

**Decision on the Application of the Foundation for International Business  
Administration Accreditation (FIBAA) for Re-Accreditation Dated 12 May 2006**

(Decision of the Accreditation Council Dated 16 February 2007)

**I.**

The Foundation for the Accreditation of Study Programmes in Germany (Stiftung zur Akkreditierung von Studiengängen in Deutschland), hereafter referred to as Accreditation Council, herewith accredits the Foundation for International Business Administration Accreditation (FIBAA) pursuant to § 2 Article 1 No. 1 of the “Law establishing a foundation ‘Foundation for the Accreditation of Study Courses in Germany’” based on the stipulations of the following provisions and herewith grants FIBAA the authority to accredit study programmes by awarding the seal of the Accreditation Council.

**II.**

The decision pursuant to above Article I shall become effective as of 15 March 2007.

**III.**

The accreditation and authorisation pursuant to above Article I shall be granted for a term of five years; subject to revocation pursuant to subsequent Article V. Pursuant to § 1 Article 1 Sentence 2 of the decision “Decisions of the Accreditation Council: Types and Effects” dated 15 December 2005 said accreditation shall expire on 14 March 2012. In the event that ENQA should decide by 31 December 2009 that based on general European standards an accreditation with a term of more than five years can be permitted, the accreditation term shall subsequently be extended to the maximum term permitted under general European standards, however, the extension term shall not exceed three additional years.

**IV.**

The accreditation council has determined that FIBAA does not meet some of the quality requirements; pursuant to § 1 Article 3 of the decision “Decisions of the Accreditation Council: Types and Effects” dated 15 December 2005, these requirements are however not

relevant. Consequently, accreditation is granted subject to compliance with the following conditions:

#### **Condition 1**

FIBAA shall modify its assessment and decision-making practices immediately by desisting from the practice of enforcing the elimination of identified inadequacies through written covenants from the universities and to instead grant accreditation subject to compliance with conditions pursuant to the accreditation council “Decisions of the accreditation agencies: Types and Effects” dated 22 June 2006. FIBAA shall submit a written report on the modification by 30 October 2007. \*

#### **Condition 2**

FIBAA shall submit evidence of the mandatory modification of the questionnaire and assessment catalogue, by implementing a distinct separation of accreditation criteria that have to be met to obtain the seal of the accreditation council and of criteria required to get the quality seal of approval of FIBAA, but not of the accreditation council, by 30 October 2007. Moreover, it shall verify that only the criteria relevant to the acquisition of the seal of the accreditation council are being applied. \*

#### **Condition 3**

By 30 October 2007, FIBAA shall submit evidence of the mandatory modification of the questionnaire and assessment catalogue, by adding a criterion to the list of accreditation criteria that must be met to obtain the seal of the accreditation council, the object of which is the verification of the quality orientation of the university pursuant to Criterion 7 of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005. \*

#### **Condition 4**

By 30 October 2007, FIBAA shall submit evidence of the mandatory modification of the questionnaire and assessment catalogue, by adding a criterion to the list of accreditation criteria that must be met to obtain the seal of the accreditation council, the object of which is the verification of the implementation of the university concept for the fostering of gender equality pursuant to Criterion 10.4 of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005. \*

#### **Condition 5**

By 30 October 2007, FIBAA shall submit evidence of the mandatory modification of the questionnaire and assessment catalogue, by adding a criterion to the list of accreditation criteria that must be met to obtain the seal of the accreditation council, the object of which is

the verification of the compliance of the study programme with the requirements of the German qualification frame work pursuant to Criterion 9 of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005. \*

#### **Condition 6**

By 30 October 2007, FIBAA shall submit evidence of the mandatory modification of the questionnaire and assessment catalogue, by adding a criterion to the list of accreditation criteria that must be met to obtain the seal of the accreditation council, the object of which is the verification of the consideration of the linkage structures in the evaluation of university statements concerning the execution of the study programme pursuant to Criterion 11 of the “Criteria for the accreditation of accreditation Agencies” dated 15 December 2005. \*

#### **Condition 7**

By 31 December 2007 FIBAA shall submit evidence of the mandatory provision of criteria adequate staffing of organs and expert groups pursuant to Criteria 2.8 and 2.9, including a description of its selection processes. In this context, FIBBA shall also verify that it has in place a mandatory written description of FIBAA business office tasks. \*

#### **Condition 8**

FIBAA shall immediately modify its decision-making practices to the effect that expert references, statements from the university and additional statements from the accreditation commission shall be identified as separate documents and in particular that no modifications shall be made by experts through the accreditation commission. FIBAA shall submit a written report on the modified practice by 30 October 2007. \*

#### **Condition 9**

By 31 December 2007, FIBAA shall submit a mandatory decision and application of criteria for the summary of study programmes in a study programme bundle pursuant to Criterion 20 of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005. \*

Moreover, the accreditation council shall expect that accreditation practices carried out by them regarding the target expansion of the professional spectrum also meet the “Criteria for the accreditation of accreditation Agencies" dated 15 December 2005.

\* condition fulfilled

## **V.**

If FIBAA does not fulfil these conditions within the respective term or the conditions are not fulfilled after the respective term has expired, the Accreditation Council may revoke the accreditation pursuant to § 7 Article 2 of the decision “Decisions of the Accreditation Council: Types and Effects” dated 15 December 2005.

## **VI. Reasons**

### **General:**

Based on the experts' report, the report on the submitted process documentation and the hearing, the accreditation council has arrived at the conclusion that the Foundation for International Business Administration Accreditation (FIBAA) essentially meets the adopted “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005.

Overall the accreditation council has the impression that the agency has developed positively in many respects in the past years and that regular improvements to the quality of their operation is to be documented. This applies primarily to the implementation of the procedural fundamentals revised by the accreditation council in 2005.

Thanks to its long-time experience in this field, FIBAA was able to substantiate verifiable assessment procedures with a high level of the implementation of the procedures for the accreditation of study programmes. It possesses an understanding of the quality of study programmes and perceives that its function is to support universities in the further development of their Bachelor, Master, and PhD study programmes. In close collaboration with partner universities, they aim to improve the quality of study programmes and to obtain their accreditation. This quality process includes a consultation in quality management, an assessment of the content and structure of the study programme, as well as – upon presentation of the conditions – awarding FIBAA seal of quality. A successful accreditation procedure that is completed by FIBAA ensures a certificate of quality for new study programmes and, at the same time, academic acceptance, professional relevance and market acceptance.

For the overall professional implementation of this function, FIBAA largely possesses the necessary institutions and personnel resources in quantitative or qualitative respects. Over the programme of their existing routine, they have established and continue to constantly develop the implementation of procedures.

The modification of criteria for the accreditation of study programmes shall be conducted routinely and, as a rule, through the appropriate interpretation of the policies prepared by the

conference of German Cultural Ministers and the accreditation council. This positive overall assessment does not exclude deficiencies from being observed in this area.

**Ref. Condition 1:**

§ 1 Article 3 of the decision of the accreditation council “Decisions of the Accreditation Agencies: Types and Effects” dated 22 June 2006, provides for the case of nonessential quality deficiencies an accreditation subject to the imposition of conditions, the fulfilment of which remedies the deficiency. Correction of the deficiencies by means of a one-sided commitment on the part of the university is not provided for. Apart from that, such a procedure is also unsuitable for enforcing the correction of deficiencies, since the fulfilment of the commitment does not present a disbanding condition since FIBAA no longer has any control over the situation once the accreditation has been granted. Furthermore, such a procedure constitutes a melding of evaluation and consultation, given that in extreme cases FIBAA is actually accrediting recommendations it proposed. While such a procedure certainly has the capacity to improve quality, it is not the responsibility of an accreditation agency to directly perceive quality growth as an instrumental function; rather quality improvement should be an indirect result of its activity.

**Ref. Conditions 2 to 6:**

The mandatory criteria for accreditation are listed in Chapter II of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005. In the criteria sets listed in their questionnaire and assessment catalogue, FIBAA goes over these criteria and, as an example, cites criteria that clearly stem from international agreements on the accreditation of MBA study programmes. Since FIBAA also carries out accreditation, with which they do not assign a seal from the accreditation council, it shall be assumed that they apply other criteria in such procedures. Nevertheless, FIBAA works with a uniform criteria set, which leads to ambiguity with regard to the relevant accreditation criteria on the part of the university. As per Criterion 15.1 of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005, which calls for the greatest possible transparency, a precise separation between such criteria and the procedural criteria according to the accreditation council’s guidelines is therefore required.

With regards to the mandatory completion of bullet points two to five of the questionnaire and assessment catalogue, the explanation arises from the fact that these criteria are obligatory pursuant to “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005. FIBAA criteria set is however not included. Even when on location

inspection details show that that they were even partially applied, a mandatory regulation is necessary.

**Ref. Condition 7:**

The accreditation council was convinced that the functional adequacy of the organ composition and the structural participation of the groups are indeed currently given. This composition, however, is not regulated in the statute. Pursuant to Criteria 2.8 and 2.9 of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005, this functionally adequate composition is however of key significance for securing a qualitative high-value function of the agency, which is why the concurrence cannot remain abandoned, but the articles are to be regulated legally.

As per Criterion 2.2 of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005, the competencies and responsibility of the agency shall be clearly assigned in-house. This unambiguous agreement shall be the condition for the respective organ and acting persons to be able to assume their functions, and thus for the agency to be able to fully assume responsibility for its agents. FIBAA indeed fulfils these criteria with regards to the organ. However, a mandatory agreement of the task breakdown for the business office is provided for neither in the foundation statute nor in business regulations.

**Ref. Condition 8:**

As per Criterion 2.2 the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005, the competencies and responsibility of the agency shall be clearly assigned in-house. This unambiguous agreement shall be the condition for the respective organ and acting persons to be able to assume their functions, and thus for the agency to be able to fully assume responsibility for its agents. Clear separation between agents is mandatory for the allocation of responsibility and shall therefore not be blurred. This applies when, for example, the accreditation commission subsequently modifies the report, or the universities’ statements are subsequently integrated into the report. This does not mean that the accreditation commission, for example, can defect based on the experts’ vote, or that they cannot name errors or falsities in the report. This must however be done in a private statement or response.

**Ref. Condition 9:**

Pursuant to Criterion 20 of the “Criteria for the Accreditation of Accreditation Agencies” dated 15 December 2005, the grouping must be implemented or denied conceptually according to objectively declared criteria, and the concept of the grouping must be applied

consistently. Criteria are essential in order to be able to consistently handle the grouping in an appropriate manner.

## **VII. Assessment Based on the Membership Criteria of the European Association for Quality Assurance in Higher Education (ENQA)**

To facilitate the international recognition of decisions made by the accreditation council and the accreditation agencies, the accreditation council primarily applied, for the adoption of their accreditation criteria dated 15 December 2005, the *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, such as those criteria for higher education adopted by the competent ministers from the Bologna succession conference in Bergen in May of 2005. The following overview shows where ESG Standards 3.1 to 3.8 find their equivalent in the Criteria for the Accreditation of Accreditation Agencies:

• ESG Standard	• Criteria for the Accreditation of Accreditation Agencies (decision dated 12/15/2005, Criteria); "Law establishing a foundation 'Foundation for the Accreditation of Study Courses in Germany'" (ASG)
3.1	Criteria Part I, Criteria Part II
3.2	ASG § 2 Article; 1.1; Criteria 2.1, 2.2
3.3	ASG § 2 Article 1.1 und § 9; Criteria 1
3.4	Criteria 5
3.5	Criteria 1
3.6	Criteria 2.12, 2.13, 16.2
3.7	Criteria Part II; Criteria 3, 4, 15, 16, 2.9, 18.1
3.8	Criteria 4, 6, 17.2, 19.1, 1.1; ASG § 1 Article 1

Based on these the accreditation council has arrived at the conclusion that FIBAA does meet the membership criteria of the ENQA, especially since the mandates imposed on the agency do not pertain to the ENQA membership criteria. In particular, the executive summary of the experts' report on the ENQA membership criteria results in the following assessments:

**ESG Standard 3.1 (Use of external quality assurance procedures for higher education):**

The standards for external quality assurance procedures were implemented in the criteria of the accreditation council for the accreditation of accreditation agencies. As a rule, they are once again addressed in Standards 3.2 through 3.8, with the exception of Standard 2.7 (periodic reviews). The accreditation council, pursuant to its decision of 22 June 2006, requires the agencies to grant accreditations for a limited period of time, so that this decision is not subject to agency discretion. Standard 3.1 has consequently been met.

**ESG Standard 3.2 (Official status):**

Pursuant to § 2 Article 1 No. 1 of the “Law establishing a foundation ‘Foundation for the Accreditation of Study Courses in Germany’” it is the responsibility of the Accreditation Council to accredit and re-accredit accreditation agencies. It grants the temporary authorisation to accredit study programmes through the awarding of the Foundation’s seal. Consequently, the Accreditation Council is the public entity responsible for the recognition of the agency pursuant to Sentence 1 of Standard 3.2. By accrediting the agency, it meets Standard 3.2 Sentence 1.

Pursuant to Criterion 2.1 the agency must be legally identifiable, i.e. it must be a legal entity. The *Foundation for International Business Administration Accreditation* (FIBAA) was founded in 1994 as the Foundation for International Business Administration (FIBA). The agency has been under its current name since 2000. The agency is a not-for-profit Swiss foundation with a seat in Zurich and was established through the foundation charter of 1994, modified lastly on 24 July 2000. The agency pursues the purpose “to secure the quality and reputation of education and continuing education in economic study programs”. Its existence as a legal entity has thus been verified. ESG Standard 3.2 has consequently been met.

**ESG Standard 3.3 (Activities):**

Pursuant to § 2 Article 1 No. 1 of the “Law establishing a foundation ‘Foundation for the Accreditation of Study Courses in Germany’” and subsequently Criteria 1.1 through 1.4 only such applicants will be accredited who perform study programme accreditation processes. FIBAA accredits university types spanning predominantly economics-oriented Bachelor, Master and PhD study programmes in the subject areas of business administration (BWL), economics (VWL), information management, industrial engineering, business psychology and commercial law. In 2006 the foundation committee of FIBAA resolved to expand their business segment to include the subject group “Economics and Social Sciences”, whereby the economic aspect shall remain intact. As a rule, the agency shall concentrate on study



programmes of national and nationally accredited universities, as well as study programmes offered by private institutions that seek national recognition as private universities via accreditation.

ESG Standard 3.3 has consequently been met.

#### **ESG Standard 3.4 (Resources):**

Pursuant to Criteria 5.1 through 5.4 the agency must verify that it has adequate material and staff resources that are sustainable.

The agency's business office currently engages 14 employees, of which six (as of 1 November 2006: seven) are full-time. Another full-time position is planned for the beginning of 2007. An existing overview of the employees brings attention to the fact that there is only one permanent employee who is responsible for procedures, while all others are freelancer working on a fee-basis. With regards to qualification, the employees exhibit a broad spectrum of academic training, and moreover have experience in the fields of human resource management, management training, advanced management training and quality assurance. The statements regarding the adequate and realistic sustainable resources are plausible and were verified by the on location inspection performed by the accreditation council's group of experts.

ESG Standard 3.4 has consequently been met. However, the accreditation council recommends that the number of permanent employees be increased in proportion to the number of freelance employees.

#### **ESG Standard 3.5 (Mission Statement):**

Pursuant to Criteria 1.1 through 1.4 the agency is required to evidence its understanding of the accreditation responsibility.

The agency describes its task as such: it examines national and international standards and in this way ensures the quality of the study programs they have verified. It assesses study group concepts from this standpoint and in doing so integrates the strategies and objectives of the study groups, admission procedures, resources, services and quality assurance into their examination. The agency also takes into consideration the educational objectives and study feasibility of the programmes to be accredited, makes the differentiated study offers of the university transparent and verifies the legal quality standards. This performance requirement can be extrapolated from the agency outline: "FIBAA examines and promotes public and private educational institutions and creates transparency in the education market. FIBAA sees itself as an international quality and accreditation agency which is primarily

active in Europe, and which supports universities in the development of economics-oriented study programmes and quality assurance systems”.

Their ethical self-image is implicitly declared in the foundation’s statute and in the rules of operation of the foundation commission and the accreditation commission, even when it is only task breakdowns that are found there. The agency has explained to the accreditation council that it is “committed to the principles of objectivity, establishment of truth and economic integrity”, however, these objectives are not stipulated in its charter.

ESG Standard 3.5 has consequently been met.

### **ESG Standard 3.6 (Independence):**

Pursuant to Criterion 2.12 in combination with 2.13 and 16.2 the agency must prove the independence of its organs and their decision-making processes, in particular that of its experts.

The instruction autonomy of the organs can be derived from the provisions on the status of the precise task assignments. Regarding the independence of the concerned parties, the agency obtains non-bias and confidentiality statements from all members of the accreditation commission and the experts. Furthermore, there is a code of practice in the event of bias. Criteria 2.12 and 2.13 of the accreditation council are thus fulfilled. The agency requires that its experts provide a non-bias declaration. Moreover, it expressly requires experts to report reasons for a bias that occur during the process. An appeal option for the university to use against experts is stipulated in the contract. However, no reasons are specified. Bias is pointed out as the sole reason here. Criterion 16.2 of the accreditation council is largely met. Consequently, ESG Standard 3.6 has been met.

### **ESG Standard 3.7 (External quality assurance criteria and processes):**

The study programme accreditation criteria to be applied by the agency are defined in Criteria 7 through 14. Pursuant to Criteria 15.1 in combination with 15.2 and 16.1 the agency is required to provide universities with comprehensive information on its process regulations and criteria. Pursuant to Criterion 16.4 the agency is required to involve all relevant stakeholders in the proceedings, whose results have to be published pursuant to Criterion 4.1. Pursuant to Criterion 18.1 the agency must verify the fulfilment of assignments.

The agency does conduct a comprehensive informative meeting with the interested universities, during which the universities are provided with all pertinent information on the execution of an accreditation proceeding. Universities receive all required documents (application form for accreditation, sample contract, “questionnaire and assessment catalogues”, and a set of documents). All documents (disregarding the sample contract) are

published on the website of the agency. The sample contract contains a precise and complete description of the service and a fee overview. Criteria 15.1 through 15.3 and 16.1 of the accreditation council have been met.

The agency publishes its decisions on its website and provides the information along with the names of the experts to the accreditation council and the university compass. By publishing its annual report, the agency also meets its reporting obligations to the accreditation council and the Swiss foundation supervision authority. Consequently, Criterion 4.1 of the accreditation council has been fulfilled.

As result, ESG Standard 3.7 has been complied with.

### **ESG Standard 3.8 (Accountability procedures):**

Pursuant to Criterion 4 the agency is required to make its processes transparent for the universities. Pursuant to Criterion 6 it is also required to verify that an internal quality assurance system is in place and that same is being documented. Criterion 19.1 commits the agency to set up a formal appeals process. The regular external assessment is binding upon the agency pursuant to § 2 Article 1 No. 1 of the “Law establishing a foundation ‘Foundation for the Accreditation of Study Courses in Germany’” and must be performed every 5 years.

Upon completion of the accreditation process, the applicant university receives a detailed, decision-justifying report along with the decision, for which a template letter is available in the quality manual. If the accreditation commission’s decision is negative, the university can request that two other experts perform an on location inspection. In this case, the accreditation commission shall make another decision after the second opinion is submitted. This decision regarding the requested accreditation process is final. Along with the information concerning the finalised decision of the accreditation commission, FIBAA is required to communicate the fundamental reasons for the granting or withholding of the accreditation to the university. By publishing their annual report, the agency also meets its reporting obligations to the accreditation council and the Swiss foundation supervision authority. Consequently, Criterion 4.1 of the accreditation council has been fulfilled. The agency conducts regular analyses of their processes. For instance, in 2003 a poll of experts concerning the instruments and processes of FIBAA was carried out, and in 2004 the agency conducted round tables with student and university representatives regarding the further development of instruments. In 2005 the agency implemented a process management system and compiled for this purpose a census and analysis of business processes and supporting management processes. Evaluation certificates for experts and universities were implemented in 2006.

FIBAA also offers expert training programmes (four in 2006). The agency has compiled a quality manual which describes the core processes and moreover makes samples available for all key documents (experts' reports, regular correspondence etc.). Criteria 19.1 to 19.3 of the accreditation council have been fulfilled.

As result, ESG Standard 3.8 has been complied with.