

MBA TERMS GLOSSARY

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MBA Terms Glossary

Here are brief explanations of some of the terms that you will find in these pages and in the

AACSB (The International Association for Management Education)

The AACSB (Previously the American Assembly of Collegiate Schools of Business) is the main Accrediting organisation for American MBAs. Several hundreds of programs are now accredited by the AACSB which lays down standards for Programs and their Schools covering such matters as the curriculum, the faculty, the student body, library and other facilities. With the increase in the interest on accreditation and the growth in the number of programs worldwide, the AACSB has begun to accredit programs in other countries where the Schools have considered accreditation by the dominant American organisation to be important in communicating the standing of their program in other countries and in the USA.

Membership of the AACSB is not the same as having been accredited. Further, some Schools describe themselves as being a Candidate for accreditation.

[Go to AACSB Site.](#)

In the USA there are several other accrediting agencies working either nationally or regionally e.g ACBSP (See [ACBSP](#))

ABS (Association of Business Schools)

This is the 'Trade' Association for UK Business Schools. Most major Schools are members. There are membership criteria but it is not specifically intended that membership is a quality indicator for a School or any of its programs. Some smaller or newer Schools may not be members.

ACCREDITATION

This term means different things in different parts of the world. Most Universities and degree awarding establishments are accredited or licensed by a Government or Government agency to offer degree programs and award degrees (eg through the powers of a Royal Chartyer in the UK). In some places Universities accredit other institutions to deliver parts or all of their programs. In many parts of the world independent accrediting organisations have been set up. They also accredit establishments and /or their programs. This is common for Business Schools and MBA Programs. In general independent accreditation implies 'approval' and in some parts of the world such a process has become the norm. In the USA and certain other areas the main accreditation body is the AACSB, whereas in the UK and parts of Europe AMBA performs the same role. Where such organisations are well established and are seen to perform a quality approval process for the public - Schools will normally seek their accreditation. Most accreditation is of programs not Schools - so some Schools may have some programs which are accredited and some which are not. However some organisations accredit Schools, and thus all of their programs. The database does not show Government accreditation. It does identify independent accreditation by several- but by no means all - major organisations.

ACBSP (Association of Collegiate Business Schools and Programs)

ACBSP operates mainly in the USA. It aims to establish, promote, and recognise educational standards that contribute to the continuous improvement of business education and to recognise those Schools and programs that adhere to these standards. ACBSP has become a principal accreditor for small to mid sized graduate (and also bachelors) degree programs

[Go to ACBSP Site](#)

AMBA (Association of MBAs)

The Association of MBAs was established in the UK, initially to represent those who had obtained an MBA. Now it has broader interests, including the accreditation of MBA programs. Accreditation is of programs - not Schools, thus some Schools may have some programs which are accredited and some which are not. It is particularly strong in the UK where it is the main accreditation organisation for MBAs.

The Association's strength is as a membership organisation with over 10 000 MBA student and graduate members-representing the voice of the consumer (MBA students/graduates) and the interests of its member business schools and employers. The Association is registered as a charity and provides impartial advice and information for anyone thinking about studying for an MBA. The Association has accredited programs since its inception in 1967 and currently accredit programs at 55 schools across Europe (35 UK, 20 rest of Europe plus a number of outreach programs outside Europe).

[Go to AMBA Site](#)

AMERICAN MANAGEMENT ASSOCIATION

One of the largest management membership associations, the AMA provides services for individual and corporate members worldwide through four regional centres.

The AMA's Management Centre Europe (MCE) in Brussels, Belgium provides classroom seminars,international conferences,customised company courses and on line education, for managers in all functions and at all levels.

[Go to MCE Site](#)

ASFOR (Associazione per la formazione alla direzione aziendale)

The Italian Society for Management Training provides an accreditation process for Masters programs both in general management and specialized fields. The accredited programs are in Italian Schools.

[Go to ASFOR Site](#)

ASSOCIATIONS and INSTITUTIONS

There are membership Associations and Institutions for managers in many countries. Members get benefits such as publications,events etc. Most offer courses and conferences. Some - mostly the Institutions- give membership qualifications for managers to attach to their names. Most require individuals

to have certain qualifications (eg MBA) and/or sufficient professional experience for membership. Some provide a form of membership to those currently studying Management (eg students on MBA programs)

COMPANY PROGRAM

Some MBA programs are run by or for a single company - for employees of that company. In other words they are not open or public programs. Normally they are run by Schools and resemble their open MBA - but probably with some tailoring of content or structure to suit the company's requirements. Occasionally they will be run by the company with validation by a School or University.

Some programs are run for Consortia or groups of companies. Rarely are Company programs accredited.

CORE

Meaning the central curriculum of a program, it is the compulsory course content - to which in addition participants will usually also have a choice from amongst certain electives or options

DISTANCE LEARNING PROGRAM

The term was originally associated with a correspondence type program for which course materials would be sent to a student who was remote from the School campus for them to study individually and to submit work for assessment and/or occasionally to sit examinations. Thus students would study mainly alone. With occasional sessions with others - eg at 'summer schools'.

Soon after the introduction of this form of study for an MBA in the 1980s Schools began to find ways of overcoming the disadvantages of distance and remoteness for students. Materials were delivered in various forms - not just print. Local support facilities were established, study groups of students in a particular area were encouraged and supported, etc. Later forms of computer conferencing were established to give students more direct access to faculty and to one another. Then video conferencing was introduced - and more recently the Internet has been used to provide the means for the electronic delivery of information and materials, the provision of more support and interaction - in effect providing, for the more sophisticated programs, 'virtual' classroom situations.

Thus Distance Learning now means a range of things. Some DL programs still resemble the traditional approach - whilst others have become more like electronically supported part time programs. In all cases however the basic characteristics remain - i.e. such programs are intended for individuals who are unable or who do not wish regularly to attend 'classes' at a School and/or who wish to study at their own pace

EFMD (The European Foundation For Management Development)

Based in Brussels the EFMD is a body representing Business Schools, Management Colleges and the Management Training and Development interests of Organisations. Business School and Companies are eligible to be members of EFMD. The former have to satisfy certain criteria and to be accepted into membership by the other Schools. The latter are often the

Corporate clients of the Business Schools - so the EFMD is unusual in representing both the supply and the market sides of the management education business

The EFMD represents Schools and not just MBAs

[Go to EFMD Site](#)

In response to what it saw to be a need for a European accreditation system for Schools (not just MBAs) the EFMD in 1997 set up EQUIS (The European Quality Improvement System). The number of Schools seeking and being accredited under this scheme is increasing - but it is still relatively new. The interests of the EFMD and thus the coverage of EQUIS is also beginning to extend beyond Europe.

ELECTIVE

Most MBA programs offer a choice of electives or course options to participants. The aim is to extend the Core curriculum to enable individuals to pursue their particular interests - i.e. to some extent to tailor the program to their particular needs. Given that all good programs will aim to cover a certain and substantial core curriculum in adequate depth - it is possible that the longer programs will have the greater choice of electives.

ELECTRONIC PROGRAM

This normally refers to the means of delivery of the program - not the curriculum.

The implication is that Information technology plays a significant part in the delivery of the program. So called Electronic MBAs are often developments of Distance Learning programs. In the Information technology is used for the delivery of course materials, to facilitate contact between students and between them and faculty, to provide access to additional information, for computer conferencing etc. At the simplest level E-mail is used for student/student and student/faculty contact, and materials are delivered as electronic files through E-mail or FTP(File Transfer Protocol). More sophisticated use will provide for computer and video conferencing, the electronic submission of assignments, access to multi media materials, interactive case studies etc.

The use of these procedures is not confined to Distance Learning programs. Such facilities are increasingly used to support part time and modular programs and to enhance full time programs.

EQUIS (The European Quality Improvement System)

This is the Business School accreditation system introduced in 1997 and operated by the European Foundation for Management Development. Notice that it is an accreditation procedure for Schools - not individual programs

EXECUTIVE MBA

The term can mean many things, but essentially indicates that the program is for experienced managers with several years of relevant experience. Given that such people will often be in senior posts in business - they are often unable to follow a conventional full time program - so the term is often used to indicate that a program is run for - and in a manner which is appropriate to such people - e.g., part time or modular.

FACULTY

The faculty are the teaching and research staff of a Business School. Some - the more senior and accomplished - carry the Professor title. In some Schools , e.g in America, there are Assistant, Associate and full Professors - in increasing order of seniority/accomplishment. Elsewhere - excepting where the American model has been adopted - there are usually only full Professors - who have achieved significant status in their areas of work mainly through their research. Some visiting faculty may also have the professorial title - either because they have it in their own institution or because the institution at which they are a visitor has awarded it to them.

FIBAA

The Foundation for International Business Administration Accreditation (FIBAA) is a tri-national (Germany,Austria,Switzerland) organisation set up by Chambers and Federations of Commerce and Industry in those countries to accredit MBA and BBA (Bachelor of Business Administration) programs. FIBAA accredited programs which run in the three countries include not only those offered by national Schools but also some run there by American Schools.

[Go to FIBAA Site](#)

FOCUS (Or CONCENTRATION)

Most MBA programs are 'General Management' oriented i.e. they cover the full range of management topics or functions. They are intended to provide education and development for those who will be working in general or strategic management or moving between specific functions. Some programs however are aimed at particular management functions or particular sectors of business. The former will include MBAs in Marketing, Finance or Information management etc. The latter may include MBAs for the Service sector - or particular areas within that - eg travel and tourism.

FRANCHISE

Some Business Schools or Universities allow their programs, under certain conditions, to be run by other Institutions. Thus the Institution whose program it is - allows it to be delivered on their behalf by another body - usually as a means to allow that program to enter a different market, or one that the parent institution would not easily be able to access themselves. Various terms are used to describe this practice - eg validation. To some extent the term used is dependent on the extent to which the parent institution has delegated authority for the program to the other body. At the fullest extent there may be full delegated powers -eg covering authority to admit students to the program, to examine and assess and to make award. Such an arrangement would be a full 'franchise' This is rare - more common is the

delegation of some activities to the other, often local, body - e.g. to promote a program, distribute information, provide support for students, facilities, local tutoring etc - but short of the delegation of academic authority. Under such arrangements several Schools have been able to take their programs to parts of the world in which they have no facilities of their own - thus people who might not otherwise have had the opportunity to follow a particular program have been able to access a version of that program run more locally for them.

Through such arrangements - often falling well short of full franchises - local institutions are able to offer programs that they would not have been able to provide by themselves. They should in all such case clearly indicate which 'parent' institution or School is validating the program

FULL TIME PROGRAM

Such programs require dedicated participation. They will normally require attendance at a designated place -normally the School - most days of the week. Participation in such programs will not allow time for an individual also to undertake a job- although some students may well do occasional part time work- perhaps to earn the money to pay their fees. A full time program will provide considerable benefits to individuals through their work alongside others from different backgrounds. Schools will be concerned if there is the possibility that individuals will be unable fully to participate in the community throughout their full time program, both in and out of the formal sessions

GMAT (Graduate Management Admission Test)

The Graduate Management Admission Test measures language, writing skills and quantitative abilities and is intended to indicate a person's potential as a participant of an MBA program. - or in the case of a 2 year program - their potential on the first year of such a program. It is a required entry condition of many Schools - who will indicate a normal minimum score that they will accept.

The test is administered throughout the world either as a paper based test, or increasingly as a computer - adaptive test, at fixed dates. Total scores range from 200 to 800. Most entry requirements - where specified -require a minimum score between 400 and 600.

(Other tests used for admission to MBAs include the GPA - which is on a scale up to 4 . The minimum entry requirement tends to around 2.5).

IACBE (International Assembly for Collegiate Business Education)

Headquartered in the USA, IACBE operates internationally with Centres serving Europe, Latin and South America, and Asia and the Pacific Rim. IACBE is a specialized accrediting body for Business and Business-Related degree programs in Higher Education. IACBE works mainly with small to mid-size four year institutions..

[Go to IACBE Site](#)

INTERNATIONAL PROGRAM

The term is used to refer to a range of things. It might describe the orientation of the program - ie a program emphasizing International business - with a curriculum related to that. It might refer to the student body on the course -i.e. a program intended to be followed by a wide range of participants from different parts of the world. It might describe a program that runs - i.e. is available locally - in many parts of the world eg using Distance learning methods or local organisations supporting a validated/franchised program. Finally the term is often used to describe a program which involves participants studying, undertaking projects or assignments, or being on placements in other parts of the world. For the latter such programs are often offered by two or more Schools based in different countries working together to run a joint international program or providing for the exchange of students between their programs.

LOCATION

In the database the term is used to describe where a program is run. It applies only therefore to 'attendance' program. The location is often the home base for the Business School-but not always as some Schools have put in place arrangements to be able to run their programs in other locations, eg by working in partnership with other bodies, or be setting up remote campuses.

MODULAR PROGRAM

This normally refers to the structure of the program.Modular and Part Time programs can be very similar. Whereas Part Time programs usually require attendance at the School or some other designated location on a regular and frequent basis for short periods of time-often just one day, Modular programs normally require less frequent but longer periods of attendance - ranging from a few days to a few weeks.

OPEN PROGRAM

This sometimes means the same as 'Distance Program' i.e. meaning that because of the way in which the program is delivered - it is more accessible by people -i.e. more open to them. More often however it refers to the entry requirements. A program which does not have the normal academic entry requirements - and is available to those with other qualifications or those with substantial practical experience and no formal further or higher qualifications - may be described as 'open'.

PART TIME PROGRAM

This typically describes a program which requires regular, frequent - but short periods of attendance at a School or other designated place. It will usually differ from a Modular program because of the number and duration of attendances required.

QAA (Quality Assurance Agency)

This is the UK national government agency charged with monitoring and seeking to ensure adequate quality in higher-education. It audits institutions and publishes its findings on them.

At various times over the past few years - predecessor organisations of the QAA have assessed the teaching and research quality of institutions, often giving scores or categories (eg 1-5; Satisfactory, Excellent etc). These measures are sometimes quoted by British Schools when they describe themselves and their programs.

RANKINGS

The ranking of MBA programs and of Business Schools is common in some countries - eg the USA. Such rankings generally appear in the business press or the business pages of national newspapers. Ostensibly the objective is to inform the market about the standing and repute of programs and Schools. Unfortunately the criteria for the rankings differ so much and frequently are not declared, so such rankings can be rather misleading. Thus - for example - a ranking of Schools based on recruiters' opinions of the quality of their MBA output will be relevant for a School with a large full time program - but will say little about one which concentrates on part time, distance and executive programs. A ranking influenced by the average GMAT score of those entering the program will probably say less about programs outside of the USA. The ranking of AACSB programs will ignore most non American programs.

Most major Business Schools and most major programs will appear in the top league on some ranking at some time or another. That's probably a better indicator of the standing of the School than any one 'league table' since the diversity of Schools and programs now is so large - that no single method of ranking will do justice to all types.

STRUCTURE

We use the term here to describe the basic type of program - and we categorize programs as Full time, Part Time, Modular and Distance. The latter is perhaps the most varied category. (see these terms elsewhere in this glossary)

TOEFL (*Test of English as a Foreign Language*)

This is one of the best known test of the use of English as a foreign language - ie a test of English language ability for those whose first language is not English. Schools will often require such a test for those seeking entry to an English language program from a country where English is not the mother tongue -and especially in such situations where interviews cannot be conducted. The minimum entry requirement for an MBA tends to be around 550.

Other tests include the Test of Written English and the Test of Spoken English

VALIDATION

The term is used to mean different things - but here we use it to mean that a program has been 'approved' by another organisation as leading to the award of one of its qualifications -in our case an MBA. A validated program run by an organisation will thus lead to the award of an MBA from another institution. This tends only to be necessary when the organisation running the program is not able to award its own degrees -or when the validating organisation has higher status. A validated degree may be distinctive to the organisation which is providing it - ie that organisation will have submitted its own program to

another institution validated as being of adequate standing etc. Alternatively it may be much the same as the program offered by the validating institute - but run locally on their behalf -perhaps with some local tailoring by the local organisation to suit local circumstances. Whichever the case a validated program run by an organisation will lead to a degree of another organisation.