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Race, Ethnicity, and Specialized Business Accreditation

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Academic Leadership Journal

Recent controversy regarding race- and ethnicity-conscious admissions programs demonstrates the continued debate on the equality of opportunity within post secondary education (Kane 2003; Thernstrom and Thernstrom 2004).

College-bound students in the United States make several choices including which college to attend, whether to persist in college, and which major to select. Research demonstrates that these decisions are influenced by a student's race and ethnicity (Daly 2005; Delvecchio, McEwen, and McEwen 2001; Niu, Tienda, and Cortes 2006).

Black and Hispanic students are underrepresented at selective colleges and universities in the United States (Dickerson and Jacobs 2006; Niu et al. 2006). The colleges themselves also play a role by deciding which students are admitted. Since Black and Hispanic students have lower average SAT scores than White and Asian students (Davies and Guppy 1997) and Black students have lower average GMAT scores than White and Asian students (Cross and Slater 1998), heavy emphasis on these test scores in admissions decisions may limit the opportunities for Black and Hispanic students. However, the long-term implications of enrollment patterns and economic returns of selective college admissions create a need for a more thorough analysis of the issue.

Within selective colleges, Black students are one third less likely to be majoring in lucrative fields (which include business) according to Davies and Guppy (1997). However, business departments on some college campuses may be more diverse than other departments. Leppel (2001) noted that Black and Hispanic students are more likely to major in business than in other fields. Race also played a role in selection of career fields within business. According to Delvecchio, McEwen, and McEwen (2001) Black students were more likely to major in human resources than other business fields.

According to St. John, Hu, Simmons, Carter, and Weber (2004), Black students are more likely to persist in high demand major fields such as business. Therefore, enrollment of Black students could be expected to be maintained at a higher level in Business programs since students are more likely to continue attendance.

These somewhat contradictory findings regarding the enrollment of Black students in business majors require an analysis of the patterns of diversity within business majors and non majors based upon the selectivity of schools as measured through specialized accreditation status.

Specialized Business Accreditation

Specialized accreditation of business programs is offered by three separate bodies based in the United States: The Association to Advance Collegiate Schools of Business (AACSB), the International Assembly for Collegiate Business Education (IACBE), and the Association of Collegiate Business Schools and Programs (ACBSP). Specialized accreditation of business programs is a truly voluntary process. There is no link between certification of graduates and accreditation of business programs and specialized accreditation is not required by any coordinating body (Fox Garritty and Finney 2007). Therefore, business departments may be accredited by one of the three bodies or they may hold no specialized accreditation status. The costs of each option vary.

Finances Related to Accreditation

The costs associated with specialized business accreditation include both money and time. The annual fees charged by the accrediting bodies ranged between \$6,500 for AACSB and \$1,850 for IACBE and

ACBSP. The costs incurred during the accreditation decision year include the costs of the site visit in addition to fees ranging from \$17,000 for AACSB to \$1,200 for IACBE. Other costs incurred by accredited programs include time to produce the self-study documents and money spent to comply with accreditation requirements.

Winston (1999) argues that a hierarchy of institutions exists in the United States based upon the amount of money used to subsidize the education of the students. Schools that provided the largest subsidy per student also have the highest expenditures on the students' education and are also those that are most selective during the admissions process. High levels of money for expenditures on education assist a college in paying for all the costs associated with applying for business department accreditation. Institutions with the highest levels of expenditure per student could apply for the most expensive accreditation available. Those same high levels of expenditure per student would allow an institution to be more selective in the admissions process. Therefore, the schools that have the money to spend on the accreditation process, particularly the most expensive (AACSB), would also be the most selective schools regarding admissions.

Research Questions

The study was designed to answer three research questions:

1. How do the racial/ethnic demographics of business majors compare to non-business majors?
2. How do the racial/ethnic demographics of business majors compare to non-business majors when controlling for specialized business accreditation status?
3. What differences exist between the racial/ethnic demographics of the business majors at AACSB, ACBSP, IACBE, and schools with no specialized accreditation?

Methodology

Data on all institutions included in the 2004 Integrated Postsecondary Education Data System (IPEDS) database of the United States National Center for Education Statistics were accessed. This study included all 1,812 institutions with students classified as Business Management and Administrative Services majors. The race/ethnicity of graduate and undergraduate students identified as business majors and the race/ethnicity of all graduate and undergraduate students at these institutions was accessed. First professional students were not included in the analysis since there are no business majors in these programs.

The list of accredited schools was accessed from each accrediting body's website during September 2006. Each institution was assigned a code based upon whether at least one program in the Business Department held specialized accreditation by one of the three accrediting bodies. Institutions holding no specialized business accreditation were also coded.

The percentage of business majors and non-business majors in undergraduate and graduate programs in each racial/ethnic category were calculated. The data were then grouped by which accrediting body, if any, accredited the business program. The result provided data for comparison on the racial and ethnic diversity of the students represented by each accrediting body and also on the diversity of undergraduate and graduate students at schools with no specialized business accreditation.

Results

Table 1 presents the results of the study.

Table 1

Students by race, ethnicity, and business department accreditation status

Accred- itation	Students by major	Total students	% White	% Black, non- Hispanic	% Hispanic	% Asian	% Native Amer./ Alaskan Native	% Un- known	% Non- resident Alien
Total	Business	1,791,864	56.49	12.51	9.35	5.82	0.68	8.87	6.27
	Non-Business	8,135,222	63.92	10.42	8.46	5.37	0.82	6.72	4.29
AACSB	Business	850,065	63.59	8.73	6.50	8.21	0.54	5.55	6.88
	Non-Business	4,808,569	66.29	9.02	6.69	6.20	0.72	5.99	5.09
IACBE	Business	112,357	56.94	19.85	5.42	2.78	0.83	10.54	3.64
	Non-Business	326,188	65.43	13.62	5.79	3.20	0.74	8.86	2.38
ACBSP	Business	92,570	58.94	18.42	5.96	2.81	1.31	7.72	4.84
	Non-Business	413,650	64.17	16.51	7.18	2.05	1.85	6.18	2.05
None	Business	736,872	47.94	15.01	13.66	3.91	0.75	12.59	6.15
	Non-Business	2,586,815	59.29	11.65	12.27	4.63	0.85	7.91	3.40

The first research question called for a comparison of the racial/ethnic demographics of the business majors to non-business majors at all 1,812 institutions. This study demonstrated that there were higher percentages of Black, Hispanic, Asian, Non-resident Alien, and students of unknown race/ethnicity in business majors than in all non-business majors combined. Only White and Native American/Alaskan Native students showed lower percentages of the enrollment of business majors versus all non-business majors combined.

The second research question called for a comparison of the racial/ethnic demographics of business majors to non-business majors within each specialized business accreditation status. It is interesting to note that the results of this study provided racial/ethnic data for each of the accrediting bodies:

1. AACSB institution business majors showed a higher percentage of Asian and non-resident alien enrollments than the non-business majors at AACSB institutions. Business majors were less likely to

be White, Black, Hispanic, Native American/Alaskan Native and Unknown than the non-business majors.

2. IACBE institution business majors showed a higher percentage of Black, Native American/Alaskan Native, Unknown, and Nonresident Alien than non-business majors. Business majors were less likely to be White, Hispanic, and Asian than the non-business majors.

3. ACBSP institution business majors were more likely to be Black, Asian, Unknown, and Nonresident Alien. Business majors were less likely to be White, Hispanic, and Native American/Alaskan Native than non-business majors.

4. At schools with no specialized business accreditation, business majors were more likely to be Black, Hispanic, Unknown, and Nonresident alien. Business majors were less likely to be White, Asian, and Native American/Alaskan Native than non-business majors.

In fact, the largest differences between business majors and non-business majors were observed in the percentage of Black business majors at IACBE, ACBSP, and no specialized accreditation with a difference of up to 6.23 percentage points higher enrollment in business majors. It is interesting to note the discrepancy between this and the data on AACSB accredited programs showing a lower percentage of Black business majors than non-majors.

Across all accrediting bodies, non resident aliens were more likely to major in business, and in all but AACSB accredited programs, unknown students were enrolled in business majors at a higher rate than non-business majors.

The final research question addressed the differences among the racial/ethnic demographics of business majors at AACSB, IACBE, ACBSP and schools with no specialized accreditation:

1. The lowest percentage of White business majors was found at schools with no specialized business accreditation at 47.94% while the highest was 63.59% at AACSB institutions.

2. The lowest percentage of Black business majors was found at AACSB institutions at 8.73% while the highest was 19.85% at IACBE institutions.

3. The lowest percentage of Hispanic business majors was found at IACBE institutions at 5.42% while the highest was 13.66% at schools with no specialized business accreditation.

4. The lowest percentage of Asian business majors was found at IACBE institutions at 2.78% while the highest was 8.21% at AACSB institutions.

5. The lowest percentage of Native American/Alaskan Native business majors was found at AACSB institutions at 0.54% while the highest was 1.31% at ACBSP institutions.

6. The lowest percentage of Unknown business majors was found at AACSB institutions at 5.55% while the highest was 12.59% at schools with no specialized business accreditation.

7. The lowest percentage of Nonresident Alien business majors was found at IACBE institutions at 3.64% while the highest was 6.88% at AACSB institutions.

Discussion

Overall, the study supports the conclusion that business majors in general are a more diverse group of students than non-business majors. In fact, there were less white and more non-resident alien business majors both in total and within each subgroup by accreditation status. There were more Black business majors than non-majors in all subgroups except the more selective AACSB accredited schools. This group of schools had a substantially lower percentage of Black business majors and non-business majors than other groups of institutions. However, the percentage of business majors who were Black at AACSB schools is similar to the percentage of non-business majors who were Black within that group.

The opposite trend was observed for Asian students in that these students made up a much greater

proportion of the business majors and non-majors at the AACSB schools than at other groups of schools.

Regarding Hispanic students, the research demonstrated that at most categories of institutions, the percentage of Hispanic Business majors was similar to the percentage of Hispanic non-business majors; however, at schools with no specialized accreditation, Hispanic students made up a larger percentage of the student body, nearly 13%.

Implications

There are two major implications of this study. First, attendance at selective colleges has a significant economic return for all students in the form of income, network connections, and opportunities (Brewer, Eide, and Ehrenberg 1999; Dickerson and Jacobs 2006). However, this return is even greater for minority students (Bowen and Bok 1998). Therefore, the current attendance patterns of business majors may be limiting the economic returns of a college education for Black business majors who are not well-represented at the most selective colleges, those holding AACSB accreditation.

While neither Black nor Hispanic students were widely represented in the AACSB accredited group, it is an interesting trend that Black business majors had entered IACBE and ACBSP institutions at a rate that was much greater than their average enrollment in business programs overall. In contrast, Hispanic business majors were not well represented in any of the groups of accredited business programs. The concentration of Hispanic students was in the business programs with no specialized accreditation. Latino/a students are less represented in selective institutions than equally academically prepared White students (Hurtado and Haney 2005). Since the economic return of a college education is impacted by the selectivity of the institution, Hispanic students, concentrated in the lowest selectivity colleges may receive less economic benefit from their education on average. The observation of a trend toward fewer Black students enrolled in more selective colleges (Dickerson and Jacobs 2006) points to the need for a study of whether this enrollment pattern of Black and Hispanic Business majors has changed over time.

The second major implication is related to the diversity of a student body. Increasing the Business student enrollment could proportionally increase the diversity on a campus if the demographic patterns observed in this study persist.

The authors suggest follow up studies on the question of the impact of business department specialized accreditation on the economic and non-economic returns of a college education.

Additional studies by degree level may also identify demographic enrollment patterns that would add to the current literature. Most importantly, a study of the reasons why a student's race or ethnicity is related to college enrollment patterns is necessary.

Limitations of this study include the nature of the IPEDS data, which includes Title IV participating institutions in the United States and a very small number of schools outside the United States. Each of the three business accrediting bodies accredit numerous schools outside the United States that may not be included in the IPEDS reports. Therefore, these accredited institutions were not included in this analysis.

Conclusions

Business students are more diverse than the non-business student population. Business departments operate in a hierarchy based upon specialized accreditation status. Given the current literature on the influence of college selectivity on minority student enrollment, this study was conducted to determine if these same limitations on minority enrollment held in a diverse field of study.

Current trends indicating a move away from race-conscious admissions in some states assumes that past discrimination has been redressed and equality of opportunity has been achieved. However, our

study concludes that while Black and Hispanic students enroll in business programs at a greater rate than other programs, even within this diverse field, Black and Hispanic students are not well represented at the more selective institutions, thereby limiting the potential gains of a post secondary education.

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