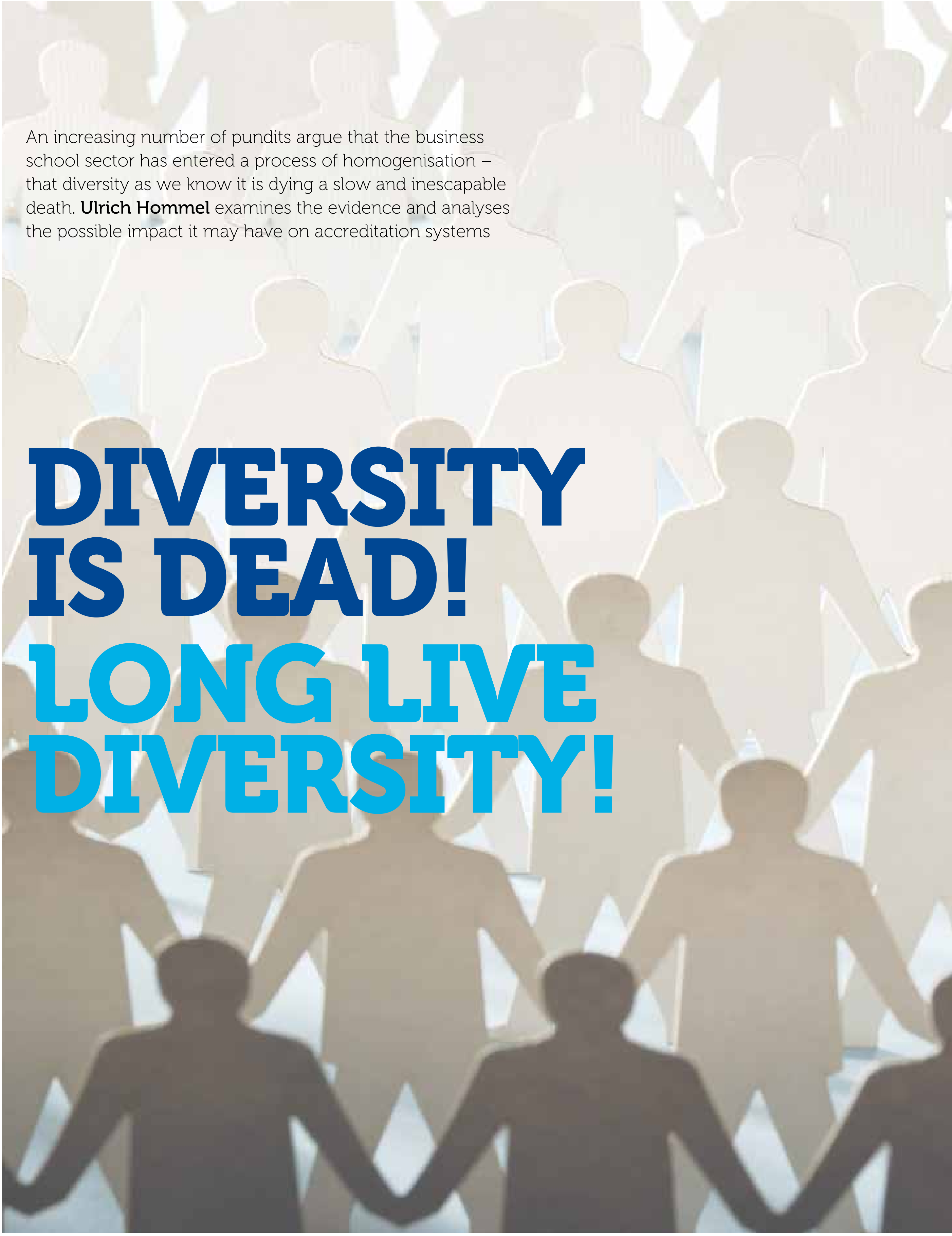

An increasing number of pundits argue that the business school sector has entered a process of homogenisation – that diversity as we know it is dying a slow and inescapable death. **Ulrich Hommel** examines the evidence and analyses the possible impact it may have on accreditation systems

DIVERSITY IS DEAD! LONG LIVE DIVERSITY!

Respecting diversity is one of the core values of EFMD; the holistic nature of the EQUIS and EPAS systems reflects this positive predisposition towards diversity. Business schools are encouraged to produce institution-specific responses to the quality challenge.

Indeed, a closer look at the portfolio of EQUIS- and EPAS-accredited institutions demonstrates that business schools can travel many different development paths in their quest of achieving excellence.

The relationship between local conditions and the development path chosen can explain the historical persistence of diversity. Distinctive environmental features, socio-economic factors as well as academic values and traditions have led to the conservation or even the amplification of differences across cultural areas, higher-education systems and business school types.

A rising number of pundits, however, are arguing that the business school sector has entered a process of homogenisation and that diversity as we know it is dying a slow and inescapable death.

The purpose of this article is to evaluate this claim and, to the extent that it can be upheld, discuss its implications for accreditation. How can accreditation continue to shape quality improvement and innovation in management education? How can accreditation avoid falling into the trap of merely deflecting threats to the business school establishment and invite procrastination where change is needed?

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Diversity's first death: Mimicry

Despite considerable achievements in terms of sectoral growth and broadening the educational mission, the legitimacy of business schools is nowadays severely challenged in academic circles and beyond (Hommel/Thomas, "Research on Business Schools: Themes, Conjectures and Future Directions", in: Pettigrew et al *The Institutional Development of Business Schools*, Oxford: Oxford University Press, 2014).

One of the most persistent criticisms relates to the detrimental influence of mimetic isomorphism or, as Wilson/McKiernan ("Global Mimicry: Putting Strategic Choice Back on the Business School Agenda", in the *British Journal of Management*, 22(3), 2011, 457-469) have termed it, "global mimicry".

In this context, accreditation and rankings are seen as parts of a constraining process that forces business schools to resemble their immediate competitors. The sector may be characterised as a multi-layered system with considerable diversity across layers, driven above all by the availability of financial resources, and rising homogeneity within each layer.

Mimetic isomorphism can partially be the result of business schools struggling to interpret accreditation standards at the initial accreditation stage and possibly even beyond. As a work-around, they are searching for the idealised (but non-existing) business school underpinning accreditation systems and are using accredited institutions as reference points.

In other words, the uncertainty emanating from the holistic nature of accreditation systems invites mimicry.

Isomorphism has two effects we need to be particularly concerned with.

First, it stifles innovation and puts business schools into a mode of emulating perceived state-of-the-art practices observed at other places.

Second, it weakens the role of accreditation as a catalyst for continuous quality improvement with the alternative being that it acts more like an entry barrier.

Diversity's second death: Structure-focused business school leadership

The most challenging aspect of business school accreditation is to develop a perspective beyond the structural characteristics of an institution or a degree programme. There is, for example, the continuous danger of evaluating internationalisation based on international student and faculty mix as well as graduate placement statistics, which do not capture the international dimension of student learning very well.

As another example, the evaluation of business school research is increasingly biased towards top-level academic publications included in readily available performance statistics (for example, based on Web of Science, an online citation indexing service).

In contrast, no such metrics exist for applied research targeting management practice, thereby potentially depreciating its impact on accreditation outcomes and market recognition.

The other side of the coin is that an increasing number of business school deans are following a structure-oriented management approach based on quantitative performance indicators, which do not capture learning and knowledge generation processes well.

Part of the problem is the role of accreditation as a gatekeeper for international rankings. Ranking indicators are shaping the decision making of accredited business schools, which then ultimately feeds back into the way quality is evaluated in an accreditation context.

Alignment of management goals with externally legitimised and periodically inspected performance indicators has a stabilising influence on a business school. The implied loss of diversity may not be overly concerning as long as intra-institutional realities are sufficiently de-coupled from formal organisational structures.

However, this divergence is becoming progressively smaller, mainly because the spread of entrepreneurialism in business schools strengthens the influence of market rivalry on institutional behaviour.

Business school deans carry the "indicator logic" into accreditation practice as part of their volunteer work – through the back door so to speak. Addressing this aspect is the most critical on-going challenge in the development of the EQUIS and EPAS systems.

Indicator-driven accreditation can partially be avoided by managing the quality of information passed on from one stage to the next (for example, peer review reports), how information is consumed (reviewer training) and the experience as well as heterogeneity of the expert panels involved in decision making.

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Strengthening diversity: Accreditation-push

What are potential ways forward? On an operational level, one can map the diversity principle more explicitly into the accreditation documents. The recognition of a wider range of research outputs and more clearly defined minimum expectations with regard to traditional academic research are obvious candidates in this context.

Contextualising internationalisation standards is another, which will also remove the need to apply *ad hoc* work-arounds when evaluating schools located in large, culturally diverse countries. Accreditation standards could be further amended to include more explicit encouragements for institutionalising innovation.

Fostering diversity can also involve a critical review of the performance criteria (implicitly) applied in the accreditation process with the objective of strengthening the emphasis on impact.

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These are currently largely defined in absolute terms such as: intake quality (which tends to favour students with privileged socio-economic backgrounds); career placement and progression (measured by the ability to place graduates with blue-chip employers and salaries); research quality (based on journal impact scores); and executive education volume (ideally with international corporations as contract partners and upper management as the main focus group).

But how do these conventional achievements compare to an institution consistently lifting socially disadvantaged students onto a more stable economic path; or an institution focused on shaping regional development rather than traditional research?

While few would doubt that the latter schools are mastering the bigger challenge, they are so far falling through the international accreditation net. The label "vocationalism" is typically applied to explain exclusion. Outside the business school establishment, however, this may be perceived as a very narrow definition of "excellence" based on a socio-economically biased success metric. Creating more options for gaining market recognition may be the solution.

Strengthening diversity: Market-pull

The challenge of revitalising the role of diversity should also be tackled more fundamentally and in the light of the disruptive change currently taking place in the business school sector – the spread of technology-enhanced provision and the emerging financial non-viability of the traditional research-based business model (Hommel/Lejeune, "Major Disruption Ahead", in *Global Focus* 7(2), 2013, 10-14).

Both developments promise to alter the institutional ecology in significant ways, largely triggered by the unbundling of educational provision, competitive entry of non-academic players and the limited ability of established schools to react to these challenges due to tightening financial constraints.

New forms of institutional diversity will emerge, which will justify revisiting the scope of international accreditation. One option is casting a wider net to capture a broader range of institutions.

The unbundling of educational provision will require a more flexible definition of what constitutes a business school in an accreditation context. The future will be shaped by collaborative provision within institutional networks rather than integrated production.

Minimum scope and minimum size requirements could therefore be put on the discussion block to capture and potentially even foster the evolution of new organisational models utilising arms-length resource sharing.

More flexibility may be desirable with respect to defining an institution's minimum track record (currently formulated in terms of years in operation) to encourage market entry and in particular green-field investments by established players in related sectors.

Rejuvenating the push towards diversity

Current market dynamics will produce new forms of institutional heterogeneity, which will help to overcome the widely lamented phenomenon of global mimicry. The disruptive influence may be feared by established players but will ultimately help to foster quality improvement in the business school sector. The challenge for accreditors is to evaluate these developments prospectively and demonstrate inclusiveness when they start to materialise.

The issues raised in this article are bound to appear on the accreditation reform agenda in the years to come. Higher education is in the process of transitioning from a public to a private good and management education is leading the way.

For-profit institutions are currently mostly servicing the fringe of the market but have clearly set their sails on becoming part of the mainstream. They will not be bound by current conventions and will opportunistically embrace impact as a performance criterion.

Failing to demonstrate inclusiveness in this instance would be equivalent to Don Quixote's fight against windmills; for-profits providers will, without question, gain a sizable share of the market in the years to come and, in the process, push more diversity into the business school sector.

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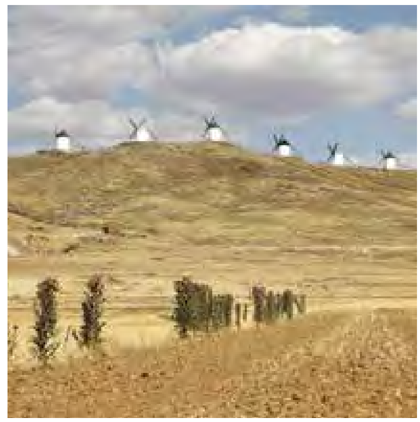

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