

June 4, 2015



The 8th Plenary Session of AFEBI

**“Enhancing Quality of Management Education through
Accreditation and Collaboration”**

**Fumio Itoh
ABEST21**

Establishment of ABEST21

- **THE ALLIANCE ON BUSINESS EDUCATION AND SCHOLARSHIP FOR TOMORROW, a 21st century organization**
- On July 1, 2005, deans of 16 business schools gathered at the inaugural meeting in Tokyo to launch ABEST21.

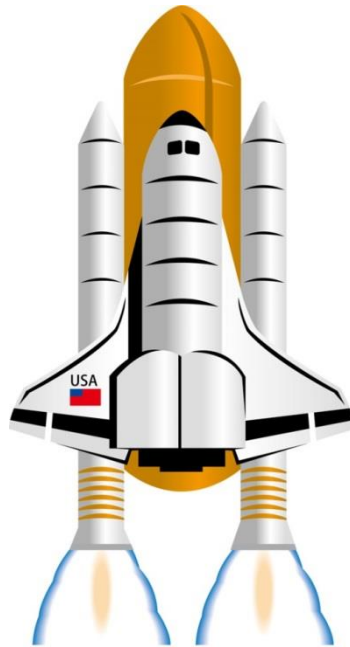


Growth of ABEST21

16 members

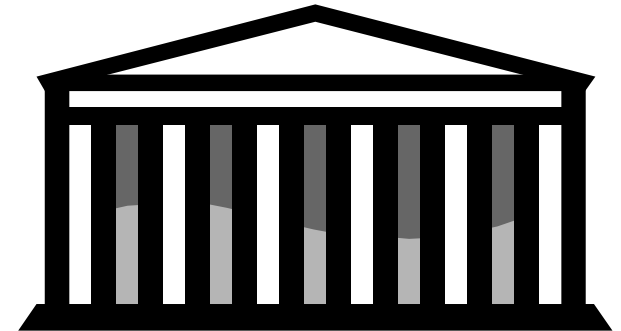


July 1, 2005



87 members

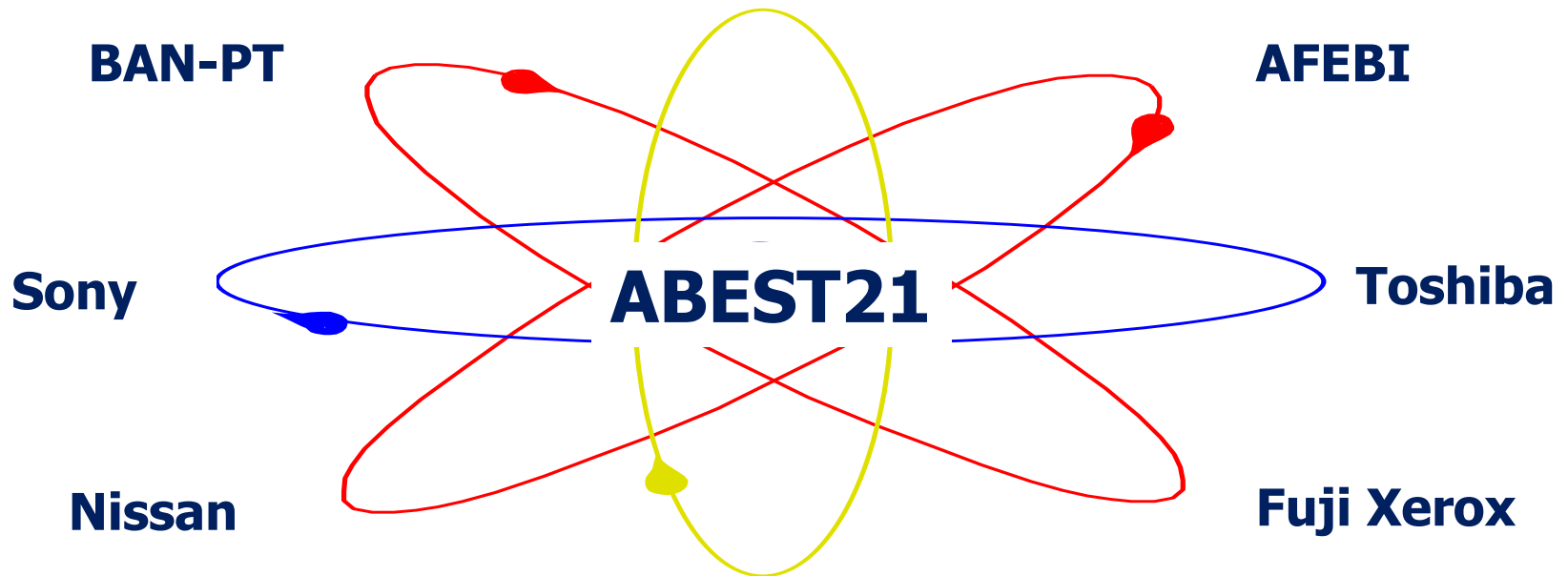
- school members
- company members



April 1, 2015

The Global Knowledge Network

AQAN: ASEAN Quality Assurance Network



EMFD: European Foundation for Management Development

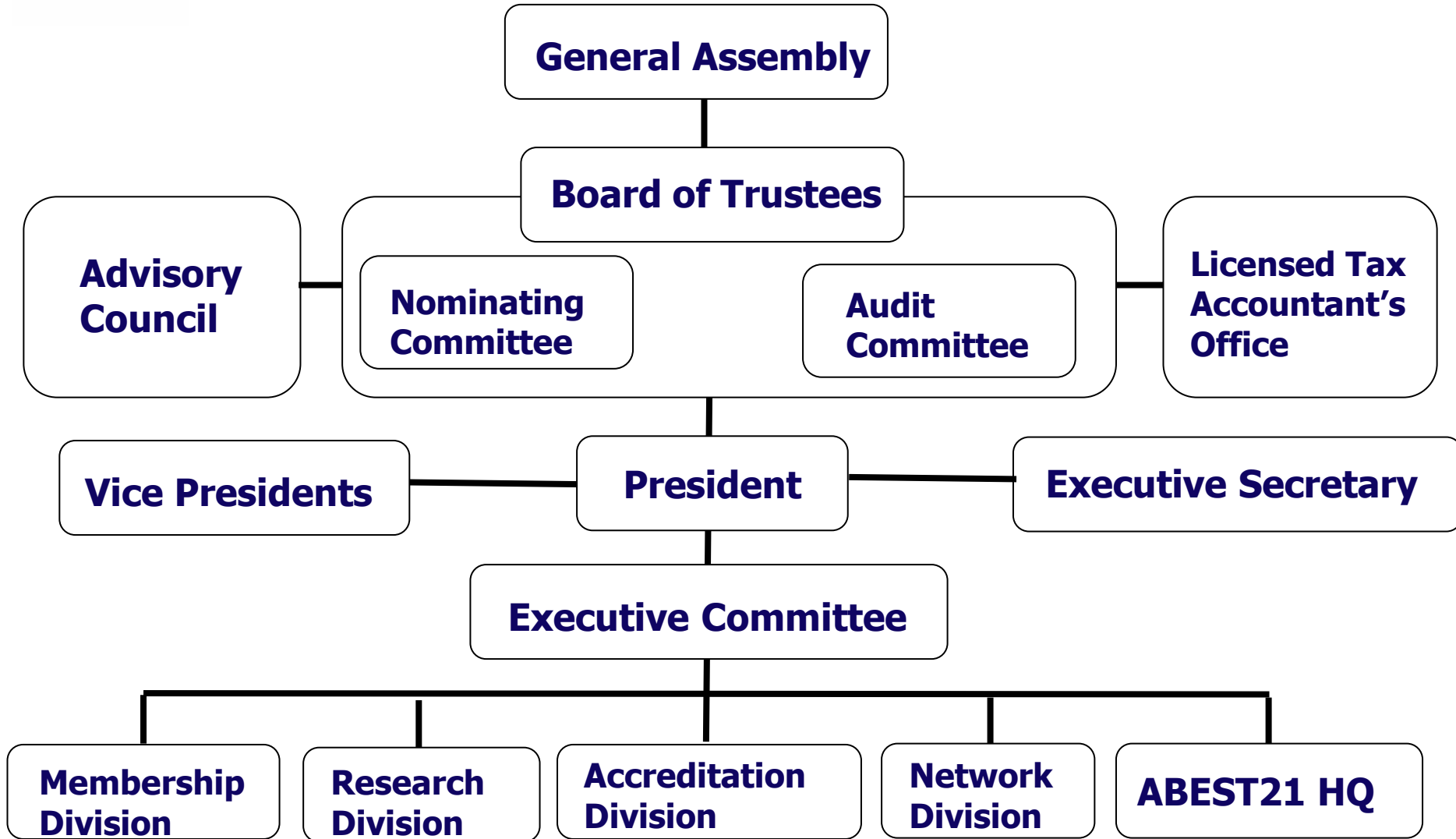
School Membership



China(4), India(1), Indonesia(17), Japan(10), Malaysia(11), Philippines(1), Singapore(1), South Korea(1), Sri Lanka(1), Thailand(2)



ABEST21 Organization



President

- Fumio Itoh (ABEST21, Japan)

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- Ilker Baybars (Carnegie Mellon University, USA)
- Oleg Vikhanskiy (Moscow State University, Russia)
- Robert Sullivan (University of California San Diego, USA)
- Lu Xiongwen (Fudan University, China)
- Candra Fajri Ananda (University of Brawijaya, Indonesia)

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- Ming Yu Cheng (Tank Abdule Rahman, Malaysia)

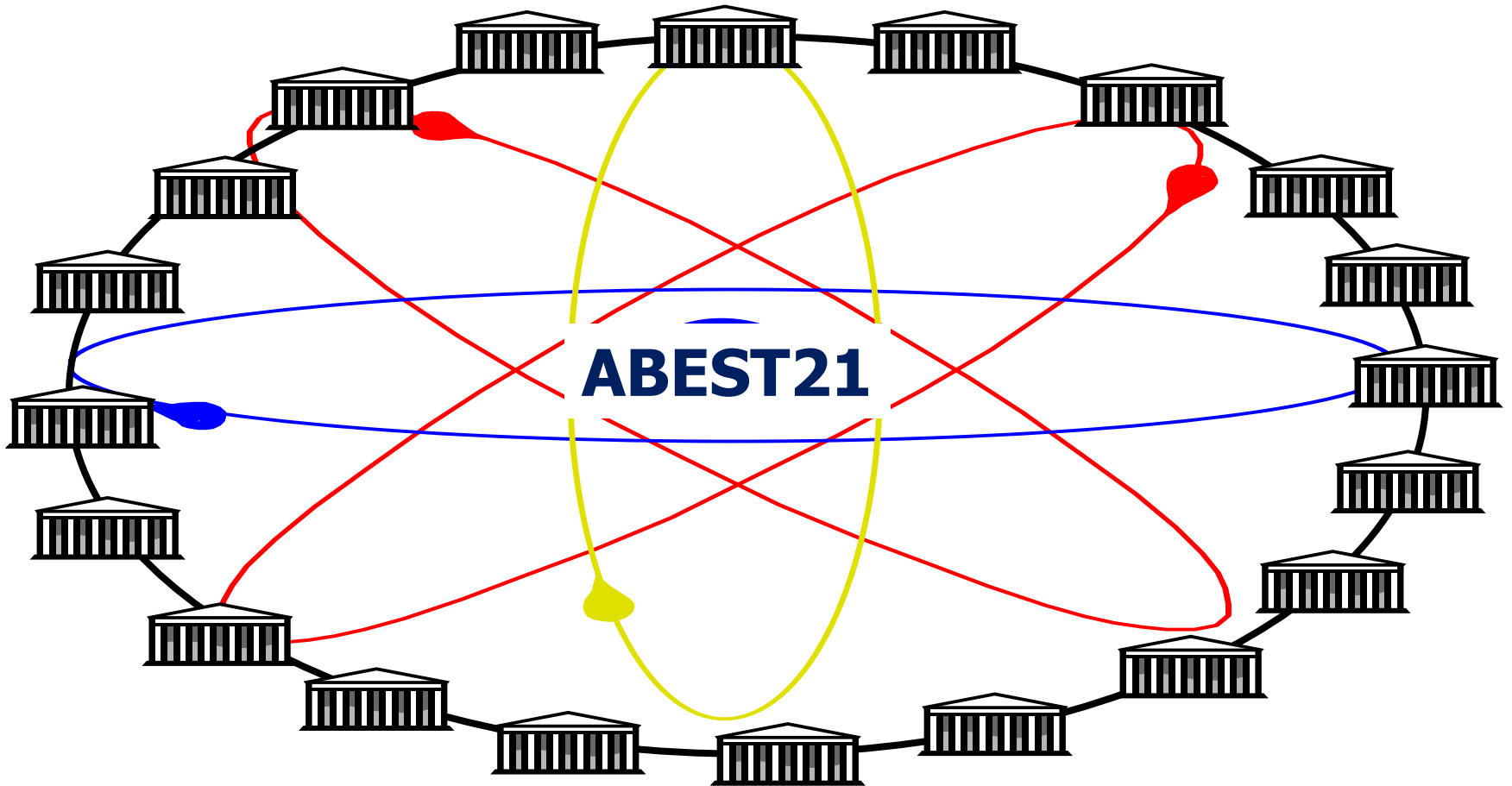
Coordinator

■ Dean Ari Kuncoro (FEB-Universitas Indonesia)



- FEB-Universitas Airlangga (UNAIR)
- Graduate PMB-Bogor Agricultural University (IPB)
- SBM-Institut Teknologi Bandung (ITB)
- FEB-Universitas Brawijaya (UB)
- FEB-Universitas Diponegoro (UNDIP)
- FEB-Universitas Gadjah Mada (UGM)
- FEB-Universitas Hasanuddin (UNHAS)
- FEB-Universitas Indonesia (UI)
- FEB-Universitas Lampung (UNILA)
- FEB-Universitas Padjadjaran (UNPAD)
- PPM School of Management (PPM)
- FEB-Universitas Kristen Satya Wacana (UKSW)
- FEB-Universitas Sebelas Maret (UNS)
- FE-Universitas Sriwijaya (UNSRI)
- FBE-Universitas Surabaya (UBAYA)
- SEB-Telkom University (TM)
- PGM-Universitas Halu Oleo (UHO)

Accredited Schools



Indonesia

- Faculty of Economics and Business, Universitas Diponegoro, Indonesia

Japan

- Graduate School of Innovation & Technology Management, Yamaguchi University, Japan
- Institute of Business and Accounting, Kwansei Gakuin University, Japan

Malaysia

- Arshad Ayub Graduate Business School, Universiti Teknologi MARA, Malaysia
- Graduate School of Business, Universiti Kebangsaan Malaysia, Malaysia
- Putra Business School, Universiti Putra Malaysia, Malaysia
- Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia, Malaysia

Thailand

- Faculty of Business, Economics and Communications, Naresuan University, Thailand

China

- School of Business Administration, Northeastern University

Indonesia

- Master Programs in Accounting and Management, Universitas Brawijaya
- Magister of Management Program, Faculty of Economics, Universitas Indonesia
- Master of Business Administration, School of Business and Management, Institut Teknologi Bandung
- Faculty of Economics and Business, Universitas Padjadjaran,
- Faculty of Economics and Business, Universitas Diponegoro

Japan

- Graduate School of International Management, Aoyama Gakuin University
- Graduate School International Corporate Strategy, Hitotsubashi University
- Graduate School of Business Administration, Kobe University
- MBA Program in International Business, Graduate School of Business Sciences, University of Tsukuba
- Institute of Business and Accounting, Kwansei Gakuin University
- Graduate School of Management, Kyoto University,
- Graduate School of Business Administration, Nanzan University,
- Waseda Business School, Graduate School of Commerce, Waseda University
- SBI Graduate School of Management, SBI University
- Graduate School of Innovation & Technology Management, Yamaguchi University

Malaysia

- MBA Program, Faculty of Business Management and Professional Studies, Management & Science University
- Graduate School of Management, International Islamic University Malaysia
- Graduate School of Business, Universiti Sains Malaysia
- Arshad Ayub Graduate Business School, Universiti Teknologi MARA
- Graduate School of Business, Universiti Kebangsaan Malaysia
- Putra Business School, Universiti Putra Malaysia
- Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia

Singapore

- Global Masters in Business Administration, SP Jain School of Global Management

Thailand

- Faculty of Business, Economics and Communication, Naresuan University

Nurturing Management Professionals



Economic Globalization

- In 1990s, global situation was drastically changed. As collapse of the cold war structure, advances in technical innovation and advent of digital information ages lowered the barriers posted by nation borders, business became to be very competitive on a global basis.
- Advance of economic globalization required for business people to promote intercultural harmony and to accept the concept of individualism and different religions.
- In the 21st century international mega-competition as a result of social, economic and cultural globalization, it has become an urgent issue to nurture global management professionals working in the borderless world.

Nurturing the Global Management Professionals

- Global management professionals are the basic figure of human resources who play an active role in the international competition.
- Such personnel must have advanced knowledge and skills in management under diversified environment with various cultural and social backgrounds, on top of basic quality to act in international society.
- Global management professionals are required to understand more about the values of different cultures and make full use of advanced management skills to win the competition.

Management Education for Global Professionals

Globalizing the School's Management Education



Humanizing the School's Management Education

Globalizing the School's Management Education

It's no exaggeration to say that the mission of the business school is to "nurture world-class management professionals". The reason for this is because the aim of education includes nurturing of human resources in response to the needs of the times. In recent times of international mega-competition caused by rapid globalization, fostering excellent management professionals with strong leadership and creativity to support global competitiveness of organizations is an urgent issue. The School must describe how it creates a global educational and research environment.

Standard 1-MISSION STATEMENT

- Detailed Standard 1: “The School must develop its mission statement with **the aim of nurturing highly skilled professionals in management who are able to meet the needs of globalization.**”

Standard 5-LEARNING GOALS

- Common Standard: “The School must define its learning goals which imply innovation and discovery, **global engagement**, and diffusion of technology for realizing its mission statement.”

Standard 6-MANAGEMENT OF CURRICULA

- Detailed Standard 2: “In designing its curriculum, the School must aim at helping students acquire expertise, advanced professional skills, advanced levels of scholarship, high ethical standards, and a broad international perspective which are necessary for management professionals.”

Standard 10-STUDENT ADMISSION

- Detailed Standard 5: “The School must take measures to attract through its selection process a diverse student body that possesses a wealth of knowledge and background to meet the needs of globalization.”

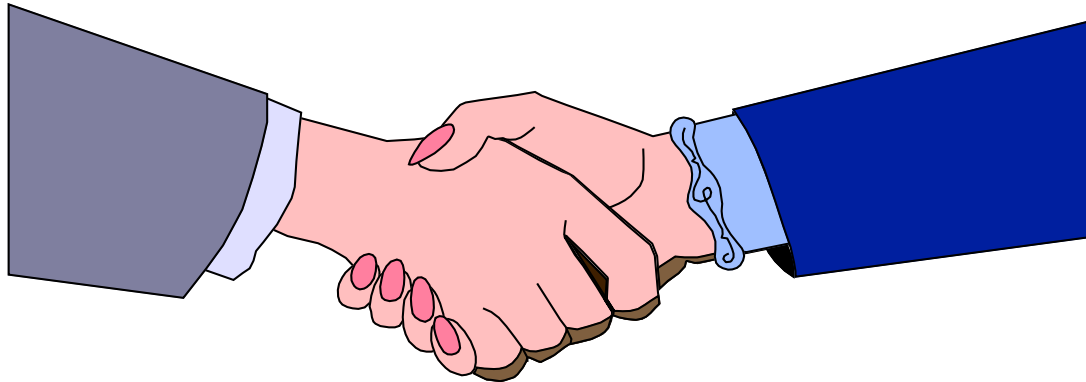
Standard 13-FACULTY SUFFICIENCY

- Detailed Standard 5: “The School must maintain faculty diversity in terms of age, gender, and **nationality in its faculty organization.**”

Standard 17-EDUCATIONAL RESPONSIBILITIES OF STAFF

- Detailed Standard 2: “**The School must institute administrative systems which are in an appropriate proportion to its size and status, and which are able to respond to the needs of globalization.**”

Humanizing the School's Management Education



■ Abundance

Adam Smith explained the principle of “competition” based on the natural “abundance” in John Locke’s “Two Treatises of Government”. Smith explained that pursuit of self-interest leads to greater good for all through “invisible hand”. When John Locke referred to “abundance”, the terms “ownership” and “property” were identical; a man was able to obtain what he needed out of the plentiful gifts from god, without violating the ownership of others. His world portrayed “common interests” but not the “conflicts of interest”.

■ Scarcity

However, as capitalist economy developed, the world turned into what David Hume called "Scarcity". Things which were once so freely obtained - "water", "air", even "sunlight" - have become scarce resources. Countries compete with each other for ownership of these resources. "Ownership" and "property" are now separated. The world is full of "conflicts of interest" competing for "ownership". The traditional physical relationship between humans and property has changed to social relationship between humans.

■ Transaction

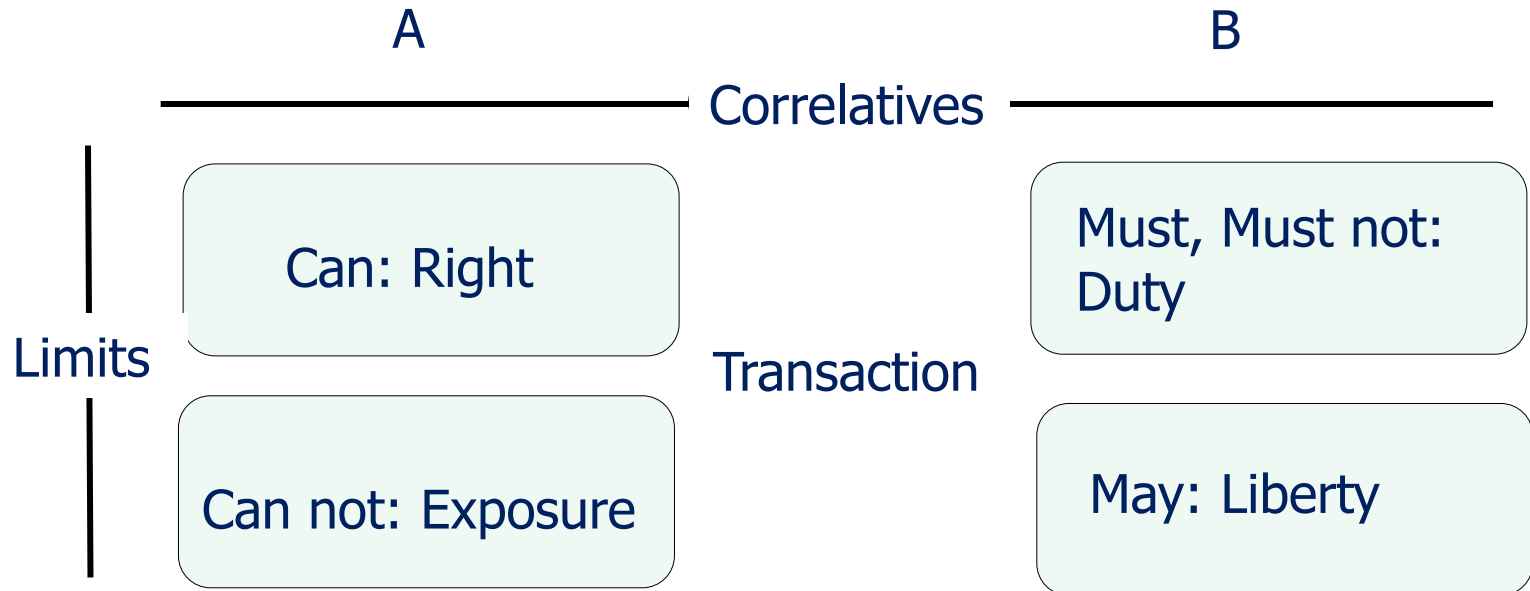
This world of scarcity created the relationships of “conflicts of interest” of properties to meet the human needs. “Conflicts of interest” mean “interdependence” which is based on “order”. To resolve these social economic issues, “conflicts of interest”, “interdependence”, and “order” must be pursued based on economic, legal and ethical viewpoints.

John R. Commons said in his “Legal Foundations of Capitalism (1924)” that the minimal unit to analyze the social economic activities of the members of the society is “transaction”.

Humanizing Management Education-3

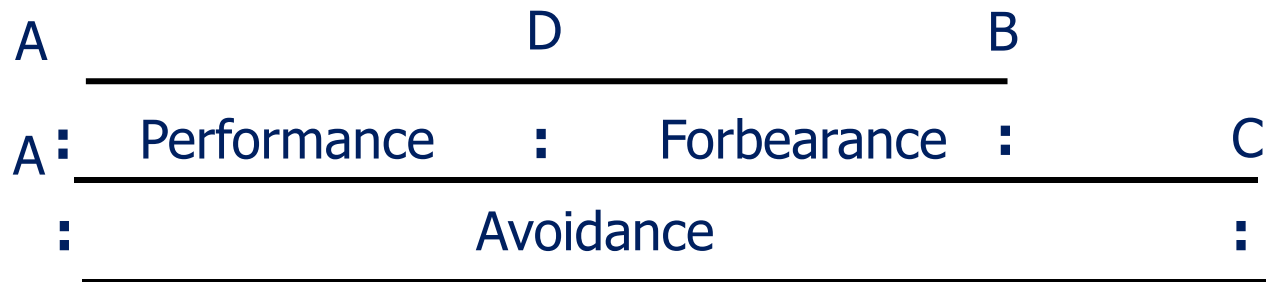
■ Working Rule

Transaction is conducted based on a “working rule” which consists of four auxiliary verbs: 1) can = Right, 2) cannot = Exposure, 3) must, must not = Duty, and 4) may = Freedom. Man’s will to execute the transaction is called “will-in-action”.



■ Will-in-Action

“Will-in-action” is an action which aims to expand one’s own economy by 1) choosing the “direction of force” (AB or AC), i.e. to “do” or “not to do”, and 2) choosing the “level of force” (practice AD or control DB), i.e. “the extent of action” or “hold back the action”. The will of Adam Smith’s “homo economicus” based of Locke’s “abundance” is said to be “will-in-vacuum”, since its motto is to pursue self-interest; “direction of force” is the only choice it makes. The choice for the “level of force” does not exist in the market environment.



■ Diversity

In particular, the advancement of economic globalization has integrated the world market with a worldwide competition. Under such circumstances, the companies must face various values from different cultures as well as individualism of the world. Since individualism is backed by religion, one must have the understanding of the world's religions such as Buddhism, Islam, or Christianity to cope with the circumstances. However, under globalization various values from different cultures are not accepted. One is required to conform to generalized action rules.

■ Ethics and Liberal Arts

- ✓ “Ethics” is “the right path”. It puts a stop to our action so that we can follow the action rules for transaction.
- ✓ On the other hand, “Liberal Arts” education strengthens the human core and broadens one’s perspective of the world.
- ✓ In business school education to nurture management professionals, it is important to focus on analysis-oriented education to cultivate expertise aiming to enhance countervailing power.
- ✓ However, in order to coexist with diverse values in the world, we must not forget to foster high morality in management professionals.

Standard 6: Management of Curricula

- ❑ Basic Standard: "The School must design its curriculum systematically to realize its mission statement."
- ❑ Detailed Standard 1: "In designing its curriculum, the School must pay attention to combining theory and practice effectively in line with its mission statement and following the current trends in management education and research."
- ❑ Detailed Standard 2: "In designing its curriculum, the School must aim at helping students acquire expertise, advanced professional skills, advanced levels of scholarship, **high ethical standards**, and a broad international perspective which are necessary for management professionals."

Improving yourself via Accreditation

“When the rate of change outside exceeds the rate of change inside.....the end is in sight.”

**Jack Welch
General Electric Corp.**

