

THE PEAK OF THE ACCREDITATION SYSTEM FOR B-SCHOOLS AND THE KEYS OF THE AUSTRIAN SCHOOL OF ECONOMICS FOR THE DIGITAL TRANSITION*

ANTONIO SÁNCHEZ-BAYÓN**
ESTRELLA TRINCADO AZNAR***

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I

INTRODUCTION: SPANISH B-SCHOOL PARADOX AND ACCREDITATION SYSTEM PEAK

According to Austrian Economics, a centralized bureaucratic management, independent from markets and prices, is not possible (Mises, 1949. Huerta de Soto, 1992). This evidence can be applied to the development of Business Schools in Spain, in which their social-economic role was rejected in exchange of bureaucratic recognitions (in particular state-accreditations, Sánchez-Bayón et al, 2020 & 2021).

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** SJD/PhD in Law (UCM), PhD in Theology (UM), PhD in Humanities (UVA), PhD in Philosophy (UCM), Ph.D. in Economics (UVA & UCM). Prof. Applied Economics at URJC.

*** PhD in Economics (UCM). Full Prof. Applied Economics at UCM.

In Spain, there are more than one hundred Business Schools (B-Schools) officially recognized by the education system. One third of them are included in international rankings (e.g. *Financial Times*, *Fortune*, *Bloomberg*, *The Economist*, *Global MBA*, *MBA Today*, *QS MBA*), and have achieved international accreditations, such as AACSB, AMBA or EQUIS (the most prestigious accreditations for B-Schools, see below). In addition, there are four B-Schools at the top 25 of the World ranking (top 10 in Europe) which have the triple-crown (i.e. they have achieved the three main accreditations mentioned above, AACSB, AMBA and EQUIS). These Schools are ESADE, IE, IESE & ESCP-Madrid (Peña, 2018). Table 1, shows a summary of the accreditation system for B-Schools.

TABLE 1: ACCREDITATION SYSTEMS FOR B-SCHOOLS

Triple-crown (international –almost– private alliance): recognition for 90 B-Schools in the World (less than 1% of all B-Schools in the World). This distinction includes:

- AACSB (Association to Advance Collegiate Schools of Business): it is an American professional organization, founded in 1916 to provide accreditations for B-Schools (members: over 1,600; accredited: over 850).

- AMBA (Association of MBAs): it is a global organization founded in the UK in 1967 (members: over 30,000; accredited: over 250).

- EQUIS (European Foundation for Management Development-Qualitative Improvement Systems): it is an evaluation system for B-Schools supported by a Belgian foundation (172 B-Schools accredited in 41 countries).

Official agencies:

- ENQA (European Association for Quality Assurance in Higher Education): EU body founded in 2000 which published the first guide of European higher education standards

- CHEA (Council for Higher Education Accreditation): it is part of the U.S. Secretary of Education.

- BAC (British Accreditation Council): it is an agency which helps the UK Government.

- ANECA (National Agency for Quality Assessment and Accreditation): it is an agency related to the Spanish Ministry of Education & Universities.

 Spanish B-Schools with triple-crown + ANECA:

- ESADE (Escuela Superior de Administración y Dirección de Empresas): Higher School of Business Administration and Management, founded in 1958 by the Society of Jesus (Jesuits), located in Barcelona and Madrid (close to the Univ. Ramón Llull –Jesuit origin).

- IE (Instituto de Empresa): founded in 1973 and transformed into a private university and other business schools related to it.

- IESE (Instituto de Estudios Superiores de Empresa): Institute for Higher Business Studies, founded in 1958 in Barcelona, with a campus in Madrid and linked to the Univ. Navarra –Opus Dei institution-.

- ESCP-Madrid (École Supérieure de Commerce de Paris): its French parent company is one of the oldest, from 1819, and its headquarters in Madrid is from 1988, linked to the Univ. Carlos III.

Source: own elaboration (based in each institution's official web page).

In the *Statement on the Modernization Agenda for Higher Education* (EQAR, 2011), EQAR indicates that quality assurance helps to address some of the challenges that higher education in Europe is facing: promoting mobility, supporting diversity and ensuring accountability. Furthermore, the set of entrepreneurship, talent and happiness management (requirements for wellbeing economics – the new state of digital economy- and for improvement through the human action approach of the Austrian School of Economics) means adapting the curricula and proposing individualized educational trajectories according to each profile in the teaching and learning processes (Sánchez-Bayón, 2014. Sánchez-Bayón et al, 2020). Nevertheless, there is a current growing risk for all this to succeed, the so-called *Spanish B-Schools Paradox*. The secret of the Spanish B-Schools achievement was, precisely, their compromise with international projection and the effort to converge with the leaders in the sector and to get the more accreditations as possible. But, in recent years this triumph becomes a risk, because they are losing competitiveness, leadership and positions in rankings (as shown in Table 2); moreover, the accreditation system shows a peak (because it was thought for a welfare state economy, following a replicate and bureaucratic model, not for a creative digital economy).

TABLE 2: DEVELOPMENT OF SPANISH B-SCHOOLS IN EUROPEAN RANKINGS

<i>Spanish B-Schools</i>	<i>Ranking 2018</i>	<i>Ranking 2019</i>	<i>Ranking 2020</i>
IESE	11	7	4
IE	5	4	5
ESADE	7	6	8

Source: own elaboration (based in QS MBA-Europe, 2020)

In summary, the Spanish B-Schools paradox means (Sánchez-Bayón & Trincado, 2020. Sánchez-Bayón et al, 2020): the more certifications accumulated by the B-Schools, the more contradictions between the different accreditation systems and the more difficult it is to keep these certifications and to renew the academic curricula needed for the accreditation process. However, the greatest contradiction is related with the Spanish public agency of academic certification (ANECA), because it brings B-Schools closer to the traditional Schools of Economics & Business of universities (which are far from markets and close to the scholar mainstream in welfare state economics). Therefore, B-Schools are losing, due to the ANECA accreditation system, their traditional link with companies and business demand (which is more pragmatic and closer to digital economy).

This article makes a review of the rise and fall of B-Schools in Spain (within the framework of a welfare state economy). In addition, a balance is struck between the influence of the accreditation system in the current confusion between B-Schools and the Schools of Business at universities, and the reason why B-Schools are losing competitiveness (specially in digital economy). This hypothesis is based on the experience of the authors¹, who have verified that the accreditation system is an expensive and non-productive way to

¹ The authors' experience and expertise in accreditations system was acquired through the process to get and keep those accreditations, when they served as Associate Deans for B-Schools (e.g. CEDEU 2016-17, ISEMCO 2017-19) and Schools of Economics and Business at universities (e.g. UCJC 2013-14, UCM 2018).

get notoriety and reputation. The accreditation system has an expensive regular cost (it is necessary to spend around a \$30,000 fee for each accreditation and \$5,000 annual fee to keep the accreditation); a high cost of opportunity (e.g. it is detrimental for the autonomy to deal with own academic curricula and for the possibility to promote new programs and business chances); with a great marginal cost (e.g. the next generation of students are not to worry about the accreditations, because they know that each one means a higher fee, so they care about technovation and entrepreneurship for digital economy). Another effect of the accreditation system is the non-innovation trend and the lack of improvement of the academic curricula (B-Schools with a great number of accreditations feel a self-righteousness, which makes them confident and deters them from innovation and leading the digital transition –in fact, this is the real reason why they are overloaded with many red-tape and they do not have enough resources for the changes). We need to explore whether there is a relation between the peak of the accreditation system (because it is really expensive and bureaucratic and there are other agiler ways to get notoriety and reputation), and the fall of the B-Schools focused in this marketing strategy. Moreover, the Austrian School of Economics may offer and answer: to review and to apply a humanistic approach (Huerta de Soto, 2009), including entrepreneurship, talent and happiness management (as fundamentals and not as soft-skills), according to wellbeing economics demands of the new stage of digital economy (Sánchez-Bayón, 2019a, b & c, 2020a & b).

The methodology applied in this paper is that of new Institutional Economics (i.e. a critique of Public choices and the historical and comparative techniques, Buchanan & Tullock, 1962), mixed with some elements of the Austrian School of Economics (i.e. the detection of cycles and phases in the dynamic process, and techniques of inductive-essentialism, Menger, 1871. Huerta de Soto, 1994, 2002 & 2009); as well as the holistic approach of Global Economics & Cross-Cultural Economics, promoted by the new hermeneutic turn of the Sweet-water Schools of Economics and B-Schools (i.e. the qualitative techniques, Sánchez-Bayón, 2020b & c). Regarding the sources applied, they are secondary sources. For this paper the authors used the information from the B-Schools and the institutions of the

accreditation system; and for contrasting the accountability, the authors used the business data base SABI (SABI, 2020).

II

HISTORICAL REVIEW OF SPANISH EDUCATION IN BUSINESS STUDIES

This historical and comparative overview will help understand why B-Schools and Schools of Business at universities are two different institutions, with a different mission, vision and different values. So, it is risky for both kinds of schools (as well as for the educational and the economic system) that the accreditation model mixes them, especially the domestic model of ANECA, which seems to be favorable to the academic view, but against the entrepreneurship model (Sánchez-Bayón, 2020b. Sánchez-Bayón et al., 2020).

Historically, in Spain, there was a dual system in business education, with very polarized managerial cultures and results. In one hand, the nation-State promoted the Schools of Commerce, and later, the Schools of Economics & Business at universities (to prepare the elites and bureaucrats focused in domestic economy). In the other hand, the market supported the B-Schools (in particular, to promote the economic recovery after the post-war period and oriented to international economy).

In Spain, it was during the transition from Schools of Jurisprudence to Law Schools, that the emancipation of the Schools of Commerce took place, with the support of legislation (Gallego & Trincado, 2019. Sánchez-Bayón, 2010 & 2013). In 1821 the General Regulation of Public Instruction refers the teachings of Commerce: it established the constitution of Schools of Commerce in Madrid, Cádiz, Málaga, Alicante, Barcelona, Coruña, Bilbao and Santander. The School of Commerce in Madrid was inaugurated on May 30, 1828 and in October the Regulations with the subjects of the curriculum were published: commercial arithmetic and bookkeeping that included accounting and commercial and administrative corporate names, changes, arbitrations, insurance, weights and national and foreign measures. It also included foreign languages

(French and English), history of commerce, commercial geography, legislation and commercial jurisprudence and studies of manufactured raw materials (Gallego & Trincado, 2019). In 1848 the Schools of Commerce passed to depend directly on the State Administration and there was a list of compulsory books (to control the academic curricula, and the way to commerce in last instance). The plan to centralize the business education in few public universities (by the Executive Order of 1845 and Moyano Act of 1857), resulted in the birth of the first School of Political and Economic Science at the Central University of Madrid in 1944. In 1953 it changed its name to the School of Political, Economic and Commercial Science (twenty years later the School was split into the School of Political Science and Sociology and the School of Economics and Business). At that time (in the 50's), the boom of B-Schools in Spain took place, fostered by private initiative (mainly religious centers).

III THE SPANISH B-SCHOOLS' BOOM

Since 1916, the *Universidad Comercial de Deusto* had been a reference of private management education in Spain. According to Sanz (2016), Deusto led the management and business administration education and teaching by leaving in its graduates a particular stamp: the values of the *Compañía de Jesús* (the Jesuits). But the flourishing of the *Escuelas de Negocios* or B-Schools (public and private –most of them Catholic centers), began with the Spanish economic boom in the 60s, after the *National Plan of Economic Stabilization* of 1959 (Fusi, 1985). This plan was possible thanks to two changes that took place in the 1950s:

- a) The external change: the international blockade cessation and the opening of borders, allowing income for migrant workers, tourists, foreign companies, etc.;
- b) The internal change: the development of B-Schools in two different branches; in the one hand, the religious set of B-Schools (most of them were Jesuits, e.g. ICADE, ETEA,

ESADE); in the other hand, the State set of B-Schools (e.g. EOI). In some of these B-Schools technocrats were formed to replace the *Falangist* and the national-unionism. Economists from public universities were the main political promoters of the Stabilization Plan (e.g. Joan Sardá and Fuentes Quintana, both professors from the University of Madrid-UM). They had political contacts with the relevant Ministers of the moment, such as Ullastres or Navarro Rubio (both professors at UM too). The B-Schools emerged with the sight and strategy of seeking international markets, and they were successful because they had a differential factor from the Schools of Economics and Business: the B-Schools were professionalized and very connected with companies and their needs. Also, the employment opportunities thanks to the ex-alumni contacts was part of the post-graduate utilities given by B-Schools.

The boom of Spanish B-Schools also meant the development of human capital to lead national companies (e.g. Telefónica, Iberia, Repsol, RENFE, Andreu & Sánchez-Bayón, 2019), which improved the welfare state economy (Sánchez-Bayón, 2019a y b. Sánchez-Bayón et al., 2018). In that period, there were many business and management international transplants, but in Spain it was instilled with a special style (“Spain is different”, a sentence made popular by Manuel Fraga, the Minister of Information and Tourism, 1962-69). With the industrializing process and the arrival of the great modern enterprise, managerial capitalism made its way, with the “Americanization” of management (Fernández & Puig, 2009. Puig 2003 & 2008). The openness to the American aid led also to a modernization of the entrepreneurial elites (Carreras & Tafunell, 1993). However, American professionals who participated in the first exchange programs observed that the selection for management positions in Europe responded to a “sponsored mobility”, according to a traditional and collectivist attitude that gave priority to kinship and social networks; in contrast to the US where they selected individuals to a greater extent based on meritocratic factors, within a “contest mobility” (Byrkjeflot, 2000). In Spain, initial capital needs came historically more from self-financing (own

or family) or marriage, than from banks or capital markets (Díaz Morlán, 2013). In some way, this process goes hand in hand with what happened in the state Universities with political advisers and ministries: it is the so-called revolving-doors phenomenon that created a political and entrepreneurial oligarchy or establishment (Farinos et al, 2016). This has been critically called *crony capitalism* (or client-capitalism).

Although the formal educational level of Spanish businessmen did not diverge too much from that of their foreign counterparts (formal training of directives was scarce). There were exceptions: the IESE had emerged as an important extractive institution of the Spanish management elite and led to the existence of cross advisers between Schools of Business-enterprises. *Instituto de Empresa*, IE Business School was founded in 1973 in Madrid by three entrepreneurs, with the goal of fostering an entrepreneurial environment. They promoted international collaborations such as a dual MBA with Brown University and an Asian-focused program run with Singapore Management University.

IV GLOBALIZATION AND B-SCHOOLS BRAND BY ACCREDITATIONS

With the globalization and the new rules for the global economy, the States needed to improve their notoriety and reputation thanks to the country-brand system. For B-Schools it was pretty close: the requirement to offer international programs, and in that sense, the accreditation system looked as the best option at that time. Then, B-Schools moved from the domestic model of brand-management (based in the promotion of the programs by the alumni pride), to an external model, by the accreditation system. Also, thanks to the compliance in the 2010's (e.g. EQUIS in European Area, ANECA in Spain), the accreditation system was intensified.

What is the cost of the accreditation system? In general, the accreditation system is expensive for B-Schools, with high cost of information and opportunity, but also because it is necessary to spend a lot of money to get and retain the accreditation. It is very

bureaucratic, less agile for changes and challenges in the process than a more flexible model based on market signals. But without an accreditation system, students would have to recur to alternatives to obtain information: the rise of international institutions may have been an optimal solution to the information problem. In the context of the Bologna agreement signed in 1999, different accreditation agencies have been created in Europe to avoid corporatism and reduce the information costs for students of assessing the quality of business studies. In Spain, ANECA (whose acronym means *National Agency for Quality Assessment and Accreditation*), tends to privilege the traditional model of the Schools of Business at universities. ANECA is a public foundation created in 2002, by the Spanish Government, as a public corporation and according to the *Public Law of Universities of 2001* (modified in 2007). It has the status of independent agency in the Spanish Public Administration (Public Sector), and it is linked with other European agencies, because it is a member of the *European Consortium for Accreditation in Higher Education* (as part of the *European Higher Education Area*).

ANECA's mission is the verification of the programs which pretend to be taught in all the country. To complete its mission, ANECA makes a periodical call for panels of experts (evaluators) among the scholars at the universities. However, almost a 100% come from public universities and public research centers (e.g. IIE, CSIC). Just some of them come from private universities, but none of them come from the B-Schools (ANECA, 2017). Usually, they are advisors without real business experience and, as we have seen in the historical construction of university institutions, they have usually been hired under a corporate system, with its traditional passage rituals. Actually, according to ANECA's criteria, at least 50% of the professors of an accredited institution need to be scholars (teachers with a PhD and with the professor accreditation). Also, there are not many business-men who have obtained "sexenios" (six-yearly research assessment), because they are professionals with practical expertise, which was the most valuable capital of B-Schools before the accreditation system.

International accreditations by AMBA, EQUIS or AACSB do not face the same problems as ANECA. For example, their evaluation system does not come from public regulation (it is an agreement

among members). Also, the evaluators have some business expertise (or at least, they use management techniques taught in the B-Schools). Again, with globalization, the B-Schools had the chance to offer their programs to the whole World, and for this reason, to get notoriety and reputation in the global map, the international accreditation system looked as a good idea (just 90 B-Schools in the World have it). It is assumed to be a system of excellence, evaluated by non-governmental organizations, which operated as rating agencies. B-Schools managers considered that having these accreditations was a way to create international links and improve the prestige of the School, differentiating their products from State Universities. In this sense, accreditations were part of their plan to innovate and distinguish their product. These accreditations were not compulsory and, so, they had freedom to choose. But, little by little, this has also begun to change: some international accreditation institutions are moving from rating agencies to normalized collaborators of the European system of convergence of quality assessment. At the end of the day, some of them have become also part of the Public Sector. For instance, EQUIS depends of a foundation that receives funds from the European Union.

How does this international accreditation process work in higher education institutions? In the following figure there is a comparative explanation between the 3 principal accreditations (AMBA, AACSB & EQUIS), which comprises the triple-crown (the superior recognition Worldwide). See Table 3:

As shown in Table 3, the triple-crown branding is very expensive in terms of money, time and bureaucracy. Besides, it makes B-Schools not free to change their programs by themselves. To get all those accreditations, every B-School has to spend almost \$100,000 and 2 years of red-tape; also it is necessary to pay an annual fee of membership close to \$15,000 (for all of them). In addition, each year it is compulsory to submit a complete report to each accreditation system. More troublesome is the EQUIS system, which requires reaccreditation for periods of three years. In the case of the B-Schools in Spain, and its successful international position with four of them in the top-10 of Europe and with triple-crown (something that just four countries currently have), the situation is beginning to be quite dangerous.

TABLE 3: THE COST OF THE TRIPLE-CROWN (ACCREDITATION PROCESS FEES IN 2019)

	AACSB International <i>(Priv. assoc.: Tampa, 1916)</i>	AMBA <i>(Priv. assoc.: London, 1967)</i>	EQUIS <i>(Priv. system by EFMD: Brussels, 1997)</i>
Accred. Fee(s)	Eligibility application fee: \$2,000 Process acceptance fee: \$6,500 Initial accreditation fee: \$5,950 Accreditation visit application fee: \$15,000 Deferral visit fee: \$5,500	Registration fee: £2,000 Pre-assessment fee: £5,000 Assessment visit fee: £15,000	Application fee: €9,750 Review fee: €16,250 Annual accreditation fee: €3,250
Total	\$34,950	£22,000 (\$28,600)	€29,250 (\$33,930)
Annual fee	\$5,950	£4,500	€3,250
BS accred.	836 B-Schools in 52 countries (only AACSB: 657 B-Schools, 68% USA)	265 B-Schools in 54 countries (only AMBA: 113, global)	176 B-Schools in 41 countries (only EQUIS: 19, 69% Europe)
Benefits	Not official (denied by CHEA), but it recognizes a standard distinction for B-Schools & all programs	Not official, but it recognizes a standard distinction for post-graduate programs	Almost official (EU support); it recognizes a quality distinction for B-Schools

Source: own elaboration (based in MBA Today, 2019. Global MBA, 2020)

The B-Schools pay for these international accreditations, because they think the benefit compensates the price. But now, the existence of a Government accreditation system with a rigid institution such as ANECA has created distortions in the education system. In the 2000s, the control of ANECA increased. But the Government system of accreditation twists universities to research more than teaching (Sánchez-Bayón, 2014. Sánchez-Bayón et al, 2020). The situation affects the accreditation standards of the B-Schools that depend more and more on the risks and opportunities of globalization. Actually, the B-Schools controlled by

religious institutions renounced their origins as independent B-Schools to become private universities (most of them switched in the 90s, and currently ETEA, ESIC or Villanueva). However, many B-Schools have flourished during the last decades, especially in Madrid. In Table 4 the different B-Schools under the control of ANECA are classified by cities (just in Madrid, according to the B-Schools Spanish Assoc. –AEEN- there are more than 50 B-Schools members). The main Spanish B-Schools are the next:

The necessary validation of the Spanish agency (ANECA) prevents the progress of professional training (and the alertness, Kirzner, 1973 & 99) to lead the transition to digital economy (Sánchez-Bayón, 2014. Sánchez-Bayón et al., 2020). The curricula renewal of Spanish B-Schools needs to be addressed to the digital transition, as in Andreu & Sánchez-Bayón (2019) or González & Sánchez-Bayón (2019). How is it possible that the successful Spanish B-Schools take so much time to modify their official curricula? In the last decade (2010s), a big number of the B-Schools did not include in their programs (as they should have, beyond the soft-skills) the three hot-topic for digital economy (in *gig phase*, Sánchez-Bayón, 2019). The B-Schools had sectorial and instrumental courses in the digital transition, like *Business Intel* or *Digital Marketing* (with many traditional approaches and subjects). But few of them were specialized in non-official short courses on the new paradigm that is proper to them, as the entrepreneurship, talent and happiness management, which analyses the wellbeing economics (as new stage of digital economy, beyond the welfare state economy), according to the mixed approaches of GE&CCM, Institutional Economy and the Austrian School of Economics (with a strong focus in a humanistic view). In the official programs (like MBA), there were some specific subjects on this paradigm, but they were treated as soft-skills, without real professional contents (as we have checked this in the RUCT: Spanish acronym for Public Register of Universities, Centers and Programs).

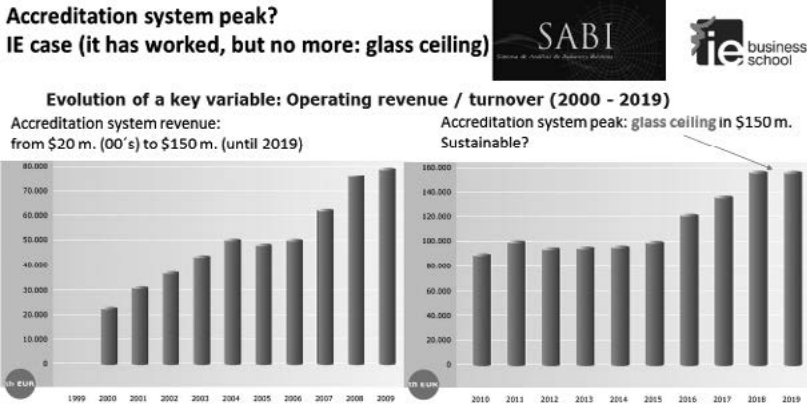
Besides the fact that B-School curricula is now less flexible to the market needs, the paradox is that the more international accreditations are obtained, the more difficult it is to keep them. In part, this is due to the contradictions between the systems and agencies (e.g. the AACSB reinforces the engagement & procedures, AMBA

the standardizations & measures, ANECA the collection of evidences for futures verifications, and all of them have their own evaluation systems with different scores and goal preferences). Also, the bureaucracy to carry out any change implies loses of creativity. The B-Schools use their effort to obtain accreditations, but, as we have commented, they do not show special creativity in new programs, approaches, theories, practices, etc. Gosling & Mintzberg (2004) argue that because students spend so much time developing quick responses to packaged versions of business problems, they do not learn enough about real-World experiences.

As we have seen, the original focus of the B-Schools was the professionalization and the direct relation with the markets and enterprises. However, in the course of time, with all their successes in obtaining quality assessments by ANECA, the Spanish B-Schools have moved close to the universities (or they have become one). A traditional advantage of B-Schools was that they had less bureaucracy and the opener proposal for innovative programs related with the changes in the economic & business reality. But that is no longer the case. And the disadvantage of being more expensive than state universities still remains, being the price of a MBA in IES of €89,950 and in the IE B-School €72,200, while a MBA in a state University can cost €4,500. This price difference was justified by the innovation and professionalization of B-Schools programs, but with the domestic accreditation system, this is no longer the case. The cost of the accreditation system is high (the triple-crow costs almost \$100,000 and a membership of \$15,000 per year), affecting the prices of the programs: high academic fees are maintained with the lowering enrollment of students. Let's see the IE case (as one of the B-Schools with the triple-crown), where the official programs are offered with a high tuition price, but there is no longer the possibility of several editions per year and the groups are smaller each time (which is one of the ANECA limitations: a maximum quota of students per edition). How can the expensive accreditation system be suitable if the student enrollment is smaller? Until now, IE has continued having profits of €150 million per year, but it is thanks to the business diversification and, also, because the accreditations system peak is well-known (see table 5), IE established its spin-off, *IEBS digital school*, trying to deal with a

new competition with the emergence model of low-cost digital B-Schools network (e.g. *IronHack*, *The Code*, *The PowerMBA*).

TABLE 5: ACCREDITATION SYSTEM PEAK? IE CASE



Source: SABI, 2020.

The problem of mixing B-Schools (practice oriented) with Schools of Business at universities (theory oriented), and to become too scientific and disconnected from the business-World, is common in the Western, but it is more intensive in Spain, thanks to the compliance regulation and the role of ANECA. To pass a new official program, it must be supported by a university, and more than 50% of the faculty requires a PhD dissertation and some other accreditations, so the participation of professional people is restricted. For this reason, a Copernican revolution is needed (a humanistic approach as do GE&CCM or Austrian School of Economics). The B-Schools need leadership in programs which teach the set of entrepreneurship, talent and happiness management according to the requirements of wellbeing economics, not just as soft-skills, also as hard-knowledge, attitudes and practices oriented to results. The set of entrepreneurship, talent & happiness management is the flag to distinguish the organizations oriented to results and people (Seligman, 2011), with a real culture of engagement and motivation of their collaborators

(Fernández, 2015). Many authors acknowledge that globalization has been a transitional period between a time dominated by the nation-State and its rigid welfare state economy, bureaucratized, hierarchical and constrained by scarcity, to another of the global village and its flexible digital economy (Bordo et al, 2003. Klein & Pritchard, 2018. Sánchez-Bayón, 2019a & b). This transition is the breeding ground for crises and uncertainty, hence the classification of liquid, diffuse or risk companies that has resulted in a great change of social game: new players, rules and board (Sánchez-Bayón, 2018. Valero & Sánchez-Bayón, 2018). At a macro level, the country-brand (“Marca-España” in this case –today “España Global”) needs to be promoted for the B-Schools to achieve notoriety and gain reputation, which makes us an attractive investment, bringing tourism, avoiding brain drain, etc. (Sánchez Guitián et al, 2013). At the micro level, a general accepted way for achieving reputation was that of international accreditations (Kaplan, 2014) but, nowadays, the state accreditation prevents this reputation from being effective. Until the late 20th century, welfare state economy model was under the metaphor of production chain and, then, the set of entrepreneurship, talent & happiness management was unnecessary. B-Schools trained managers in an operational and bureaucratic way, to supervise a repetitive technician labour. B-Schools focused on training managers and the flag-ship program was the MBA. Now, in the digital economy, the B-Schools have to prepare students in entrepreneurship and creativity, to be talented professionals, and able to get through to other professionals (as GE&CCM and Austrian School of Economics propose). In short, they need to be reoriented to the markets and the real economic activity, in an autonomous way.

V

CONCLUSIONS

This paper compares the development of Schools of Business at universities and the B-Schools (also, they divided between academic and professional institutions) along the Spanish History, and it shows how a dual education system has been consolidated, until the current hybridization (related with the *Spanish B-Schools Paradox*). The paper

alludes to several present and potential future risks for Spanish B-Schools. As the *Spanish B-School Paradox* proves, as much international accreditations the Spanish B-Schools get, more difficult it is to keep them, because of the red-tape and the contradiction among the verification systems. They must spend a lot of time and resources to maintain the accreditations. The biggest contradiction is with the official Spanish agency of verification (ANECA), because this system was thought for universities with a theoretical focus, with scholars and as a way to consolidate the welfare state economy paradigm.

Also, this paper shows the peak of the accreditations system (after the financial crisis of 2008 and the begging of the post-globalization), because it is so bureaucratic, expensive and non-productive to get notoriety and reputation.

- regular cost: it is necessary to spend around \$30,000 fee for each accreditation and \$4,000 annual fee to keep the accreditation;
- cost of opportunity: there is a rejection of autonomy to deal with own academic curricula and the possibility to promote new programs and business chances;
- marginal cost: the next generation of students, they are not worry about the accreditations, because they know that each one means a higher fee, so they care about technovation and entrepreneurship for digital economy;
- externalities: non-innovation trend and lack to improve the academic curricula (the B-Schools with more accreditations feel a self-righteousness, which makes them confidence without the necessity to innovate and to lead the digital transition -actually, the real reason, they are overloaded with many red-tape and they do not have enough resources for the changes).

So, the B-Schools need to go back to the professional focus, with business-men (as instructors) and innovative proposals in digital economy paradigm (specially, for the transition to the new level: wellbeing economics). Those new proposals, close to digital economy and the demand of the markets and business need an agile renewal of academic curricula, to introduce the set of entrepreneurship, talent

and happiness management for wellbeing economics paradigm, not as technical complement or soft-skills, but as a real commitment with knowledge, attitudes and practices to drive the business in a global digital economy. Today, the emergency is to recover the professionalization of the B-Schools, under the socio-cultural and humanistic approaches as GE&CCM and Austrian School of Economics (ASE). For this reason, it is necessary to move on to an agile system, as the new generation of digital B-Schools are doing (e.g. *The PowerMBA*, *IronHack*, *The Code*); also, thanks to the mentioned approaches (GE&CCM & ASE), it is possible to go beyond the technovation and to arrive in a happiness economy (the final goal of the economy is not the welfare by the growth of the GDP, it is the satisfaction and well-being of the human beings).

Finally, in Austrian Economics terms, it is possible to conclude: As Ludwig von Mises emphasized, economic calculation is an absolutely essential human institution. So, according to the Austrian School of Economics, B-Schools cannot teach students to be good entrepreneurs. But they do teach the language of business. That is, B-Schools teach the language of economic calculation as manifested in accounting and finance. This business language is an essential human institution. So, the decline of the Spanish B-Schools is problematic, because it portends the decline of the vital human institution of economic calculation.

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