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AACSB's failures in guarding the ethical henhouse of business schools

Richard J Arend
University of Southern Maine, USA

Abstract

This essay is written to provoke a reaction against the Association to Advance Collegiate Schools of Business. When a business school's administration is criminally convicted of conspiracy to commit fraud and yet it retains its accreditations, something is wrong. Accreditors expect that we enforce ethical standards like "no cheating" on our students but do not enforce those standards on deans, even in cases of publicly-admitted years-long submissions of misrepresentative rankings data. That inconsistency is not lost on us, given the explicit statements such accreditors have about quality, social responsibility, and serving students—all of which are violated in their inactions when their paying members (or their graduates) are involved in harmful behaviors. Management learning is negatively affected as a result; whatever we state in the classroom about ethics is effectively drowned out by what standards are actually enforced in the real world by those who claim to provide legitimacy to our programs and give us a license to operate. So, it is time to address that. An implementable solution is proposed, one which if not adopted should lead to serious consideration of the dissolution of the Association to Advance Collegiate Schools of Business and any other accreditor who fails to provide the public service expected of it.

Keywords

Accreditation, business ethics, business schools, ethics, paradox, universities

What does it take for an Association to Advance Collegiate Schools of Business (AACSB) business school to lose its accreditation? *Temple University's Fox School of Business*[1] provides a recent years-long rankings scandal that failed to result in the revocation of its accreditations (Bleier, 2018; Larson, 2021; Lund Dean et al., 2020). While the evidence provided to a federal trial jury did not meet the AACSB's conditions for unethical behavior, it was sufficient for a guilty verdict against *Fox*'s administration for conspiracy to commit fraud.[2] Although business school accreditors like AACSB and MSCHE—the ones legitimizing *Fox*—have multiple ethics-related standards that apply to behaviors involving cheating on rankings, and although *Fox* publicly admitted to the unethical misrepresentations involved, its accreditations were never in peril. This raises the

Corresponding author:
Richard J Arend, School of Business, College of Management and Human Service, University of Southern Maine, P.O. Box 9300, Portland, ME 04104, USA.
Email: richard.arend@maine.edu

question that we consider here—*How is it that cheaters can prosper from continuing to hold accreditors' endorsements that indicate high standards, including ethical ones, are being met?*

The answers to this question matter to us-as-faculty, given we are charged with meeting management learning standards, with teaching ethics and social responsibility, and with satisfying the demands of oversight bodies like AACSB, COPE (the Committee on Publication Ethics), and others (e.g., management academies and societies). Their standards are supposed to inform and protect stakeholders, including students. But when such bodies fail to enforce minimal behavioral standards like *no cheating*, the opposite occurs—the most vulnerable are misinformed and harmed. Worse, such inaction may produce more harm because it strongly signals to the next school considering cheating, or even less ethical conduct, that those will be tolerated.

The challenging environment confronting B-Schools should *not* be an excuse for such behaviors, however. B-Schools feel increased financial and competitive pressures brought on by decreased government funding, increased global offerings, and the expectation to produce greater revenues for their universities (Fiset and Al Hajj, 2022; Kundu, 2020). Such pressures can force B-Schools to be aggressive in response (e.g. by expanding offerings with online and certificate programs and by reaching outward to recruit high-tuition foreign students). And, such aggression needs to be backed up by visible differentiation through quality signals—of accreditation and rankings—to succeed (e.g. Darley and Luethge, 2019; Veretennik and Okulova, 2022). But, seeing those pressures should make accreditors and rankings agencies more, not less, sensitive to the dangers and potential harms involved (e.g. Prasad et al., 2019).

The relative insensitivity of AACSB to such pressures, and its inaction in cases like *Fox*, seems to contradict the righteous descriptions that such accreditors publish on their home pages. For AACSB, it is: "Synonymous with the highest standards of excellence since 1916, AACSB provides quality assurance, . . . The vision of AACSB International is to transform business education globally for positive societal impact." Its values include: "Quality; Ethics; Social Responsibility; Community." Such incongruity in their words and actions is upsetting, yet remains mostly unchallenged. So, we challenge it here using the most visible example—its recent failures to enforce minimal ethical standards—to argue why accreditation is a *con*,[3] why it continues, why that matters, and how to fix it. We begin by providing background on this issue and conclude with thoughts on what this means for management learning more widely.

The background

On accreditation

Accreditation is a trusted signal that assures the public that a member institution (e.g. a B-School) meets specific minimum standards of performance and quality (e.g. Alajoutsijärvi et al., 2018; Bell and Taylor, 2005; MacKenzie et al., 2020; Romero, 2008; Veretennik and Okulova, 2022). There are two types of accreditation/standard-setting agencies (Durand and McGuire, 2005): *self-regulated* (e.g. AACSB; NCAA [the National Collegiate Athletic Association]) and *externally administered* (e.g. *Financial Times*'s B-School rankings). These comprise two effective and visible ways that schools brand themselves, and each very significantly affects the current space of management learning (Ball, 2021; Lancione and Clegg, 2015).

The concept of accreditation is based on institutional theory and legitimacy theory (e.g. Bell and Taylor, 2005). In institutional theory, organizations and their actions are influenced by the social framework of norms, values, and expectations (e.g. Durand and McGuire, 2005). Organizations-as-institutions can benefit from legitimacy. For example, valuable resources accrue to organizations that gain perceived legitimacy (e.g. DiMaggio and Powell, 1983; Oliver, 1997). Even the process of legitimation has benefits, as it can reduce contextual ambiguity and help the organization select appropriate goals (Durand and McGuire, 2005). However, maintaining that legitimacy involves taking substantive actions to meet societal expectations[4] (e.g. DiMaggio and Powell, 1983; Oliver, 1997), which is sometimes difficult.

Accreditation provides an institution with a license to operate. Accreditation is based on a rigorous assessment of whether the institution meets a set of minimum standards involving items like faculty qualifications, learning assessments, and research activities (e.g. Ball, 2021; Harvey, 2004). It is a public statement that an institution has achieved a socially meaningful threshold of quality (Bell and Taylor, 2005). Thus, accreditation decisions should be based on transparent, agreed-upon, predefined standards—ones that preclude institutions of dubious merit (Harvey, 2004). Furthermore, in the extreme, a failure to exhibit satisfactory accountability to such standards should result in de-accreditation of member institutions.

At its core, accreditation is a separating equilibrium solution to a quality problem.[5] It is AACSB's way to divide high- from low-quality schools. The choice to use a dichotomous grouping, however, makes the single minimum quality level for separation—a level that is supposed to reflect the interests of its main stakeholders—all the more important to set *and to enforce*. That separating equilibrium can only arise under certain conditions, however: First, for high-quality institutions, the benefits of accreditation (e.g. legitimacy, funding) must outweigh the costs (i.e. the efforts and resources to hold accreditation) *and* the net benefit must outweigh that of the next best alternative (e.g. a lesser accreditation). Second, for low-quality institutions, those benefits must not outweigh such costs. Third, for low-quality institutions, the benefits must also not outweigh the expected costs of cheating to meet those standards.

The AACSB advertises that it has found a balance to attract the right (e.g. high-quality) institutions while keeping others (e.g. of lower quality) out. However, finding that balance has not always been easy or without criticism. In fact, some scholars now see the AACSB accreditation simply as a necessity rather than as a process that leads to quality improvements or competitive advantage (Alajoutsijärvi et al., 2018; Kundu, 2020).

On the upsides and downsides of accreditation

Accreditation by an agency like the AACSB provides a business school with a form of legitimacy, reputation, and status that is partially transferable to its students (Alajoutsijärvi et al., 2018; Lund Dean et al., 2020). As well, accreditors lobby and windbreak for their member institutions in the political arena (Harvey, 2004), and even establish eligibility for federal funding (Khurana, 2010 [2007]). Accreditation can also be used creatively by institutions to strong-arm donors to obtain greater funding (Harvey, 2004).

The separating equilibrium provided by accreditation is valuable in several other ways: Primarily, it is advantageous to consumers trying to choose a better business school out of a long list of candidate institutions, where being better entails factors like verified instructor qualifications (Adler and Harzing, 2009; Fiset and Al Hajj, 2022; MacKenzie et al., 2020). Secondarily, it is valuable when used over time to increase the minimum standard of the educational experience. In addition, when deans are involved in the inspections of other member schools, there are opportunities to learn better practices to use at their own schools, in addition to opportunities to network for the benefit of their programs.

However, accreditation, especially for the AACSB, also entails significant concerns. Some believe that the criteria used are of dubious sensibleness, and the process is costly, wastes time, generates pointless paperwork, and reduces institutional efficiency (Avolio and Benzaquen, 2020; Ball, 2021; Cameron et al., 2022; Fiset and Al Hajj, 2022; Friedman and Friedman, 2022; Saurbier, 2021; Yunker, 2000). Others believe that the product of accreditation is a public-relations document overstating an institution's strengths while concealing the weaknesses it actually needs to address (Barron et al., 2022; Harvey, 2004; Lund Dean et al., 2020). The *accreditocracy* created—embodied in the powerful influence of agencies like AACSB—is unhealthy (Avolio and Benzaquen, 2020; Julian and Ofori-Dankwa, 2006). For example, accreditors often fail to critique the existing model of assessment, and instead emphasize already-established, problematic values like greed (Lancione and Clegg, 2015).[6]

On the AACSB

The rapid increase in the number of business programs around the world has made AACSB accreditation more important than ever as a form of quality assurance to buyers of educational services (Jack, 2022; Romero, 2008). It has become the gold standard for B-Schools, especially at the graduate level (Ball, 2021; Friedman and Kass, 2016). As such, it has had a significant influence on the historical development of business education (Fiset and Al Hajj, 2022; McKenna et al., 1995).

The AACSB began in 1916 with a meeting at Chicago's University Club among 16 US business school deans (Khurana, 2010 [2007]). It has evolved its standards over time, often doing so strategically. For example, based on the Porter and McKibbin's (1988) report, it altered its standards to be *mission-focused* while it internationalized—changes that were more consistent with expansionist and protectionist, rather than pedagogical (or human rights–oriented) considerations (Lowrie and Willmott, 2009). In 2013, an explicit emphasis on ethics in the standards occurred, stirred by the financial scandals of the previous decade that were, to some, too often associated with AACSB-school graduates (Lowrie and Willmott, 2009). Notably, the AACSB has a long history of being unwilling to sanction violating schools—with roots back to 1941 and the Gordon-Howell report (Khurana, 2010 [2007]).

The AACSB has also been blamed for the rise of media rankings—because it failed to provide meaningful self-regulation (Khurana, 2010 [2007]) and more granular quality segregation of its members (Friedman and Friedman, 2022). While the AACSB complains rightly about the subjective, unjustified, unscientific determination of most rankings, many academics that there is very little evidence that its own standards, measures, and processes are any more established in science (Bell and Taylor, 2005; McKee et al., 2005). There is an unfortunate lack of published, hard, and systematic research on its own positive impact (Cameron et al., 2022; Romero, 2008). By not addressing the calls from the public to objectively differentiate between the best, good, and not-so-good B-Schools, it paved the way for those who profitably could. And, by not addressing the requests of faculty and other stakeholders to prescribe and audit standards for a B-School's responsibilities (e.g. about rankings), it has tacitly accepted a level of irresponsibility that many feel very uncomfortable about (Alajoutsijärvi et al., 2018).

That noted, the AACSB has done some things right: To its credit, the partial auditing of members that includes on-site visits and the use of externally visible measures (e.g. ratios of academically qualified instructors) both act to increase the costs of cheating and the probability of being caught, at least with regard to their own accreditation processes. Furthermore, their 2013 and newer standards more clearly force members to engage with ethics, social responsibility and impact, and sustainability (e.g. Alajoutsijärvi et al., 2018; Wagner, 2023). There is even evidence that AACSB's recent concern over business ethics has had some positive effect on students' abilities to identify less ethical practices (e.g. McCarthy, 1997; Okougbo et al., 2021), although it has not translated into more ethical behaviors (Friedman and Friedman, 2022; Stevens, 2021).

To AACSB's debit, though, it has been justly criticized over its perceived behaviors—including in its explicit inactions, and in its associations. Such choices have jeopardized its legitimacy as a socially responsible entity. For example, in the wake of brazen frauds by the likes of Enron, Worldcom, Tyco, Global Crossing, and others—many of which were led by alumni of AACSB-accredited institutions—the AACSB maintained an awkward silence (Lowrie and Willmott, 2009; Swanson and Frederick, 2003). Furthermore, its accreditation process has been criticized for over-emphasizing "the ends (accreditation labels) over the means (quality improvement)" (Alajoutsijärvi et al., 2018: 218). And, an uncomfortable mystery remains about what it does when a member is caught cheating, *given no school has ever had its accreditation revoked by AACSB*.

Overall, research has identified a broad array of problems with the AACSB (and with accreditation more generally). That array extends further than the focus here, to issues like: putting its own business success over academic quality; overcharging for services; corporatizing its members; bolstering members' unnecessary, costly, and hand-tying bureaucratizations; and pushing, alternatively, a neo-liberal globalization, a UN-centric agenda, elitism, patriarchy, pro-Western (English-speaking) journals, conformity, dispassionate research, and research focusing on developed nations' problems over others (e.g. Bell and Taylor, 2005; Friedman and Friedman, 2022; Lowrie and Willmott, 2009; Paulsson, 2017; Prasad et al., 2019; Wagner, 2023).

On the connection of accreditation to rankings

When self-regulated accreditors fail to provide sufficiently strong and differentiating quality signals, then external accreditors—in the form of media rankings—fill that profitable void. Thus, for most of the AACSB's member schools, the quality-signaling game does not end with accreditation. That extended game—in the form of rankings—has repercussions on underlying ethical and reporting standards for the AACSB itself.

Rankings elevate the stakes and competitive intensity of quality-signaling. Rankings are a fixed-pie, *Red Queen* challenge to the top 100+ highly funded and accredited schools. Rankings sort quality at a more fine-grained level, both in terms of focus (e.g. on the full-time MBA; on the finance program) and tier (e.g. a top-10 school). But, there are significant problems with B-School rankings. Most of these problems arise because of a lack of serious auditing by rankings agencies to confirm the veracity of the data underlying the rankings components, and a lack of scientific rationale underlying what that data measure and how individual data items combine into a legitimate overall quality metric (Fiset and Al Hajj, 2022; Lund Dean et al., 2020). Other problems arise because many of the rankings agencies appear underqualified to run such analyses and face significant conflicts of interest in doing so (e.g. because selling more magazines or access fees to detailed reports requires churn in the rankings—which itself requires regularly altering analyses). We set aside these issues at the rankings agencies so we can focus on the accreditors here, and the AACSB in particular.

The primary way that rankings affect accreditation is through cheating—by supplying false data about student quality or success. Now consider some facts about cheating in rankings: First, it happens regularly. Some very well-known programs have admitted to or been credibly accused of (i.e. with specific evidence offered, or punishing actions taken) cheating in rankings (e.g. Temple; Rutgers; Tulane; Emory; George Washington; IE; Baylor; Clemson; Iona; and others).[7] Second, it occurs because the benefits are very high. The benefits are high privately, as the livelihoods of deans are heavily influenced by how their programs place and improve in such rankings. In addition, the benefits are also high publicly, as there is a virtuous cycle to superior rankings that improves recruitment of students and faculty, the ability to charge higher tuition and fees, the desire for alumni and donors to contribute, and the desire of employers to hire more highly ranked graduates, which all lead to an increase in resources at the school to upgrade rankings-relevant investments (see https://www.bostonmagazine.com/news/2014/08/26/how-northeastern-gamed-the-college-rankings/). Third, the cheating occurs with a school administration's knowledge, encouragement, blessing, and protection (and even to the extent of intimidating and harming whistleblowers). Fourth, the accreditors know all of these facts.[8] Fifth, such rankings-relevant cheating explicitly violates the ethics standards of accreditors. In the case of AACSB, such cheating violates their *Guiding Principles and Expectations for Accredited Schools* (updated July 1, 2021): "The school encourages and supports **ethical behavior and integrity by** students, faculty, **administrators**, and staff **in all its activities**." And "Any school that **deliberately misrepresents data** contained within an accreditation report or within AACSB's Business School Questionnaire **is subject to revocation of accreditation** status . . ." (bold added for emphasis). Sixth, the AACSB has never revoked the accreditation of any business school caught cheating their rankings.[9] These facts lead to the unfortunate conclusion that the AACSB tacitly condones rankings cheating (given that their failure to rescind accreditation implies that such behavior is acceptable under their standards).

The accreditation con

Simply, accreditation is a con because it is *revenue without responsibility*. The revenue comes from providing the accreditation and its associated services (e.g. training) at substantial fees (Lowrie and Willmott, 2009). The lack of responsibility comes from a deliberate decision *not* to revoke accreditation of any member school admitting to rankings cheating.

Making money by doing something that has exactly the opposite effect of what is being sold is a con (Kerr, 1975). What is worse is that such a con protects the guilty, presumably as long as they keep paying for membership, and even encourages further cheating—all leading to further harms to their most vulnerable stakeholders (i.e. the misinformed students).[10] This con sacrifices the public's welfare for the private gain of a small set of private, powerful persons.

And, it is nearly a *perfect con* because of how accreditors like the AACSB are protected. The protection emerges from the imbalance of the relevant incentives. First, consider the high costs of doing the right thing by investigating and confirming the rankings cheating, and then rightfully revoking accreditation. These include: the expenses of conducting an investigation; any legal costs associated with doing the investigation and defending any subsequent revocation; the costs to members whose accreditation is revoked (e.g. in image and fundraising); and the costs to the accreditor from losing membership fees and reputation. Now, consider the benefits of doing the right thing. These include: adding legitimacy to accreditation standards by enforcing them; reducing bad behaviors of member schools by warning other potential cheaters that such behaviors won't be tolerated; adding value to accredited non-cheating members by reducing the cheaters that they have to deal with; and saving money and embarrassment to students who would have otherwise chosen, or would need to transfer from, a cheating school.

Comparing the costs and benefits of doing the right thing indicates that not only are they significantly imbalanced in weight but also in the distribution of that weight. On the one hand, there are large costs spread over only the accreditor and those few members who have their accreditation revoked. On the other hand, there are relatively small benefits spread over the accreditor and a very wide span of stakeholders who see the cheaters punished. This comparison indicates that the accreditor has *no private interest in doing the right thing*. Furthermore, this comparison also indicates that if the accreditor were to do the right thing, then it should expect a significant and concerted negative reaction from those few who feel the concentrated costs of that action. On the other hand, if the accreditor were to continue *not* doing the right thing, it should *not* expect those who are each harmed to varying but mostly minor degrees by that inaction to suddenly find the energy or coordination to hold it accountable. So, it is no surprise that the AACSB has not done, nor can be expected to do what we believe is the right thing, at least as conditions have stood and currently stand.

Our description of the con implies that accreditation has a significant negative impact on stakeholders that is likely to continue. And, while accreditors do care about ethics on one level—in print and in assessment standards—they do not appear to care on a more important level—to enforce minimum standards on members or on even themselves (e.g. through independent oversight or transparency). Many of their stated ideals and purposes (e.g. promoting social impact and the continual improvement of education) are admirable, but we join the critics who believe that the translation of these into practice has been and continues to be rather poor (e.g. Jack, 2022; Stevens, 2021; Wagner, 2023). Accreditation has meaning to many stakeholders (e.g. as a valuable quality signal), and in theory can produce important social benefits, but such potential has been placed at risk by accreditors apparently acting more for their own private interests in power and profit than for the public's informational and educational interests.

Solutions—general and specific

Responsible scholarship not only identifies and analyzes what is broken but also tries to help fix it. Here, we see the mind-set of *reorganization bankruptcy* as a useful analogy for how to fix this situation—the potential value of accreditation exists, but it requires a change in management and a multi-step journey to its realization. This means starting with what now exists as the accreditation model—both the good (e.g. the value of the brand and its global reach) and the bad—because realistically it simply won't dissolve on its own. So, we take a *reformist* rather than replacement approach. We do so because we do *not* have the scope and depth of evidence that indicates that accreditors are so corrupted and riddled with problems as to be completely irredeemable; in fact, we have argued that they have done some good. On the other hand, we have also argued that they do sufficient harms to justify the effort and expense necessary to attempt significant reforms, starting with enforcing minimal ethical standards. However, if they reveal that they will oppose such reasonable reforms, then that would be evidence that replacement should be newly and seriously considered.

As it stands, accreditation is a perfect con. Given cons are not good, by definition, what can be done? First, those who feel the injustice and hypocrisy of such a con can complain *individually* to the accreditor. Unfortunately, that does very little because accreditors like AACSB have been unresponsive. In this case, AACSB shields itself, both its self-imposed bureaucratic procedures that impede its ability to look at solutions regardless of its own published mandate to accelerate innovation and its loosely worded standards that it uses to rule out the application of its ethics standards (e.g. when it self-servingly finds the violations are not sufficiently pervasive or systemic, or it feels that the misrepresentation made did not affect accreditation itself). Second, efforts could be made to coordinate the many stakeholders negatively impacted by such cheating and have them *collectively* pressure the accreditor—through their associations, groups, blogs, college groupings, politicians, press, and so on. Articles could draw attention to such problems and call for such collective action, pointing out that the standards that we hold our own students to—*no cheating*—are reasonable standards that we should hold our deans to as well. And, we could start the process of publicly shaming the AACSB by auditing them to find out exactly what behaviors currently are being rewarded that might be problematic (Kerr, 1975).

Better yet, we could propose a solution that mitigates the costs, the liabilities, and the dirty work of the revocation process for the accreditor—a solution that, if *not* accepted by the accreditor, then reveals them as opposed to needed ethical reform. Such a solution would seek to change the way things now stand so that the con becomes untenable. It would leverage the weapons the AACSB already has to effect such change (Navarro, 2008). And, it would do more than simply call for the AACSB to enforce an obvious floor to accreditation that the member school be run in an ethical manner (Friedman and Kass, 2016).

Our proposed solution leverages the existing power and legitimacy of AACSB as an accreditor, in addition to the voluntary nature of accreditation itself (Julian and Ofori-Dankwa, 2006), all to push the costly and difficult work back onto the cheating members (i.e. where *the burden of proof is on the school* (as explicitly expressed in AACSB's 2004 standards), and where the failure to provide sufficient documentation is taken as a failure to properly implement accreditation standards (Julian and Ofori-Dankwa, 2006).

Under this solution:

1. When an admission of cheating is made, accreditation is immediately revoked.
2. When a credible accusation of cheating is brought to the accreditor's attention, then the accreditor holds the accreditation under probation publicly until the member institution provides a third-party audit or investigation—one that either refutes the accusation or confirms it. (The same applies to any other severe ethical violation that is unlikely to be resolved internally at that member institution).
   (a) If the audit/investigation determines no wrong-doing, the probation is lifted, and if not, the accreditation is revoked and that report is made public.
3. The revocation lasts at least 2 years, and possibly longer, depending on the cooperation of the member with compliance and transparency.
   (a) For that member institution to become re-accredited, the persons responsible[11] must be removed from their positions, any of their gains from cheating must be reimbursed, and any whistleblowers who were damaged by any retaliation must, at a minimum, be made whole.
   (b) It is left up to students (and other stakeholders) who feel harmed to seek their own legal recourse, but they can use the public report as evidence.

This solution mitigates most of the accreditor's costs from having to deal with rankings cheating cases. It allows the accreditor to side-step any direct responsibilities to investigate complaints or produce findings, leaving members with only third parties to blame or to sue. It incentivizes faster resolutions than alternatives like the courts. It is readily implementable. It protects those harmed by cheating and decreases the incentives for such bad behavior. And, it is simple,[12] transparent, and fair. Essentially, it alters the cost–benefit–risk calculus in favor of doing the right thing, not only for the accreditor itself, but also for its members. This also implies that if the accreditor refuses to adopt such a solution, then something else must be at play, something that needs to be brought into the light of day.

The implications

> "If the AACSB's rhetoric and standards are ever going to turn into reality, it is critical that this institution undergo some internal reflection to determine just exactly why it has failed to effect the appropriate changes." (Navarro, 2008: 120)

On why nothing will change

There are many reasons to believe that our accreditors will *not* change their unfortunately harmful behaviors. There are practical reasons to not change (as summed up in the cost–benefit analysis above). There are also theoretical reasons why change is unlikely: Normative institutionalists see such corruption as distinctively integral to any institution, including universities and their accreditors (Thompson, 2018). Social conflict theorists see bad behaviors being made acceptable for the elites by such enabling bodies as the AACSB (Petrocelli et al., 2003) given the mutual benefits involved in that exchange (Huang and Knight, 2017). Furthermore, without any de-accreditation occurring (due to the lack of detection, investigation, or diligence by the AACSB—steps that form the basis of deterrence theory (Comey, 2009)), differential association theorists expect that those bad behaviors will be learned by others (Pratt and Cullen, 2005). The unfortunate wider outcome is that such bad ethical systems can have pervasive negative effects; accreditors like the AACSB do have agency, which—when unchecked—enables them to inform, guide, and steer judgment in decision-making in the *wrong* direction (Moser et al., 2022), as we have argued here.

Why this is bigger than the AACSB

While the AACSB is perhaps the most visible and historic accreditor affecting B-Schools, it is not the only accreditor failing to act responsibly. EQUIS (the European Foundation for Management Development's Quality Improvement System), AMBA (the Association of MBAs), and the IABSP (the International Association for Business Schools and Programs) all had the opportunity to comment on the *Fox* trial outcome, and when repeatedly asked (by us, through email and website contact) whether they would revoke its accreditation, all remained silent.

The inability to uphold ethical standards does not end with accreditors. For example, consider COPE's inaction with editors, journals, and publishers that don't take serious investigative steps when confronted by credible allegations of unethical behaviors; that don't punish those involved in retracted papers; that don't provide journal process transparency; and that don't enforce even basic standards about issues like editorial and reviewer conflicts of interest, all while implying that they do: "Promoting integrity in scholarly research and its publication. COPE provides leadership in thinking on publication ethics and practical resources to educate and support members . . . ." It simply provides guidelines and expects to see procedures at its member journals work correctly—even procedures that are known to be garbage-in-garbage-out and easily manipulated. It is yet another organization that advertises high standards but lacks both the capacity to investigate ethics issues and the veracity to enforce those standards.

The effect on higher education globally

"Truly great universities are one of society's greatest assets" (Garten, 2006). Many universities worldwide have tried very hard to prove that they are truly great, through rankings. Too many have tried in ways that have not been great (Lund Dean et al., 2020; MacDonald and Kam, 2007). US-based and non-US-based accreditors have only added fuel to that dangerous signaling fire. Rankings systems are a global phenomenon in higher education, but one that is inconsistent, volatile, and often inherently unfair (Adler and Harzing, 2009) because accreditors do not provide the kind of standards information and enforcement that they should, regardless of what they state.[13] To that point, perhaps accreditors should publish information about the number of graduates of member schools who go to jail for business fraud so as to provide a more balanced picture and basis for investigation and improvement of which behaviors are being developed in those programs (Adler and Harzing, 2009). Furthermore, global expansion by accreditors is too often done in ways that valorize their business models at the expense of fundamental ethical, social, environmental, and political concerns—an approach that can severely limit the potential benefits of management education. To many in our field, it is intolerable when any such body accepts violations to what are considered the minimum acceptable ethical standards (however chosen, representing whatever global region) simply for expansionist profit (Friedman and Friedman, 2022).

How management learning is shaped as a result

We all learn by example. So, what do the recent business crises of 2000 and 2008 teach our students, where in the latter case no CEOs went to jail? What do college admission scandals teach our students about the integrity of our top universities? What does the *Fox* administration's criminal convictions teach our students about how we-as-institutions do business, let alone about what, if anything, our accreditations are worth? Students learn some highly visible lessons in hypocrisy. Management learning becomes warped, such that regardless of what we espouse in the classroom, and what we grade as the correct ethical answers, the students know it is all a façade that is created to provide cover and exploit the naïve who actually believe that posted standards are real.

The conclusions

We hope that the AACSB can be as interested in serving students and faculty as it is in serving the deans who constitute its real members, committees, boards, and auditors. Note that our proposed solution protects students and faculty but also expectedly ensures that some deans (and perhaps dean-ship itself) will be disgraced. If that is the real reason for not adopting our proposed solution, then it would be ethical for the AACSB to simply admit it. Absent that, it would be useful if the AACSB made the effort to explain why it won't change or consider adopting such solutions. Currently, the AACSB's ethics and behaviors do not *serve outside purposes* (Swanson and Frederick, 2003); they will require a watchman if they do not increase their transparency and enforcement.

While we have outlined some next steps above, we add details here on how to make progress in our call to action: First, we should request the relevant press (e.g. *poetsandquants; insidehighered*) to cover the issue further and demand a formal public response from AACSB (and the other accreditors). Failing movement from the accreditors, a push could be made for governmental inquiries to investigate whether AACSB (or EQUIS) is doing its job for its constituents, especially given the public funds at stake. In terms of who will bring this into the light of day, besides the "us" of faculty and other stakeholders (e.g. alumni), it would be the press. We believe that we need to start somewhere, but essays like this can only do so much, mostly by helping to create awareness. Once awareness exists, it may be easier to introduce calls for B-School faculties to vote on, or sign off on, reforms to get their deans (and other stakeholders) to commit to pressuring the AACSB (or EQUIS) to improve. Even having each faculty, as a unified whole, press for meaningful dialogues with the accreditors to *flip the script* and assess them for whether they are worthy of accrediting us would send a strong and valuable message that may awaken action in these too-powerful accreditation bodies.

Accreditation is good in theory but thus far is badly corrupted in practice. It suffers from several significant problems. One glaring problem involves enforcing meaningful ethical standards; it is a problem with a solution that no accreditor has yet chosen to consider. And, that is a bad sign of things to come. So, to push back, we need to be involved directly to start the process. Please, just take a moment to consider the time, effort, and coordination that go into accreditation at your institution; then think about using some of that energy to push back next time—so as to make sure that the accreditor meets your minimum ethical standards. This is what our real moral duty now demands.

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ORCID iD

Richard J Arend https://orcid.org/0000-0001-8469-3024

Notes

1. As reported in insidehighered.com and other outlets in mid-2018—see, for example, https://www.insidehighered.com/news/2018/07/11/two-accreditors-are-investigating-whether-temple-violated-standards.
2. See https://www.cnn.com/2021/11/30/us/temple-university-dean-guilty/index.html. Note that when we refer to the AACSB we mean AACSB International (AACSB being the acronym for the *Association to Advance Collegiate Schools of Business*).
3. We use the term "con" because it captures the idea of an unfortunate deception—one that is not illegal but is unethical and has proven harmful.
4. In terms of the norms, values, and expectations—a relevant example of a *norm* (as a rule or an expectation that is socially enforced) is *honesty*; a relevant example of a *value* (as a broad preference concerning appropriate courses of actions or outcomes) is *respect for diversity*, *equity*, and *inclusion*; and a relevant example of a *social expectation* (as an implicit rule that governs one's reactions and beliefs in a way that is deemed acceptable by society) is *striving to improve*.
5. This refers to a mechanism that results in a stable outcome where agents with different characteristics choose different actions—in this case, high-quality universities choose AACSB accreditation and low-quality ones do not.
6. Accreditation entails many further benefits and costs (Trifts, 2012). Benefits include: the growth of social impact measures and acting as a signal to attract high-quality faculty. Costs include: continuous training; potential salary compression or inversion; a lack of innovation on campus; increased stress on faculty to publish; distrust between administrators and faculty; increased distrust over quality between schools and their communities; and the dilution of differentiation (Baldo et al., 2020; Ball, 2021; Bell and Taylor, 2005; Friedman and Friedman, 2022; Nicley et al., 2022; Prasad et al., 2019). Relatedly, there have been disappointing (i.e. non-significant or negative) empirical results regarding what were expected to be accreditation's positive effects on: enrollment; sexual discrimination; higher salaries; and business community engagement (Krishen et al., 2020; MacKenzie et al., 2020; Okulova and Shakina, 2022). Overall, it appears that the net benefits of AACSB accreditation may not be attractive for many universities (Cameron et al., 2022).
7. Regarding the cheating cases, the links to the news stories include, for AACSB-accredited schools: https://www.washingtonpost.com/local/education/five-colleges-misreported-data-to-us-news-raising-concerns-about-rankings-reputation/2013/02/06/cb437876-6b17-11e2-af53-7b2b2a7510a8_story.html for Tulane, Emory, and George Washington; https://poetsandquants.com/2018/01/30/financial-times-excluded-ie-from-ranking-due-to-irregularities/ for IE (also EQUIS and AMBA accredited); https://www.inquirer.com/news/rutgers-college-rankings-temple-lawsuits-20220422.html for Rutgers; http://archive.boston.com/bostonglobe/ideas/brainiac/2009/06/did_clemson_gam.html for Clemson; and https://www.bostonmagazine.com/news/2014/08/26/how-northeastern-gamed-the-college-rankings/ for Iona and Baylor. Note that these stories describe cheating that occurred over multiple years (as such

behaviors tend to ratchet up).

8. Cheating occurs because the administration benefits from it. Administrators must sign off on the numbers they report. Given the stakes involved—their careers—sometimes they will attack whistleblowers. The AACSB admits in their presentations to being informed of ongoing issues about meeting accreditation standards including ethical concerns by faculty, regularly. There is even a process for addressing them (https://www.aacsb.edu/educators/accreditation/policies-and-procedures), one that includes a whistleblowing policy for reporting such ethical violations.
9. Repeated attempts to obtain a reply about this anomaly from AACSB have been unfruitful.
10. Harms include: going to schools that they would not otherwise go to; paying too much for the quality provided; the cost to transfer to a different school when the fraud is exposed or having their degree devalued when it is exposed; and feeling exploited and losing trust in the faculty and staff who should have done something. The evidence of these negative impacts includes: the civil lawsuits filed by affected students, whistleblowers, and federal funding agencies seeking damages, and even criminal complaints at the federal level (in the *Fox* case).
11. In this solution, the dean must sign off on the veracity of the accreditation's ethics adherence each year so that any cheating would tie directly to that position.
12. To be clear, simple is relative. The efficacy of the solution remains dependent on what the accreditor considers evidence and systemic abuse of standards. To address that, we suggest the accreditor publicly adopts a more explicit set of violations, including rankings cheating. The set could be based on a vote over what is a violation. That vote should involve current member institution's non-administrative stakeholders, including faculty—that is the ones carrying out the educational activities that accreditors like AACSB have the mission to improve. We also suggest using experts outside of AACSB for determining what evidence and systemic abuses actually are.
13. Others have argued that accreditation can be a harmful neo-colonial tool (Darley and Luethge, 2019) that inappropriately promotes western values, or a form of rational myth (Meyer and Rowan, 1977) that harms the efficiency of the schools that hold it, or an ideology with questionable purpose. These are issues worth exploring in future work.

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