolny 2009), and finally, pros, cons, and unintended consequences of accreditation to business schools' research and teaching (Julian & Ofori-Dankwa 2006; Zammuto 2008; Urgel 2007; Lejeune & Vas 2009; Lowrie & Willmott 2009; Elliot 2013).

These pieces of literature have discussed the history of different business accreditation agencies, primarily the oldest US-based AACSB established in 1916, and explored its expansion and standard changes emerged as a response to the competitive pressures stemming from the creation of new accreditation agencies, such as Accreditation Council for Business Schools & Programs (ACBSP) and International Assembly for Collegiate Business Education (IACBE) in the US in 1988 and 1997 respectively, and EQUIS in Europe in 1998 (see e.g. Casile & Davis-Blake 2002; Roller, Andrews & Bovee 2003; Durand & McGuire 2005). The latter in particular, was created as a counter act for American AACSB entrance to Europe (Alajoutsijärvi, Juusola & Kettunen, 2013). In addition to these institutional accreditations, encompassing all activities of a business school, some program-specific accreditations have also established themselves, namely the UK based Association of MBAs (AMBA) and EFMD Program Accreditation System (EPAS). Furthermore, as a response to the corporate scandals and financial crisis giving rise to a number of critical commentaries questioning the *raison d'être*s of business schools, many scholars have adopted a censorious stance toward the actual benefits of accreditations to the advancements in management education. As a corollary of this, they have demanded especially the AACSB to adopt a bigger role as a prescribing and auditing body setting and maintaining standards for business school responsibility (see e.g. Swanson 2004; Podolny 2009; Wilson & Thomas 2012).

What is noteworthy is that scholarly studies on business accreditation at the level of individual business school are largely missing. Granted, the accreditation agencies such as AACSB and EQUIS have published several step-by-step instructions for business schools on how to gain the desired imprimatur of excellence. Still, despite the fact that pursuing accreditation is rather a *necessity*, not an *option* for the majority of the self-respecting business schools, a number of managerial questions from the accreditation-seeking business schools' perspective have been left unanswered. For instance, how does an accreditation process unfold in time, and what kind of phases does it consist of? Which individuals or groups of individuals appear as the most relevant actors between the accreditation agency and the business school in different stages of the process, and why? Owing to the fact that business schools typically reside within multidisciplinary universities, it is relevant to ask what kind of tensions does the accreditation process create between the business school and its internal and external constituents, such as the university headquarters, other faculties and

departments of the mother university, alumni and professional associations, as well as the business community?

This study addresses some of the above mentioned questions by adopting a perspective of an individual business school anxiously seeking access to the ‘winning club’ of the most prestigious business schools. While doing this, the paper primarily focuses on the interaction taking place between a business school and an accreditation agency before, during, and after a complex process of gaining an accreditation. In our view, the studies that have come closest to alleviating the concerns of accreditation-seeking business schools are McKee, Mills & Weatherbee’s (2005) study that attempted to explain the institutional influences on the AACSB accreditation processes of Canadian business schools, and Helms Mills, Weatherbee & Colwell’s (2006) article exploring how and why business schools seek AACSB accreditation and use it for positioning and validating themselves in their academic fields. Furthermore, recognizing the lack of empirical research on accreditations, Elliott’s (2013) recent study concerning the impacts of AACSB accreditation (again) on Canadian university business schools represents a somewhat cursory attempt to address the contextual factors influencing the impact of accreditation. Our paper provides an extension to these earlier, institutional and organizational theory based notions that business schools seek accreditations in order to legitimate their positions within their organizational fields (see also Durand & McGuire 2005). We adopt a novel approach by applying the concepts provided by the network theory to elaborate the business school’s institutional context more analytically.

In order to understand accreditation as a process it is crucial for the analysis to encompass the business school’s organizational context, be it institutions, departments, or even influential individuals. Building on network theory (Anderson, Håkansson & Johanson 1994; Axelsson & Easton 1992; Håkansson & Snehota 1995; Alajoutsijärvi, Eriksson & Tikkanen 2000), we argue that the relationship between a business school and an accreditation agency should be studied in the context of a large set of organizational relationships forming the network around this *dyadic* relationship (see e.g. Dwyer, Schurr & Oh 1987; Ford et al. 1998; Möller & Wilson 1995). By doing this, it is possible to understand the actions of both the business school and the accreditation agency, and the way their relationship develops.

Considering the importance of the interaction occurring between the dyadic relationships and their network environments, surprisingly little scholarly effort has been put into studying them in non-profit and/or public organizational settings. Large multidisciplinary universities are, indeed, complex organizational forms that are like networks themselves (Webster 1992). Our analysis encompasses the immediate network of the accreditation-seeking business school that we refer to as the *focal net* as well as the broader *macro environment* (Alajoutsijärvi, Rosenbröijer & Möller 1999). Special attention is paid to the following issues:

1. Understanding the development of the dyadic business school-accreditation agency relationship and the way it influences the school’s focal net.
2. Vice versa, understanding how the dyadic relationship is influenced by the school’s focal net.
3. Understanding how the developments in the macro environment influence on the dyadic relationship and the school’s focal net.

## RESEARCH SETTING & DATA

Business degrees are currently awarded at ten university-level business schools in Finland. Out of these ten schools, three possess at least one of the two most highly regarded institutional accreditations, AACSB International and EQUIS. Aalto University School of Business (ASB) holds the so called ‘triple crown’ accreditation (AMBA 1997, EQUIS 1998, and AACSB 2007). The Swedish School of Economics (Hanken), on the other hand, possesses EQUIS and AMBA accreditations since 2000 and 2008, respectively. Oulu Business School (OBS at the University of Oulu) the accreditation process of which is under detailed scrutiny in this study, gained AACSB accreditation in the fall of 2013 (Alajoutsijärvi, Kettunen & Tikkanen 2012; Kettunen 2013).

OBS makes, in many respects, an interesting and unique case for analysing the accreditation process. First, within its national context, OBS that was granted a business school status in 2000 is one of the youngest business schools in Finland, employing c.a. 1500 students and 120 faculty and staff members. Hence, by gaining the AACSB quality label prior to many of its longstanding domestic counterparts, OBS has potential to change the traditional competitive dynamics within the business school field in Finland. Second, upon the completion of the accreditation process during 2005-2013, OBS was also the youngest and smallest faculty within the technology, medicine and natural science emphasizing multidisciplinary University of Oulu that employs in total c.a. 15 700 students and 3100 faculty and staff members. The accreditation process of OBS is likely to reveal the implications of the internal dynamics and power relationships in this type of context that is also very different from a case of some university’s prestigious flagship business school seeking accreditation. Third, the OBS accreditation process includes seeking accreditation from both of the major accreditation agencies, first EQUIS, and then AACSB. Being declined on behalf of the EFMD two times in 2009 and 2011, OBS is an exciting example of a business school organization recovering from significant defeats and pulling itself together to pursue the AACSB accreditation to successfully complete the process within a remarkably rapid time frame in three years.

Based on the arguments above, studying the OBS accreditation process allows us to gain theoretically novel insights for asymmetrical relationship development between a small and geographically peripheral organization trying to initiate a long-term relationship with a dominant, global institution. From the network theory perspective, the study of a public organization seeking global legitimacy from a private, non-profit, legitimacy-awarding body provides new understanding on the relationship development between non-business actors.

Owing to the fact that all the authors of this paper have been actively involved in different phases and roles in the OBS accreditation process, this longitudinal historical analysis builds on empirical data gained through a number of different sources, including internal meeting memos, e-mail correspondence, accreditation documents, and participatory observation occurring during the accreditation conferences and workshops as well as in the course of ‘normal organizational life’ of a business school. Furthermore, the data sources include formal interviews and informal discussions with the representatives of accreditation agencies, OBS’s internal and external constituents, the management of OBS’s fellow business schools, business school’s annual reports and rector’s speeches, archival and marketing materials, journal, magazine and newspaper articles, business schools’ websites, and conversations published in blog writings and social media. Furthermore, both AACSB International and

EFMD provide extensive information on accreditation through their websites, publications, as well as accreditation conferences and seminars.

### OULU BUSINESS SCHOOL'S ACCREDITATION PROCESS 2005-2013

Our empirical analysis starts with an illustration of the OBS's focal net that is, the intra-organizational structures of the two interacting institutions (OBS and the two major accreditation agencies, AACSB and EQUIS) that form the two dyadic relationships, and the macro environment (see Figure 1). The focal net encompasses the immediate network of OBS, which consists of the school's domestic peers (ASB & Hanken) that are also accredited, City of Oulu and Council of Oulu Region (RCNO) that appeared as the primary funding bodies of the accreditation process, as well as the University's internal constituents, e.g. the Head Quarter (HQ), Continuing Education Center (CEC), other faculties, and the Student Union.

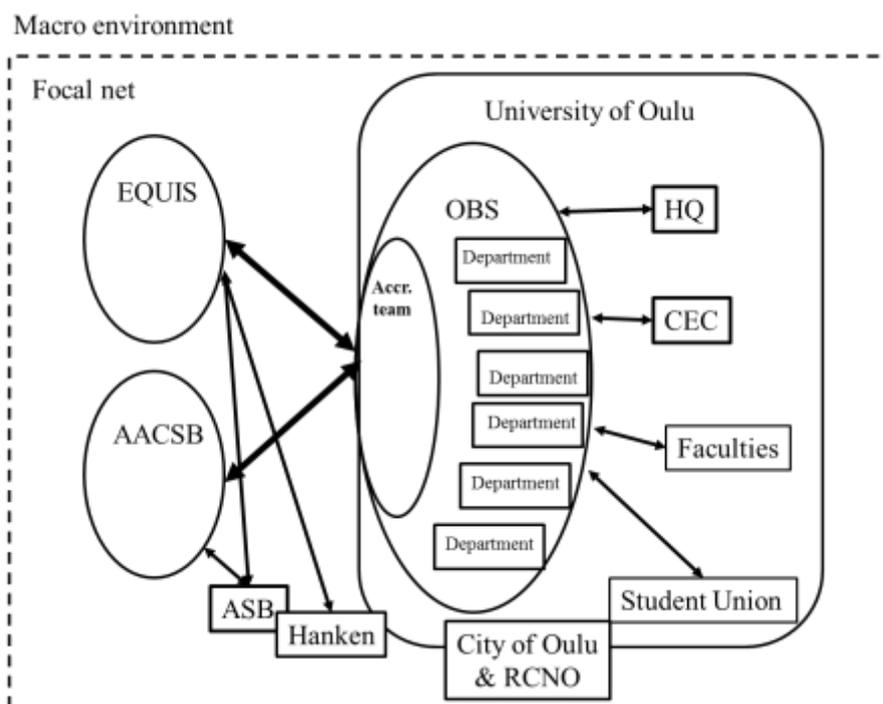


Figure 1. OBS's focal net and macro environment 2005-2013

After identifying the main actors in the OBS focal net, we continue our analysis by developing a timeline description of the OBS's accreditation process in years 2005-2013. The summary of the timeline, with reference to the key events in OBS development and macro environment is presented in Figure 2 at the end of the analysis.

#### *Increasing awareness of international accreditations (2005-2007)*

The first serious discussions concerning the possibility of gaining an international accreditation took place in the OBS management team in the spring of 2005. As an outcome of the discussions revolving around the accreditation matters in one of the monthly management team meetings, each of the half dozen department heads was asked to complete an informal, departmental level SWOT-analysis to evaluate OBS's opportunities to start embarking on one of the two major international accreditations, either AACSB or EQUIS, in any foreseeable future. Based on their analyses put together in the subsequent meetings of the management team, department heads viewed getting an accreditation as an important long-

term objective. However, they were generally afraid that these aspirations would be, in many respects, yet premature. Firstly, the small size of the school as compared to many of its international and domestic accredited peers was perceived as focal obstacle. While some of the OBS departments could be viewed as big enough from the accreditation standpoint, the other, more recently established units bore the risk of being dependent on too limited faculty resources. Furthermore, the discussions on the ‘accreditation-proof’ organizational structures and faculty composition immediately provoked debates on the possibility (and necessity) of departmental mergers that appeared as a red flag especially for the newest departments and their newly appointed heads. Eventually, as a response to the conflicting interests in pursuing the best interest of the school as whole and developing individual departments, a decision was made to put the idea of seeking accreditation aside, at least for the time being.

The accreditation plans, however, were reintroduced less than a year later. The dean of OBS was appointed as the vice rector of the University of Oulu and led the school to a situation where it had to elect a new dean on a short notice. In accordance with the university regulations at the time, the new dean had to be elected amongst the full professors of the school. Based on the recommendation of the management team, the faculty council decided to invite two registered dean candidates to give the council a presentation addressing their plans for the overall strategic development of the school with a special attention to the accreditation initiatives. Hence, upon the dean elections, accreditation was, for the first time, formally introduced as one of the central viewpoints in the strategic planning processes of OBS.

After the new dean, elected by the faculty council, started in his position in the summer of 2006, the management board of OBS started to further discuss the relevance of international accreditation for the institution. Traditionally, Finnish business schools had been accredited by the Ministry of Education that regulated the number and quality of degree-granting institutions, with the intent of securing young individuals across the country an equal opportunity for high-quality higher education. However, owing to the strong aspiration of OBS to improve and internationalize its activities, and stand out from its peers to proclaim its position among the top business schools in Finland, the national level recognition from the Ministry was viewed as an inadequate standard of performance. The new dean, anxious to get the accreditation process on the move appealed to the management team arguing:

“Based on several estimates, the number of business schools in the world has exceeded 12 000. All these schools claim to be ‘top’ or close to top. In order to survive in this competition, the only chance is to gain an international stamp of approval from one of the major accreditation agencies. This would upheave our school among the top 500 institutions in the world.”

So far, the two leading institutions in the country at the time, namely Helsinki School of Economics (currently Aalto University School of Business), and the Swedish School of Economics (Hanken) had already gained one of the major international accreditations. In its internal analysis and benchmarking against these national forerunners of accreditation, OBS management team concluded that based on several national indicators, the school’s performance was well above the national average, outperforming also HSE and Hanken on several measures. Furthermore, the resource base of OBS was continuously strengthened by the support from the Ministry as well as the University of Oulu. While this set OBS on a growth path and increased the school’s confidence on the feasibility of accreditation endeavors, the management team still pondered whether it was realistic for a small business

school to embark on such a demanding project. The principal concerns that were raised were concerned with the necessary improvements in terms of faculty size and qualifications, as well as research output as measured by international journal publications. The question of which accreditation would be more feasible for the school to accomplish, European EQUIS or American-based AACSB, was initially made intuitively, and on cultural basis: Being located in Europe, it was reasoned by the OBS management that EQUIS ethos and standards would be better suited for a Nordic business school. Therefore, for instance the internationalization of the faculty and student body became one of the key issues that needed to be put under scrutiny.

Already in 2007, OBS had started preparations for applying the EQUIS eligibility. This involved, for instance, recruiting new international faculty and students, and initial preparation of documentation. One of the biggest reforms that were initiated in 2008 was the establishment of two new international master's programs in International Business and Finance & Economics that accompanied the program in Financial and Management Accounting established already in 2003. The purpose of these programs was, of course, to increase the proportion of international degree-seeking students. Furthermore, the establishment of these programs was well in line with the Finnish Ministry of Education's Higher Education internationalization policy – providing with opportunities to acquire additional funding. What followed were the establishment of a new department in International Business, opening of Bachelor's level admission to Finance major, as well as the foundation of the Martti Ahtisaari Institute of Global Business and Economics, a research and educational institute founded with the support of the Nobel Peace Prize Laureate, former President of Finland that aimed at improving the school's international operations.

### ***First attempts in the pursuit of accreditation – AACSB or EQUIS? (2008-2009)***

The first encounter with the EQUIS took place at the EFMD annual conference in the summer of 2008. Upon his request the dean met shortly with the EQUIS representative to discuss OBS's possibilities to gain eligibility for the EQUIS accreditation process. The main message of the meeting was that at best, OBS would have a 50-50 chance of gaining eligibility, leaving the dean doubtful about the continuation of the EQUIS endeavor. Consequently, the head of the accreditation project went to explore the AACSB option in Atlanta business accreditation seminar in the fall of 2008. The visit that provided OBS with the opportunity to gain hands on understanding on the accreditation standards and criteria, as well as to get in contact with the president of the AACSB left a positive first impression. AACSB appeared to OBS as approachable, transparent, and inclusive in its ethos and procedures: If only there was a will to get the job done, eventually, there would also be a way to succeed. However, since a lot of effort and commitment had already been put into producing the required EQUIS documentation, OBS decided to apply for EQUIS eligibility first.

Upon detailed examination of both AACSB and EQUIS accreditation standards, a serious concern was raised by the program inclusion - exclusion criteria. This brought the complicated organizational structures between the OBS and the University's Continuing Education Center (CEC) into the spotlight. Traditionally, the non-degree, tuition fee charging continuing education programs in multidisciplinary universities in Finland were separated from the degree-awarding, state budget funded faculties into different types of units offering market-based programs. This was the case also with the University of Oulu's eMBA program that appeared as the primary profit generator of the CEC. While the eMBA program was

reasonably distinct from the disciplinary-based MSc programs offered by OBS, it was well recognized that the international accreditation agencies would hardly accept its exclusion: From the market-perspective both MSc and eMBA programs were, once and for all, just business degrees offered by the university. Furthermore, the OBS faculty members were major contributors to the eMBA program development and course offerings which made the exclusion option even less feasible.

The EQUIS eligibility application was submitted in the end of 2008. At the same time, EFMD membership application was submitted, and membership acquired in the beginning of 2009. Upon joining the EFMD, OBS needed two recommendations from the representatives of already accredited schools, and decided to turn to the rectors of Aalto University School of Business and Hanken. During the spring of 2009, OBS prepared for the upcoming briefing visit of the EQUIS expert. The main outcomes of the on-site visit that was scheduled in May were twofold: First, the opportunity for the OBS faculty, staff and students, as well as stakeholder representatives to meet face to face with the accreditation expert made it clear to everyone that OBS management was serious about achieving an international accreditation. Second, the insights of the EQUIS expert provided OBS with the valuable information on how to document the school's operations in a more convincing manner. For instance, the way OBS had reported its well-developed corporate connections appeared far too modest. The overall impression was that there was more quality in the OBS processes that the school itself had managed to see and document. Furthermore, what was realized was that too modest style of reporting - perhaps characteristic of many Finns - was hardly advantageous for the success of the application, and therefore needed to be improved.

In order to secure the success of its accreditation project, OBS had started to actively push for the transfer of the eMBA program administration from the CEC under the realm of the business school. While the management of OBS saw the move necessary also in terms of further development of the program, true sense of urgency was created by the school's accreditation endeavors. The EQUIS briefing visit heated up the already intensive internal battle over the eMBA program. Both supporters and adversaries made every effort to achieve the desired result. While OBS tried to convince the EQUIS representative that the transfer would eventually take place, the CEC management approached EQUIS with a conflicting message. The dean of OBS, outraged by this course of events, pushed the University top management and the Board of Trustees that had postponed its decision making for several times, for a final decision to transfer the eMBA into the OBS program portfolio. Although the desired result was finally reached, it regrettably took place only a couple of days after EQUIS had made its decision on OBS's eligibility. Hence, the positive inklings based on the initial evaluation visit by the EQUIS representative were faded as the EFMD Board's vote ended up with a rejection accompanied by a prohibition to re-apply in the next two consecutive years. In the decision letter received by the dean OBS appeared 'below standard' on three out of the ten major criteria, leaving the school one deficiency away from eligibility. Especially in terms of corporate connections and internationalization, EFMD viewed OBS had not yet achieved a sufficient level.

### ***The first breakthrough: Gaining AACSB eligibility (2010-2011)***

Still recovering from the disappointment with the EFMD's decision, OBS rallied its troops and prepared for the AACSB accreditation process. The membership of the AACSB International was applied and granted shortly after the EQUIS defeat in the spring of 2010. The quick acceptance decision from the AACSB boosted the confidence of OBS management

that urged the school to continue the process uninterruptedly to preparing the eligibility application. While re-applying EQUIS eligibility was still perceived as a viable option after the next two years, the priority was now put on the successful completion of the AACSB accreditation process.

The first experiences on seeking international accreditation had made OBS management realize how time consuming and costly the process of gaining an accreditation actually was. As a response to the resourcing questions that were raised in the spring of 2010, OBS's Martti Ahtisaari Institute (MAI) took initiative in acquiring EUR 800 000 external funding for the accreditation project, with invaluable local support from the Council of Oulu Region and the City of Oulu. The favorable funding decision obtained in the fall of 2010 gave the AACSB accreditation process a significant push and formal recognition, allowing OBS to allocate key individuals' working time for the project. Most importantly, the acquired funding provided OBS with the needed resources and leverage for setting up a proper Accreditation Team, with specifically designed individual tasks and responsibilities.

The AACSB eligibility application was submitted shortly after the appointment of the Accreditation Team at the end of the spring semester 2011, and was followed by a positive response in the summer of 2011. Gaining the AACSB eligibility was an important mile stone in the process, allowing OBS management, faculty, and staff to conclude that gaining accreditation was, indeed, within reach of OBS. However, parallel with the initial success in the accreditation front, the dean of OBS felt that the internal battles between OBS and the University top management upon the eMBA program and the overall support for the business school's accreditation endeavor had taken a too high toll on him. Believing that handing over to a new dean would bring in new energy for the successful completion of the accreditation project, he decided to resign from the position. Under the leadership of the new dean, OBS started to work with the AACSB mentor in the fall of 2011. In the initial discussions with the Mentor, OBS was advised to articulate its mission statement more clearly and concisely, taking into consideration the unique context of OBS operations as well as the responsibility of the school to cater for the needs of higher business education and research in the Northern Finland. Consequently, during the late 2011 and early 2012, OBS mission statement was thoroughly discussed and adjusted together with the school's external and internal constituents, including the business community of Oulu region, Chamber of Commerce, and the Confederation of Finnish Industries.

Meanwhile, the two-year ban for the re-submission of the EQUIS eligibility application had passed. Having developed its international operations and corporate connections (that appeared the primary areas of criticism in the EQUIS evaluation), OBS management decided to take another shot at submitting for EQUIS. Although aware of the difficulties related to pursuing two accreditations at the same time, OBS management felt that eventually, there would be nothing to lose, since the AACSB process was already well underway. After the re-submission of the eligibility application and another briefing visit that took place in the late fall 2011, OBS was, again, declined entry into the EQUIS process. The somewhat cursory explanation for the rejection on behalf of EQUIS revolved around the same alleged deficiencies that had been brought up on the first rejection letter two years ago. Nevertheless, owing to the promising success in the ongoing AACSB process, the EQUIS rejection was no longer considered as a major setback for OBS development: Quite the opposite, it enabled the school to focus its efforts on improving its activities primarily in line with the AACSB standards and guidelines.

***Mission accomplished: Getting AACSB accreditation (2012-2013)***

The mission statement that had been refined in line with the AACSB Mentor's recommendations created a firm foundation for OBS to produce its AACSB Standards Alignment Plan (SAP) during the spring of 2012. Nevertheless, the amount of work that was required for producing the SAP document, as well as for completing the adjustments to the AoL (Assurance of Learning) processes and the IC (Intellectual Contributions) data collection & reporting system, was initially underestimated by the OBS Accreditation Team. By the end of the spring semester, the Head of the Accreditation Team was faced by a tough decision either to rush for the submission of the SAP by the given deadline in August or request for an extension that would require for the development of a progress report, and postponing the SAP deadline up to one year. Eventually in June 2012, faster route was chosen, and the SAP was submitted in August.

Finalizing and handing in the SAP in the early fall 2012 proved to be the right strategy: Atypical of the regular course and timeframe of the accreditation process as experienced by most of the business schools, the AACSB Initial Accreditation Committee (IAC) accepted OBS Standard Alignment Plan at once without questions or concerns in its October 2012 meeting. The success of the SAP phase resulted in a remarkable increase in confidence among the OBS management and Accreditation Team. At the same time, it ended any significant internal resistance towards the AACSB process, and related improvements, as the majority of the faculty and staff members started to be able to envision the benefits gained from the external recognition of the school's – and its faculty members' – excellence.

At the turn of the year 2012/2013, accreditation process continued by the appointment of a three-person Peer Review Team (PRT, consisting of a Chair and two other members). While the final decision on the composition of the PRT was made by the AACSB, OBS had the opportunity, as defined in the accreditation guidelines, to express its preferences regarding the selection of the team members. Overall, OBS requested that the PRT and its Chair in particular, would be highly recognized experts in their fields, and therefore, prepared the list of desired team member candidates in close, consultative cooperation with the AACSB representatives. Furthermore, the composition of the list of the desired PRT Chair and member candidates was influenced by the OBS Accreditation Team members' personal experiences of attending various AACSB conferences and seminars, where it had been possible to gain first-hand knowledge on the areas of expertise of the future PRT members.

During the spring of 2013, OBS Accreditation Team concentrated its efforts on the completion of the next phase of the process that culminated into putting together the Self Evaluation Report (SER). While additional efforts were still required especially in terms of Assurance of Learning (AoL) related evidence collection and analysis, as well as Intellectual Contributions (IC) data collection from part-time supporting faculty, the finish line was finally within sight. After an intensive final preparation period that involved the participation of a 9-person Accreditation Team in the AACSB accreditation seminar series in Vienna in early May 2013, the SER was finally submitted in mid-May 2013.

The formal acceptance of the SER was granted by the AACSB IAC in June 2013. The unanticipated, additional pressure on OBS was added by the IAC's decision that led to re-scheduling the PRT visit two months earlier (in September) than initially requested. As a response to the unexpected tightening of the schedule, OBS faculty, staff, and students were organized an intensive series of PRT-review preparation sessions from May to early

September. At the same time, the visit program and schedule for the meetings and interviews with over 150 people were prepared, and materials and evidence for the visit collected and organized.

The PRT, the final composition of which followed OBS's list of desired candidates, visited the school in the mid-September 2013. Although the key concerns of the PRT had already been to some extent addressed in the pre-visit letter from the PRT Chair to the dean of OBS in the summer, the first day of the on-site visit was experienced by many OBS representatives as shocking: Despite the careful preparations conducted prior to the visit, the PRT requested for even more convincing evidence in order to make sure that the performance of OBS was in all respects at the level stated in its documentation. By the end of the final day and exit discussion of the visit, however, it was evident that the PRT would happily recommend the IAC that OBS would be granted a business accreditation with the next continuous improvement review taking place in five years. The final, formal decision of the OBS accreditation was eventually made by the Board of AACSB in November 2013.

Events in the macro environment	Events in the OBS's immediate net	Events in OBS	Events in the OBS-accreditation agency relationships	Events in the accreditation agency	Events in the accreditation agency's immediate net and macro environment
1995-2005 Globalization and growth of business schools	ASB's EQUIS 1998 Hanken's EQUIS 2000	Growth of OBS OBS receives faculty status 2000 First international MSc program established 2003		AACSB's expansion and internationalization EQUIS established 1998 AACSB Mission-linked standards introduced 2003	ACBSP established 1988 IACBE established 1997
2006-2007	ASB's AACSB 2007	New Dean elected 2006 Discussions on moving eMBA from University's continuing education center under OBS started 2006	The first contacts to EQUIS 2007 EQUIS eligibility application started 2007	EQUIS annual conferences continuously sold out	Impact of the financial crisis on business school and management education 2007-

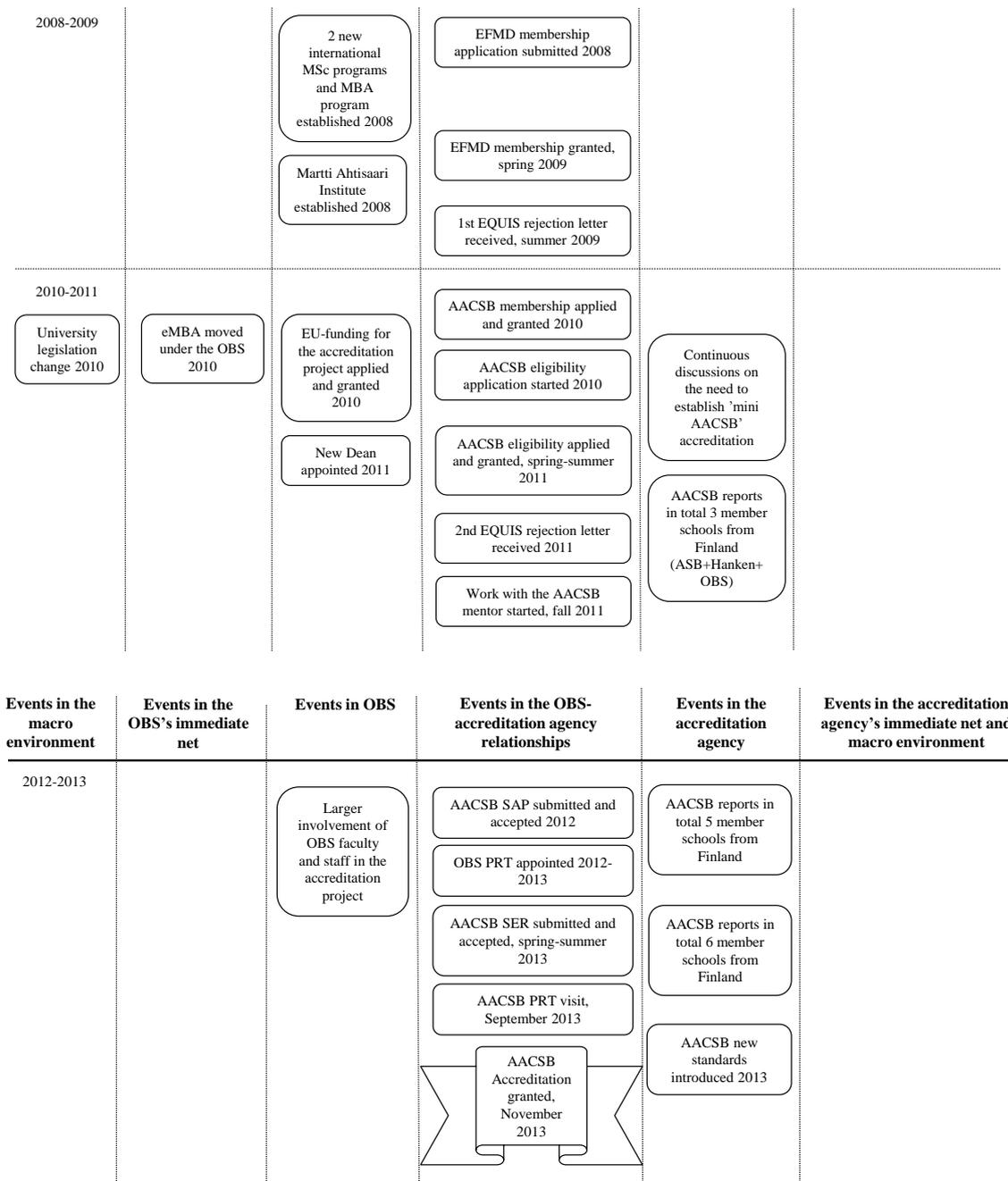


Figure 2. Timeline of the OBS's accreditation process with reference to events in macro environment

## PRELIMINARY DISCUSSION & CONCLUSIONS

As suggested in the earlier literature on business accreditations, accreditations are certificates of excellence that business schools seek in order to legitimate their positions in their organizational fields. What is more is that for a relatively small business school residing within a big multidisciplinary university, accreditation is a means for the business school legitimating its status also within its own institutional context. Benefiting from the concepts derived from the network theory, this paper aimed at casting new light on the growing body of literature discussing the nature of business school accreditations and their implications on management education. By constructing a narrative description of OBS's accreditation process in relation to the interactions taking place within the school's focal net in years 2005-

2013, we were able to elaborate an accreditation-seeking business school's institutional context more analytically, and draw the following, preliminary conclusions.

Concerning the development of the relationship between business school and accreditation agency, and its influences on the school's focal net, the case of OBS allows shedding light on the complexity of institutional changes set in motion by accreditation endeavors. In fact, already the decision of a business school to start to seek accreditation is likely to have dramatic implications on the school's focal net: Firstly, seeking the membership of an accreditation organization can be perceived as a business school's attempt to shake the established pecking order among its domestic peers. This appeared to be the case especially in the Finnish higher education context, where the existing status quo of 'officially equal universities' could be altered only through a significant external influence, such as recognition from an international accreditation agency. Secondly, the same logic of reasoning was applied also at the university level, where some external leverage was needed for a business school to appear as a fully legitimate faculty among the internal hierarchy dominated by the faculties of medicine, technology, and natural sciences. Thirdly, accreditation process is typically an expensive exercise that requires the business school to ensure and possibly acquire additional resources to successfully complete the project. In OBS's case, the successful completion of the project called for seeking additional funding and support from the City of Oulu, Council of Oulu Region, as well as local business partners. Finally, and perhaps most importantly, in order to be eligible to enter the accreditation process, both AACSB and EQUIS place expectations on the business school's organizational structure. For OBS, the entrance to accreditation process meant going through a long and painful process of moving the administration of the eMBA program from the University's Continuing Education Center under its own governance. In summary, the developments in the business school's dyadic relationships with the two accreditation agencies are likely to set in motion development trajectories that call for significant redefinition of the school's relationships with its internal and external constituents.

However, not only does the accreditation process initiate changes in the quality label – seeking business school's focal net but the opposite flow of influence is true as well. Especially in case of a small business school with a relatively weak power position in the university, the relationship between the school and an accreditation agency may be significantly influenced and even hampered by university's internal power games. These power games were, in fact, rather symptomatic of the governance model of Finnish universities until the legislation change in 2010, prior to which the question often was whether the elected individuals in the universities' collegial decision making bodies were representing their personal or collective interests of the university. In OBS's case, the university's internal power relationships were manifested especially in the lengthy process of transferring the eMBA program from the Continuing Education Center to the business school. Therefore, although accreditation process is a powerful management tool for the dean in managing the business school's focal net and legitimating changes in it, the network perspective enables us to see that gaining an accreditation for a business school is anything but a straightforward managerial task. Instead, it requires internal persuasion, politicking, and even arm-twisting at multiple fronts, in which the school's relationships with its external constituents such as funding bodies or other influential partners may appear as important sources of leverage.

Overall, no dyadic relationship can be properly understood in isolation from its network context. Likewise, no network exists and develops irrespective of its macro environment.

Despite conducted from the perspective of a single business school, the present study creates understanding also on the macro-level events and development trajectories that influence both parties of the relationship under scrutiny. Not only the business schools but also the accreditation agencies are influenced by the growth and globalization of management education that generates them a number of competitive challenges. Accreditation agencies must be able to expand their operations globally, but do so without compromising their legitimacy (see e.g. Durand & McGuire 2005). In other words, influenced by their history and genealogy, accreditation agencies possess their own agendas for expanding and internationalizing their activities, which is likely to result in decoupling between the actual and stated requirements set for accreditation-seeking business schools in different parts of the world. Therefore, the longitudinal analysis of the OBS case that involved embarking on both of the two major accreditations (one with success, the other less so) has potential to shed additional light on the ‘hidden’ expansion agendas and prevailing relationship strategies of the AACSB International and EQUIS (see the preliminary findings compiled in Table 1).

	<b>AACSB International</b>	<b>EFMD/EQUIS</b>
	<i>Facts &amp; figures from the perspective of OBS</i>	
<b>Year of establishment</b>	1916	1971, EQUIS 1998
<b>Country/Continent of origin &amp; heritage</b>	United States, currently known worldwide. Association of business schools initiated by 17 out of 30 US business schools in 1916, initially an organization for business school deans.	Europe, based in Brussels, Belgium, currently known best in Europe. Established in 1971 through a merger of the European Association of Management Training Centres (EAMTC, est. 1959) and International University Contact for Management Education (ICU, est. 1952)
<b>No. of accredited members (2014)</b>	694	146
<b>No. of accredited and member institutions in Finland (2014)</b>	2/8. The accreditation of OBS has encouraged Finnish business schools to apply AACSB. Some Finnish schools show active interest.	2/12. ABS and Hanken have been capable of convincing EQUIS. Amongst other schools in Finland, mixed feelings about the feasibility of applying.
<b>Accreditation fees</b>	Fees are modest, majority of the fees charged after gaining eligibility, drop-out rate after eligibility low, however, process may take several years, and some candidates themselves choose to opt out during the process.	Fees are more expensive, significant upfront costs prior to eligibility, drop-out rate after eligibility higher.
<b>Additional costs</b>	Successful completion of accreditation process requires regular attendance (deans, the entire accreditation project team) on accreditation conferences and seminars.	Successful completion of accreditation process requires regular attendance (dean and heads of administration) on accreditation conferences and seminars.
<b>Evaluation framework</b>	Evaluation in line with 21 Standards (2003), key aspects of the new 2013 Standards also addressed. Mission alignment crucial, explicit and evidence-based measurement system	11 areas of assessment, key focus on internationalization, corporate connections, and faculty research requirements, more implicit and obscure evaluation system
	<i>Ethos perceived by OBS</i>	
<b>Official mission statement</b>	“AACSB International advances quality management education worldwide through accreditation, thought leadership, and value-added services” ( <a href="http://www.aacsb.edu">www.aacsb.edu</a> )	“EFMD acts as a catalyst to promote and enhance excellence in management development in Europe and worldwide” ( <a href="http://www.efmd.org">www.efmd.org</a> )
<b>Aspirations perceived by OBS</b>	AACSB is willing to expand to Europe and to accredit high quality business schools globally	EQUIS is a rather closed society of top schools that is looking for new members mainly from non-European institutions
<b>Emphasis of standards and evaluation</b>	Mission-based, with reference to the published set of standards, as well as the context of the school’s operation. Innovation, impact and engagement are required in all operations of the school.	Internationalization, corporate connections and top publications.
	<i>Accreditation process perceived by OBS</i>	
<b>The first impression</b>	Approachable and inclusive “Finland has high quality education system”	Reluctant and exclusive, “At best OBS is a marginal school for EQUIS”
<b>The first major obstacle: Inclusion - exclusion criteria</b>	eMBA program in Continuing Education Center was a serious problem	eMBA program in Continuing Education Center was a serious problem
<b>Requirements for internationalization</b>	Highly dependent on the school’s mission.	In principle very high, concerns governance and advisory boards, faculty and student body. OBS’s location in Northern Finland is a big challenge.
<b>Requirements for research output</b>	High to modest by overall quality and total output. However, high by coverage (clear minimum output level requirements for individual faculty members). Explicit minimum criteria for the faculty’s academic qualifications need to be set and lined with the mission.	High concerning overall quality and output, unstated concerning individual faculty members quality and output. Explicit additional focus on top publications.
<b>Nature of the process</b>	Continuous improvement process involving a number of faculty and staff members, guided closely by the accreditation agency.	‘Up or out’ type of process, the role of the head of the business school emphasized, more self-guided process.
<b>Critical stages</b>	Standards Alignment Plan, Assurance of Learning, Intellectual Contributions, Faculty qualification requirements	Eligibility
<b>The outcome of OBS accreditation process</b>	OBS’s accreditation gained in two and a half years from eligibility decision.	Eligibility declined twice.

Table 1. AACSB International and EFMD/EQUIS as perceived by Oulu Business School

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