Scientific contribution

Accreditation and Rankings of Universities: Theory of Global Accreditation in the World of (Dis)Order

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Abstract:
At the beginning of the third decade, the time of great uncertainties and disorder, higher education institutions re-discovered that accreditation and rankings serve as the visibility mechanisms to attract students, partners and stakeholders. The goal of this paper is threefold: to introduce the Theory of Global Accreditation (TGA) for different organisations (universities, firms, and business schools), to illustrate changes which take place as a result of accreditation practices and to reflect some trends in the market of global education with different accreditation and ranking schemes. Although the word 'Accreditation' is used from 1535, the accreditation trends became the new "political" phenomenon in the 21st century. The paper answers the questions: why and how do organisations seek the international accreditations and what are their impacts. The explanation of an observed phenomenon is helpful in a new world disorder filled with crises in multiple fields, and TGA can answer some practical questions of different academic and business organisations as well as different stakeholders as well as facilitate in predicting and grasping the level of expected changes. The examples of accreditation practices are provided for the global business education and in the European Higher Education Area, in line with rankings with the explanation how they become an 'accelerator' of higher education reforms with the growing impact on the landscape of higher education. It is also perceived that international accreditation and rankings agencies can expand their services becoming the potential areas for consulting, research and science diplomacy in the new world of global disorder.

1. Introduction

1.1. On International Accreditation and Rankings in higher education: 21ˢᵗ century

At the beginning of the 21st century, Van Damme (2001) justified the need for a new regulatory framework for quality assurance (QA) and accreditation mechanisms within the force of globalisation depending on universities' regional location in the world. By that time, it was clear that globalisation with its economic, political, and societal forces should be linked to the scientific community, the Internet, the worldwide inequality with McDonaldisation of universities and other factors, with accreditation schemes moving beyond national agencies towards being internationalized and commercialized (Altbach, 2004; 2007).

From the 2020s, the world has been changing at an ever-faster pace with its rapid digital communication patterns imposed by Covid-19 to universities and businesses. In addition to the ecological crisis, the time of great uncertainties in many areas of life, the time of a global (dis)order with the changing markets and the new challenges for higher education set the scene for 2023. Within the time of great uncertainties, HEIs also "re-discovered" that accreditation and rankings might serve as the visibility mechanisms to attract more students, partners and stakeholders. On the other hand, HEIs could get themselves on the international map and benchmark on best practice as a tool for comparison.

The term **"accreditation"** is "a form of quality assessment where the outcome is a binary (yes/no) decision that involves the granting of special status to an institution or programme" according to OECD (2009). The distinctive characteristic of accreditation with various "Quality seals" compared to other QA models is the involvement of external partners - stakeholders with a specific interest in the quality of education provided (governments, associations, employers or professional bodies). The international accreditation refers more to value and organisational culture: "Societal culture and the apparent imposition of 'Western' neoliberal educational and management values onto the rest of the world must also be considered" (Collins, 2015). It is awarded after an in-depth analysis of an institution and aims to establish: whether (a) its objectives are appropriate, (b) plans are suitable to achieve its objectives; (c) actions conform with the plans and (d) whether they are effective (Marconi, 2013). International accreditation allows universities to shift its position ahead in their order of rankings, climbing to the upper place on this ladder. In the light of the quickly changing accreditation market, where The Economist and Forbes´ rankings are disappearing, it is important to understand a role of organisation (business-school, university, etc.) in "accreditation club": who it is (DNA), where it is coming from (history), where it is going (strategy), what it wants to achieve (transformation) vs. other members of club (Kahn, 2023).

Accreditations and rankings are both signal the quality of the services offered by a university, but they work differently. Formal quality assurance comes in the form of accreditation, quality audit, and quality assessment (Hoffman, 2013). Whereas accreditation and QA have been used as transparency instruments mostly on the initiative of governments, university rankings have appeared as a result of private initiatives (Jongbloed et al., 2018). Unlike accreditations which combine self-evaluation reports, physical or online peer visits with involvement of different organisational units of organisation, rankings publish annual results, more accessible: they do not require special efforts from the organisation in terms of resources. Despite criticism, rankings are becoming an 'accelerator' of higher education reforms, the international measure of quality with the growing impact on landscape of higher education, geopolitical positioning of nations/universities in terms of building a shared sense of societal purpose and identity (Hazelkorn, 2017).

2. Materials and Methods: Theory of Global Accreditation (TGA)
2.1. Materials

Word 'Accreditation' is used from the year of 1535, originating from a Latin 'accredere' (give credence to). In its modern meaning, the broad meaning of accreditation remains as it was in the 16ᵗʰ century. In terms of business education, accreditation is the process by which an academic programme holds itself out for review by an external organisation, to

be measured against a set of predetermined standards. The theory of Global Accreditation (TGA) (Istileulova, 2018) was developed on the examples of business schools (independent Economic Universities/structures) with the institutional top-accreditations (institutional AACSB-EFMD), and briefly presented below. It explains the phenomenon of international accreditation from the economic perspectives and interprets why and how the organisation (which applies for accreditation seal) behaves, especially in the time of great uncertainty (global disorder). In addition to its explanation how organisations behave during the international accreditation practices, the TGA also predicts the general trends that take place on the related market of higher education.

The Theory of Global Accreditation (TGA) addresses the following research questions (RQ): Why and how do organisations (universities/business schools/firms) seek the international accreditations and what are the impacts of accreditation practices? Based on the qualitative and quantitative analysis of five case studies of top-accredited business schools (with AACSB and EFMD accreditations) and the institutional theory´s framework, the following answers to the listed RQ are provided:

1. Organisations **(**universities/business schools, etc.) seek international accreditation due to the legitimacy practices (RQ: Why?);

2. Organisations take the accreditation either as a business opportunity or follow the suggestions of the formal leader (agent of change) (RQ: How?);

3. During the accreditation phase, organisations undergo the key isomorphic change (linked to *organisational values):* **mimetic, normative, coercive changes** (RQ: What are the impacts?).

4. If the brand of international accreditation is strong, organisation with the acquired accreditation sends the additional strong signals to their rivals with the information asymmetry and bandwagon trends (RQ: What are the impacts?). Bandwagon trends are a 'domino' effect, when there is no assessment of innovation (in this case - accreditation), just its adoption (Secchi & Bardone, 2013).

Organisational change can take place without bandwagon or information asymmetry effects in the case of the first-mover (in the local/national/regional market). Organisational change turns into the institutional change under the following conditions: (i) practices of accreditation are being spread across the professional fields; (ii) other organisations in local/regional markets copy this practice through competitive bandwagon trends (with a domino/virus effects) among professional organisations.

Thus, both organizational and institutional change occur through, at least, three mechanisms of coercive, normative, and mimetic isomorphism according to DiMaggio and Powell (1983, p. 150): coercive isomorphism is a result of political influence; mimetic one - as a standard response by imitation; and normative one - as a result of professionalization. In the time of globalization (uncertainty, and disorder), there are more obvious processes with information asymmetry´s reduction (with Quality label) and bandwagon trends (differently from mimetic trend, where there are some attempts to assess it). The TGA was developed based on the analysis of materials (interviews and surveys) of business schools from the Central and Eastern Europe (Croatia, Poland, Slovenia and Russia) with the top-awarded international accreditations with the Quality Seals from AACSB and EFMD as well as their competitors/rivals, and the potential employers. The institutional theory was applied as a main theoretical framework. In addition, the round of interviews/surveys of three top business schools from the Baltic state (Lithuania) and one top-business school from Central Asia (Kazakhstan) with few accreditations were collected and analysed. In addition to PhD courses, the author took special courses on a Theory development course in 2015 from Arun Rai (US), Regents' Professor of the University System of Georgia, the Howard S. Starks Distinguished Chair at the Robinson College of Business at Georgia State University and the course on Qualitative methods in EIASM (European Institute for Advanced Studies in Management) from Anne Kovalainen, Päivi Eriksson (Finland), and Da-

vid Silverman (UK). The Russian, East European, and Eurasian Center (REEEC) at the University of Illinois, supported research through a provision to the library access during the researcher´s visit in 2012.

2.1 Method: Theory of Global Accreditation (TGA) in the time of global disorder
The TGA (2018) can be turned into a method to apply its mode of observation: a theory becomes also as a research method to treat itself as an object of observation. In addition to its explanation (above), the TGA also predicts the following trends in the time of global uncertainties (disorder) which are manifested through the following observations:

1. Isomorphic effects of organisations with the international accreditations are becoming more evident as the pathway towards the national, international legitimacy;

2. The competitive rivals catch up accredited organisations by applying for the same or similar accreditation practices; Therefore, to meet this demand, there will be a growing supply with various accreditation schemes and rankings;

3. The younger the organisation/institution, the greater the degree of change in its initial accreditation practices;

4. The greater the number of institutional top-accreditations, the higher the degree of organisational change;

5. The process of acquiring the first international accreditation is an expected legitimacy of local/national market, two accreditations - international market and the triple as well as the multiple accreditations serve for power and legitimacy, where each additional accreditation and reaccreditation speed up the initial level of change;

6. In the case of first-movers with accreditation practice, the initial bandwagon or information asymmetry might be missing, however, other isomorphic changes are present;

7. The institutional change takes place in the local market at the time, when competitive organisation start reproducing the analogous accreditation practices with a bandwagon;

The institutional theory is a theoretical underpinning for the Theory of Global Accreditation (TGA) which can be applied for different regions and countries for QA practices (accreditations – in education/Total Quality Management (TQM)- in business). Any accreditation serves as a useful starting point to offer value as a reference for comparison between several choices. The accreditation status (depending on accreditation body) always influences (to a certain degree) the positions in university ranking.

3.   Results and Discussion: accreditation and rankings as quality differentiators
Zammuto (2008) predicted two trends with the growth of for-profit universities and the globalisation of higher and business education with the diffusion of accreditation as a quality differentiator. In addition to the accreditation assessment criteria, values, roles, processes, costs, there is also a certain influence of each accreditation. Elliott and Goh (2013) note, accreditation is a pervasive global trend with its influence in other countries.
As far as the business education is concerned, there are three **main accreditation bodies** with the global recognition levels known as "triple-accredited" (AACSB-EFMD-AMBA). It is considered that even one of these international accreditations provides the assurance of high quality for a management or management programme. Association to Advance Collegiate Schools of Business (AACSB), the American agency is over 100 years old, it is widely recognised as an elite business school accreditation, despite losing its recognition by the Council for Higher Education Accreditation in 2016 (Hawes, 2017). The British Association of MBAs (AMBA) focuses on accreditations of schools with MBA programmes. The European Quality Improvement System (EQUIS) was launched by EFMD only in 1999 when the challenge of creating a European market for higher education was first on the

political agenda (Shenton, 2010). **Figure 1** indicates not only the potential accredited members, but the potential growth of EFMD as the global body with global trends; **Figure 2** – current number of accredited HEIs in the 1st quarter of 2023.

Figure 1. List of EFMD members, 2023. Source: https://www.efmdglobal.org/#;

Figure 2. Number of accredited b-schools, 2023. Source: https://www.efmdglobal.org/accreditations/business-schools/equis/

If we understand the concept of ´global disorder´ by giving it definition as a disruption of norms, rules and behaviour on a global scale, in this sense, the demonstrated trends with EFMD (as an example of global body) would be a contradiction: they show a predictable process with the objective demand and growth of accreditation schemes on a global scale. Therefore, it is perceived as a certain order, with the expected trends explained and presented by TGA for the local and regional markets with their organisations.

In most European countries, HEIs or study programmes are subject to regular external review by a quality assurance (QA) agency. The European Higher Education Area (EHEA) was launched in March 2010, on the 10th anniversary of the Bologna Process with the objectives to promote the mobility of students and staff, the employability of graduates and the European dimension in higher education, with a common QA system. A major challenge was the external evaluation in 2010/11 by the European Quality Assurance Register for Higher Education (EQAR), the official register of agencies in EHEA which publishes a list of credible QA agencies to reduce chances for disreputable providers - 'accreditation mills' – to gain credibility. Figures 3 and 4 also illustrate the growth and possible competitive rivals (ii. point above, in 2.1.), evolution of EHEA´s accreditation bodies with its growing accreditation schemes is presented in **Figures 3** and 4 in 2023.

Figure 3 includes the list of accreditation bodies with 3 leaders in EHEA, all with their offices in Germany. Cross border QA activities within the EHEA mostly carried out within countries that have a legal framework recognising foreign EQAR-registered agencies. The number of international accreditations has sharply jumped within this year – this trend with Cross-Border QA schemes can be seen in Figure 4. At the same time, it should be noted that enhancing the quality, one of the key goals of the Bologna process, remains uneven across the 48 participating EHEA countries.
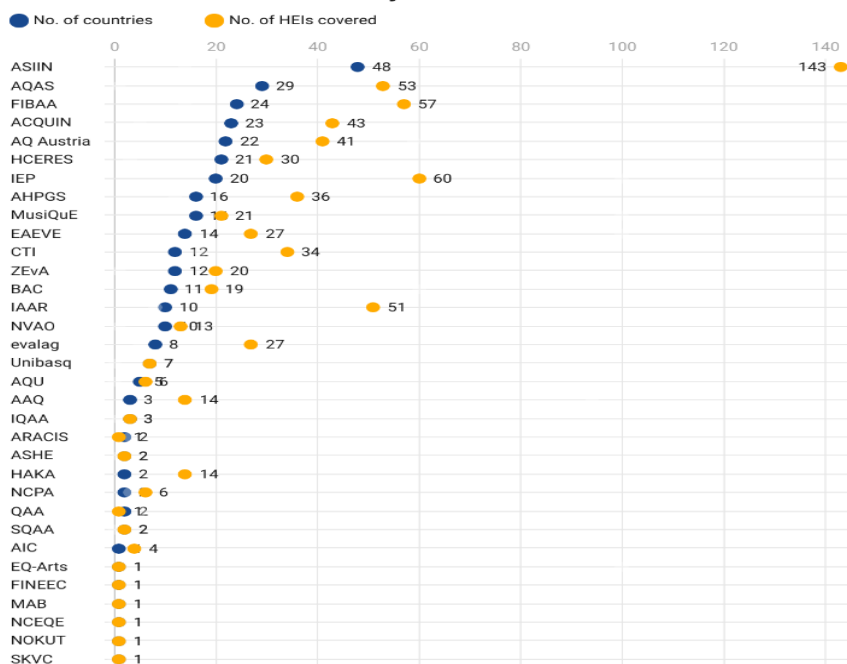

Figure 3. Stats on cross-border QA (March, 2023). Source: EQAR, 2023, accessed 31 March 2023 https://www.eqar.eu/kb/cross-border-qa/drafting-cross-border-external-qa-activities/
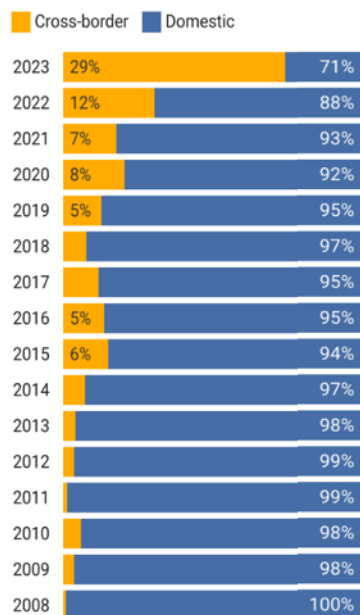

Figure 4. Share of cross-border QA (March, 2023). Source: Database of EQAR, 2023, accessed 31 March 2023 https://www.eqar.eu/kb/cross-border-qa/drafting-cross-border-external-qa-activities/

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3.2 International Rankings

There are now more than 20 university ranking organizations with a global focus, and even more with a regional or discipline-specific rankings, and each ranking has its niche, data sources, methodology, and indicator (Elsevier, 2021). Universities use rankings for visibility purposes as well as to define their performance, professional reputation and status, whilst students use them to choose their future place of study and research (EHEA, 2015). The general criticism rankings include the following general statements: 1. they are not objectives as appear; 2. they suffer from integrity issues; 3. they're tilted toward the best-known HEIs (universities/business-schools); 4.they follow different methodologies; 5. they do not effectively measure the important key factors (most of the rankings do not effectively measure areas of increasing importance to prospective students, such as societal change) (AACSB, 2022). At the same time, with the processes of globalisation and internationalisation of universities, the concept of university rankings became the important tools used by academics, students, parents, researchers, potential faculty members, funders, and other stakeholders seeking an information on university's performance. Rankings is a very popular tool in Global Asia. The popularity of this tool is well reflected in the neologism "glocalization, the reflection of interdependence of the global and the local, as Jung (2010) wrote: "the global without the local is empty and the local without the global is myopic".
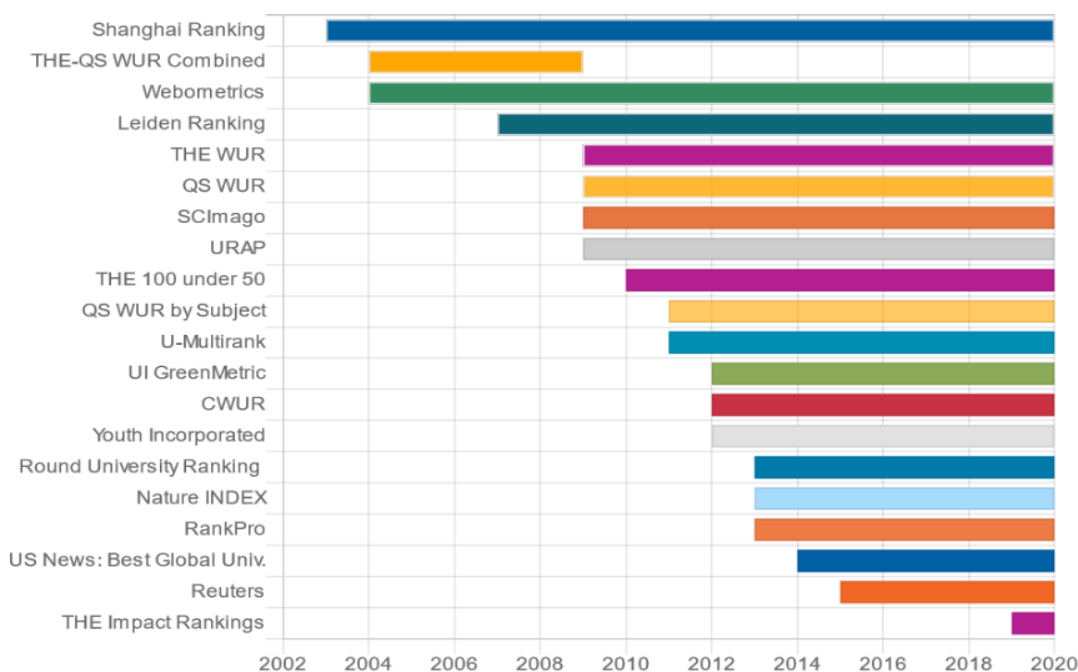

Figure 5. International ranking organizations, their establishment and growth. Source: Elsevier (August 10, 2021)

Shanghai Ranking or the Academic Ranking of World Universities (ARWU), is regarded as one of the three most influential university rankings, alongside QS World University Rankings and Times Higher Education (THE) World University Rankings. Universities need to decide which factors are most important in their selection process to meet their missions and objectives to choose the ranking system that best reflects their specific purposes to get the most accurate comparison for their needs.

4. Conclusions

The accreditation and ranking schemes are becoming an 'accelerators' of educational reforms, with the growing impact on the landscape of higher education for geopolitical positioning of universities or even nations in terms of building or rebuilding a shared sense of societal purpose and identity. The process takes place according to the Theory of Global Accreditation which answers the questions why and how universities or organisations are involved in this process and the types of changes occur at the level of organisation or institutional markets. Universities might see the example of good practices, but also to check whether their reputation depends on the perception of accreditation and rankings as well as arbitrary opinions, stakeholders and various external signals. Signalling mechanisms (which still have to be explored in more details for accreditation schemes) can be a continuation of this paper. Universities need to decide which factors are most important in their selection process to meet their missions and objectives to choose the accreditation and ranking systems that better reflect their specific purposes to get the most accurate comparison for their needs. The author of paper thinks that there is a great potential for both accreditation and ranking agencies of using the cooperation schemes in higher and business education with the future research, science and consulting services. The promotion of science diplomacy in the EHEA and beyond to gain good scientific results in the area of academic and research interdisciplinary fields might be embedded as the new area of activities for the growing accreditation agencies in this new world of global disorder.

Conflicts of Interest: The author declares no conflict of interest.

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