International Accreditation of Business Schools in Emerging Markets: A Study of FGV-EAESP and Insper in Brazil

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Introduction and context

The globalization of the world economy has had a direct effect on higher education (Canals, 2009; Nerad, 2010). Not only have more companies and organizations from Japan, Europe, Canada and the USA penetrated into the rest of the world, but companies and organizations from the developing countries, especially the emerging markets of Brazil, Russia, India and China (the BRICs), have also become internationalized and compete in global markets. Thus business schools at Institutes of Higher Education (IHEs) worldwide must provide students not only with traditional management skills but also with management skills and perspectives that are relevant to the BRICs and other more pluralistic and multicultural realities (Scott-Kennel and Salmi, 2008; Canen and Canen, 2011; Wallerstein, 2000, pp. 432–433). They must develop strategies both to offer quality education and to compete with other institutes, including strategies involving marketing (Hemsley-Brown and Oplatka, 2006), geographic diversification, and strategic international alliances (Iñiguez de Onzoño and Carmona, 2007).

Internationalization inevitably becomes a part of established goals and the strategies for achieving them. The success of their internationalization processes can determine how well positioned IHEs are to attract students, faculty and alliances with educational partners from other countries (Egron-Polak, 2011). IHEs in developing countries and emerging markets have additional challenges, often including fewer resources, weaker primary and secondary education systems, and less well-known reputations. Most academic institutions in the BRICs are simply unknown to academics from developed countries, which makes
establishing and extending their reputation a key factor for the internationalization process and success. The Brazilian experience, although unique in many ways, can serve as an example of what business schools at IHEs from developing countries and emerging markets face.

In Brazil, business management is the most popular field of study, with well over half a million students enrolled in over 1300 programs nationwide (Lourenço and Knop, 2011). Although there are a few well-established management schools in Brazil, most are less than 20 years old (www.capes.gov.br), and strategic management of higher education is also a recent phenomenon. Only in 2001 did the Brazilian Ministry of Education (MEC) require all institutions to produce five-year Institutional Development Plans, covering their missions, organization, infrastructure, performance assessment and implementation plans as part of the accreditation process (Andrade and Perez, 2011).

Schools are responsible for providing a quality education that endows their students with the abilities that will make them gainful employees, managers and business owners. If viewed from a rational-choice perspective, students choose to attend the “best” school possible, basing their decisions on various aspects that are used to rank desirability of business programs, including location, cost, school reputation, and employability after graduation (Mainardes and Domingues, 2010b). Of these, the most important factors for Brazilian students seem to be employability and school/program reputation (Mainardes and Domingues, 2010a) and programs employ various strategies to qualify and publicize themselves. In Latin America in general international name recognition helps a school attract the brightest scholars and students (many of whom are international students) and also high-profile research and training projects. Academic standards remain important, but there is a perceptible shift from an emphasis on a high-quality academic experience for students and faculty to one in which high academic standards are part of marketing campaigns for branding purposes in order to compete domestically and internationally (Knight, 2005).

Market dynamics in Brazil and around the world have resulted in both increased cooperation and competition between IHEs. IHEs from different countries cooperate in various ways, including collaborative research, faculty exchange, student exchange and dual degrees. Porter’s forces (Porter, 2008) can be applicable to this context, in that business schools have to respond to market pressures just as businesses do. Business programs compete with each other for the best students, faculty, and various types of resources. These three primary areas of competition are intertwined and require carefully planned and executed