



ABEST21 e-News

No.74, February-March 2015

ABEST21

THE ALLIANCE ON BUSINESS EDUCATION AND SCHOLARSHIP FOR TOMORROW,
a 21st century organization

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ABEST21 Office Report

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February 2015

- 4th -- Visit to the Ministry of Education, Culture, Sports, Science and Technology to discuss ABEST21 10th Anniversary ceremony program
- 9th – Visit to the Toshiba Corporation to discuss Case Writing Project-2

March 2015

- 5th -- Peer Review Committee and Accreditation Committee held at Fuji Xerox Co., Ltd. Head Office
- 6th -- ABEST21 General Assembly and ABEST21 Forum held at Waseda University
- 17th – Meeting of the Council for Human Resources Development held at Sony University
- 18th – Report to MEXT on Accreditation result for 2014
- 26th – Announcement of the Accreditation result for 2014 at MEXT Press Club

1. Quality Assurance and Accreditation System-21

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Humanizing Management Education

Adam Smith explained the principle of “competition” based on the natural “abundance” in John Locke’s “Two Treatises of Government”. Smith explained that pursuit of self-interest leads to greater good for all through “invisible hand”. When John Locke referred to “abundance”, the terms “ownership” and “property” were identical; a man was able to obtain what he needed out of the plentiful gifts from god, without violating the ownership of others. His world portrayed “common interests” but not the “conflicts of interest”.

However, as capitalist economy developed, the world turned into what David Hume called “Scarcity”. Things which were once so freely obtained - “water”, “air”, even “sunlight” - have become scarce resources. Countries compete with each other for ownership of these resources. “Ownership” and “property” are now separated. The world is full of “conflicts of interest” competing for “ownership”. The traditional physical relationship between humans and property has changed to social relationship between humans.

This world of scarcity created the relationships of “conflicts of interest” of properties to meet the human needs. “Conflicts of interest” mean “interdependence” which is based on “order”. To resolve these social economic issues, “conflicts of interest”, “interdependence”, and “order” must be pursued based on economic, legal and ethical viewpoints.

John R. Commons said in his “Legal Foundations of Capitalism (1924)” that the minimal unit is

"transaction". The term "transaction" here does not refer to business transaction in trade of products, but is used in a broad sense referring to analytical unit which unites the social economic activities of the members of the society. Human actions develop from individual actions to inter-actions among the humans involved, and further develop into trans-action which unites the society as a whole. Such action is the concept of what Commons called "transaction".

According to Commons, there are three types of transactions that organize the society. The first is Bargaining Transaction between individuals on a basis of legal equality. The second is Managerial Transaction between individuals on a legal superior-subordinate relationship, such as a relationship between a president and an employee in a company. The last is Rationing Transaction between a legally superior party and a subordinate individual such as a labor union and its member. The society is connected through these three transactions. Adam Smith said that in the society of the division of labor, the social economic relationship consists of "exchange". Here the relationship is integrated by "transaction".

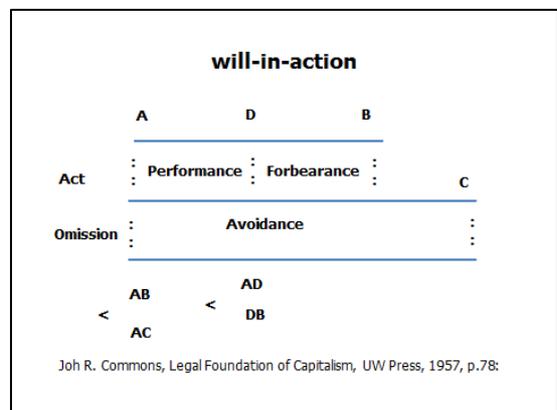
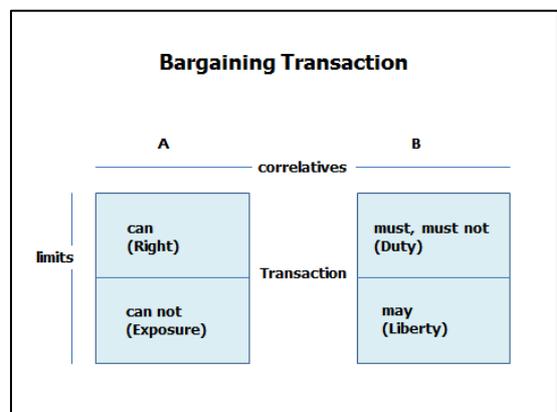
Transaction is conducted based on a "working rule" which consists of four auxiliary verbs: 1) can = Right, 2) cannot = Exposure, 3) must, must not = Duty, and 4) may = Freedom. Man's will to execute the transaction is called "will-in-action".

"Will-in-action" is an action which aims to expand one's own economy by 1) choosing the "direction of force" (AB or AC), i.e. to "do" or "not to do", and 2) choosing the "level of force" (practice AD or control DB), i.e. "the extent of action" or "hold back the action". The will of Adam Smith's homo economicus based of Locke's "abundance" is said to be "will-in-vacuum", since its motto is to pursue self-interest; "direction of force" is the only choice it makes. The choice for the "level of force" does not exist in the market environment.

In his book "American Capitalism", J.K. Galbraith referred to the emergence of a "countervailing power" as a replacement for competition which Adam Smith explained. In the competition society explained by Adam Smith, economic order was maintained by the price adjustment mechanism. As the capitalist economy advanced, the competition within the same side has transformed into a competition with the other party, the buyer. This countervailing power is a power which prevents the counterparty from using what they wish to use. It causes an action exceeding the "level of force" and disturbs the correlative relationship of transaction.

In particular, the advancement of economic globalization has integrated the world market with a worldwide competition. Under such circumstances, the companies must face various values from different cultures as well as individualism of the world. Since individualism is backed by religion, one must have the understanding of the world's religions such as Buddhism, Islam, or Christianity to cope with the circumstances. However, under globalization various values from different cultures are not accepted. One is required to conform to generalized action rules.

Until now, case method education has been the mainstream of the business education. The



method has achieved great effect in developing students' abilities in problem-spotting, analysis, decision-making, etc. However, if the analysis for the sake of maximizing profits becomes the absolute purpose of education, it will be difficult to nurture human resources equipped with the ability to coexist in the changing international environment and to share various values in the globalized world. In this world of globalization, what we need to do is to nurture management professionals equipped with high morality to harmonize with various cultures, and advanced intellectual knowledge to understand different cultures and backgrounds.

"Ethics" is "the right path". It puts a stop to our action so that we can follow the action rules for transaction. On the other hand, "Liberal Arts" education strengthens the human core and broadens one's perspective of the world. In business school education to nurture management professionals, it is important to focus on analysis-oriented education to cultivate expertise aiming to enhance countervailing power. However, in order to coexist with diverse values in the world, we must not forget to foster high morality in management professionals.

In the world of scarcity, capitalist economy has developed throughout the world. It has created "conflicts of interest". In such times business schools must emphasize management education which aims to nourish professional morality enabling the students to assimilate diverse values, know and understand various cultures and backgrounds, and possess the advanced global expertise.

(Fumio Itoh, President)

2. General Information

1) ABEST21 General Assembly for Fiscal 2014

The General Assembly was held on March 6, 2015 at Waseda University. President Itoh gave explanations on the Annual Report 2014, the fiscal 2014 statement of accounts, Fuji Xerox-CSR Case Writing Project, and conclusion of ABEST21 activities as a nonprofit organization. After the exchange of opinions, the items were ratified. Then, following a report by Membership Committee Chair Baybars on the next President after the expiration of the current term, reappointment of President Itoh was ratified. The term of office is from April 1, 2015 to March 31, 2018. Also, the number of Vice Presidents was increased by one. The new position was introduced to respond to the increase in the number of school members and accredited schools from ASEAN countries.



2) Election of Executive Committee members for the next term

At the General Assembly held on March 6, 2015, following a report by Membership Committee Chair Baybars on the next President, reappointment of President Itoh was ratified. The term of office is three years, from April 1, 2015 to March 31, 2018.

President : Fumio Itoh

Vice President: Ilker Baybars (Carnegie Mellon University, USA)

Vice President: Oleg Vikhanskiy (Moscow State University, Russia)

Vice President: Robert Sullivan (University of California San Diego, USA)

Vice President: Lu Xiongwen (Fudan University, China)

Executive Secretary: Ming Yu Cheng (Universiti Tunku Abdul Rahman, Malaysia)
Auditor: Nobue Susie Brown (University of Texas at Austin, USA)
Auditor: Kouichi Saito (Nanzan University, Japan)

3) Appointment of the new Vice President

It was decided at the Board Meeting to increase the number of the Vice Presidents in response to the growing number of school members and accredited schools from ASEAN countries. Nomination of Dean Candra Fajri Ananda, Ph.D. (Faculty of Economics and Business, Universitas Brawijaya, Indonesia) as the new Vice President was ratified by the Executive Committee. ABEST21 has 16 school members from Indonesia, which is the largest number by country. Among them Universitas Brawijaya was the first school accredited by ABEST21. Universitas Brawijaya is also the Chair school of ABEST21 Indonesia Committee. For these reasons Dean Candra Fajri Ananda was nominated.

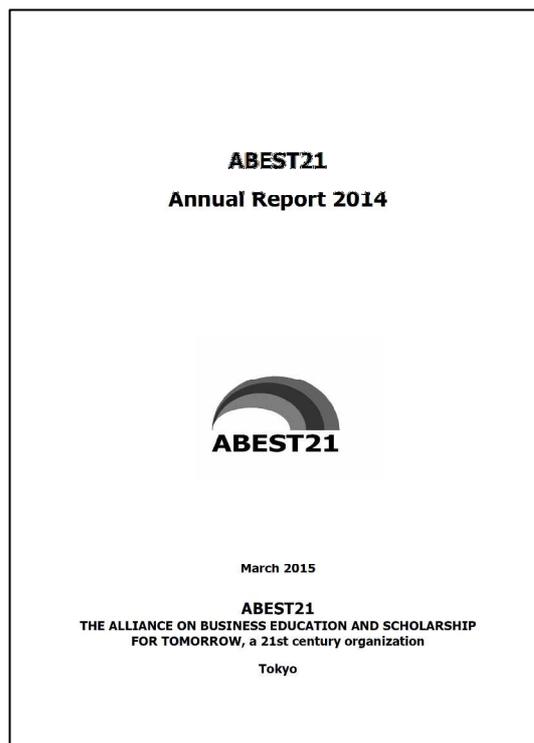


4) ABEST21 Annual Report 2014

At the General Assembly held on March 6, 2015, the activities of respective divisions were reported by President Itoh based on the "ABEST21 Annual Report 2014".

- 1) Membership Division: The number of ABEST21 members from ASEAN countries, especially Indonesia and Malaysia, is increasing.
- 2) Accreditation Division: As a result of (1), the number of applicants and accredited schools from these two countries is also increasing.
- 3) Research Division: As for the Joint Research Projects, Fuji Xerox CSR Case Writing Project has been completed, and "Fuji Xerox-CSR Case" has been published.
- 4) Network Division: Memorandum of Understanding between AQAN (ASEAN Quality Assurance Network) and ABEST21 has strengthened the relationship with Asian Accrediting Institutions.

Fiscal 2014 statement of accounts for ABEST21 as a nonprofit organization was explained. It was reported that ABEST21 will finalize its status as a nonprofit organization in March 2015.



3. Quality Assurance Information

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1) Accreditation Results for fiscal 2014

On March 5, 2015, the final reviews for accreditation in terms of quality assurance for management education at Japanese and Asian business schools were done at the meeting room of Fuji Xerox Co, Ltd. Head Office in Roppongi, Tokyo.

At the Peer Review Committee, Committee Chair Professor Tsubaki presented the PRT Review Report prepared by the Peer Review Teams based on the desk reviews in November 2014 and on-site interviews. As a result of the review, the Peer Review Committee approved the PRT Review Reports for the 8 schools (listed below) and reported this to the Accreditation Committee. The Accreditation Committee reviewed the results based on the report by the Peer Review Committee, and reported the review results as a recommendation to the Board of Directors. At the Board Meeting, the President explained the recommendation by the Accreditation Committee, and accreditations for all 8 schools were ratified. The accreditation certificates for these schools will be granted on July 7, 2015, at the ABEST21 10th Anniversary Ceremony.



Accredited schools for fiscal 2014 are:

- Faculty of Economics and Business, Universitas Diponegoro, Semarang, Indonesia
- Graduate School of Innovation & Technology Management, Yamaguchi University, Ube, Japan
- Institute of Business and Accounting, Kwansai Gakuin University, Nishinomiya, Japan
- Ayub Graduate Business School, Universiti Teknologi MARA, Selangor Darul Ehsan, Malaysia
- Graduate School of Business, Universiti Kebangsaan Malaysia, Selangor, Malaysia
- Putra Business School, Universiti Putra Malaysia, Selangor Darul Ehasan, Malaysia
- Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia, Kedah Darul Aman, Malaysia
- Faculty of Business, Economics and Communications, Naresuan University, Phitsanulok, Thailand

The number of accredited schools by country

Country	China	Indonesia	Japan	Malaysia	Singapore	Thailand	Total
Initial	1	5	10	7	1	1	25
Maintenance	-	-	5	-	-	-	5
Total	1	5	15	7	1	1	30

The number of accredited schools by year

Year	2008	2009	2010	2011	2012	2013	2014	Total
School	4	1	3	3	3	8	8	30

2) Accreditation Seminar

On April 7, 2015 at Universitas Brawijaya, Malang, Indonesia, ABEST21 Accreditation Seminar for 2015 will be held for applicants and potential applicants. The same seminar will be held on April 9 at the City Campus of Management & Science University, Kuala Lumpur, Malaysia, for applicants in Malaysia and Singapore. There will be another seminar on April 23 in Tokyo for Japanese applicants.

3) Report of 2014 Accreditation Results to MEXT and Announcement at Press Club

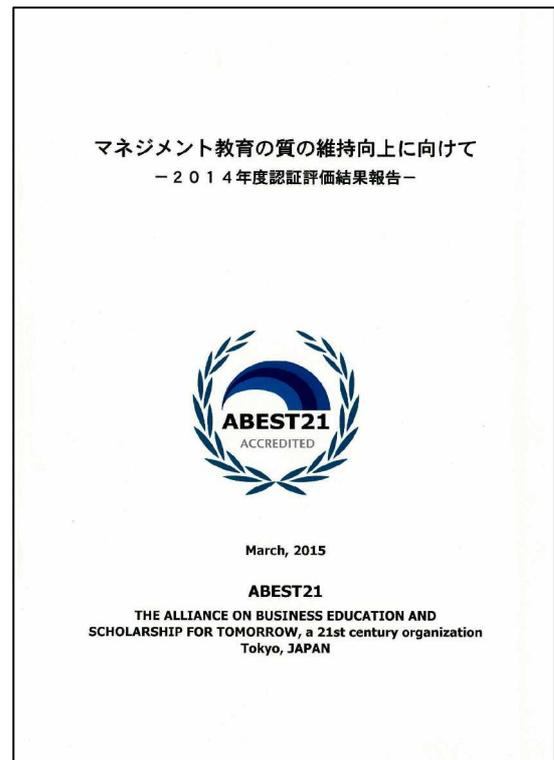
On March 18, 2015, Accreditation results written in English for 2014 were reported to the Higher Education Policy Planning Division, Higher Education Bureau, MEXT. On March 26, the Accreditation results for 2014 were announced at the MEXT Press Club to the press. Based on this announcement

the results were officially given to the accredited schools for 2014. The results will also be sent to the governmental Accreditation Committees of the related countries.

The 240-page accreditation report covers the following items for 2 Japanese business schools and 6 foreign business schools.

- 1) ABEST21 Quality Assurance System, including
 - ① international development of educational quality assurance,
 - ② ABEST21 Quality Assurance System, and
 - ③ Status of Management Accreditation
- 2) Maintenance Accreditation
- 3) Initial Accreditation
- 4) Materials including ① Accreditation standards, ② Committee members, and ③ Accreditation process

The Accreditation report in English will be posted on the website around early May.



4. Global Knowledge Network Information

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1) Fuji Xerox Seminar

On March 5, 2015, at Fuji Xerox Head Office in Roppongi, Tokyo, a lecture was given by Mr. Masashi Honda, Senior Vice President and Executive General Manager of Asia Pacific Operations, Fuji Xerox Co., Ltd. Based on his rich experience in Thai and Malaysian markets including the establishment of a business base in Kuala Lumpur, Mr. Honda explained the need for establishment of a platform to create new values for business in Southeast Asia. He also referred to the strategies in Southeast Asia and efforts for environmental preservation. After the lecture, Ms.



Noriko Yoshie, Group Manager of the Planning Group of Corporate Social Responsibility Department, explained about the reproduction project of ancient documents, as a part of the company's CSR activities. The actual reproduction of an ancient document inspired a lot of interest in the audience.

2) ABEST21 Forum

On March 6, 2015, ABEST21 Forum was held at Waseda University. The Forum opened by the greeting from Professor Tatsuyuki Negoro, Director of Waseda Business School (WBS). He gave a detailed presentation of the WBS MBA program. Currently there are approx. 400 students studying at WBS. WBS offers several programs: 1) International MBA Program, 2)



Waseda-Nanyang Double MBA Program, 3) One-year MBA Program (Full-time), 4) Evening MBA Program and 5) Specialized MBA Program. WBS, being a professional graduate school, will merge with the Graduate School of Finance, Accounting and Law effective April 2016 aiming to build an advanced educational and research environment in response to globalization (the details are provided in the "Membership Information" below).

a) Keynote Speech: "Higher Education in a Globalized Society"

In the first session of the Forum, a speech was given by Mr. Toshiaki Tanaka, Director of Office for Higher Education Policy, Higher Education Policy Planning Division, Higher Education Bureau, Ministry of Education, Culture, Sports, Science and Technology, on "Higher Education in a Globalized Society". Based on materials, the speech focused on the promotion of creating the educational and research environment corresponding to globalization. Mr. Tanaka discussed Japan's plan to accept 300,000 foreign students by 2020, promotion of joint degree programs with overseas universities, and a Top Global University Project (2014-2023) to promote globalization. These topics attracted a lot of attention as many questions were asked by the deans of the Asian business schools.



b) Special Speech: "ABEST21 in the past 10 years"

In the second session of the Forum, President Itoh gave a speech on "ABEST21 in the past 10 years". Starting from the origin of ABEST21 from the Global Classroom Conference, the development of activities over 20 years was explained, as well as the past 10 years since ABEST21 was authorized as an accreditation body. President Itoh expressed his gratitude to all the people involved so far, and at the same time expressed his intention to make further effort in management education quality assurance as a going concern.



c) Group Discussions: "ABEST21 in the future 10 years"

In the third session following the speech by President Itoh, the participants were divided in 5 groups. Chaired by Dean Noor Azizi Ismail (Universiti Utara Malaysia), the 5 groups discussed the development of ABEST21 in the next 10 years. The group leaders presented the topic and summary of each group's discussion: Group 1 (leader: Professor Ming Yu Cheng) on enhancement of the quality of accreditation activities, Group 2 (leader: Director Arief Daryanto) on importance of international development of industry-academia relationship, Group



3 (leader Dean Ali Khatibi) on the need for Joint Research Projects to utilize video-conference system, Group 4 (leader: Dean Sujinda Chemsripong) on enhancement of ABEST21 accreditation brand, and Group 5 (leader: Dean Qin Hai Ma) on development of Global Classroom using the Global Knowledge Network. President Itoh thanked the groups for their work and commented that topics and opinions raised will be considered further and reflected to the future policy of activities to be announced at the 10th anniversary ceremony in July.

3) Meeting of the Council for Human Resources Development

On March 17, 2015, the 30th meeting of the Council for Human Resources Development was held at Sony University in Shinagawa, Tokyo. The meeting was opened with a report by Mr. Akihiro Sato, Deputy Director, Technical Education Division, Higher Education Bureau, MEXT, on the development of workers' education program based on the material of "The 6th phase Proposal by Education Revitalization Council Action Committee". Then President Itoh reported on the contents of "The 3rd phase Proposal", the classification of ideal industry-academia relationships and ideal joint development of educational programs, based on the actual reports from the committee members. It was decided to sum up the essence of the opinions exchanged at the meeting and include it in the Proposal.

Upon termination of the office term as of March 31, 2015, the present executive members were reappointed after exchange of opinions. The appointment of board of trustee members was left to the executive members. The traditional meeting venue Minami-Aoyama Kaikan has closed down. It was decided that each member will take turns to provide the venue for the meeting.

4. Joint Research Projects Information

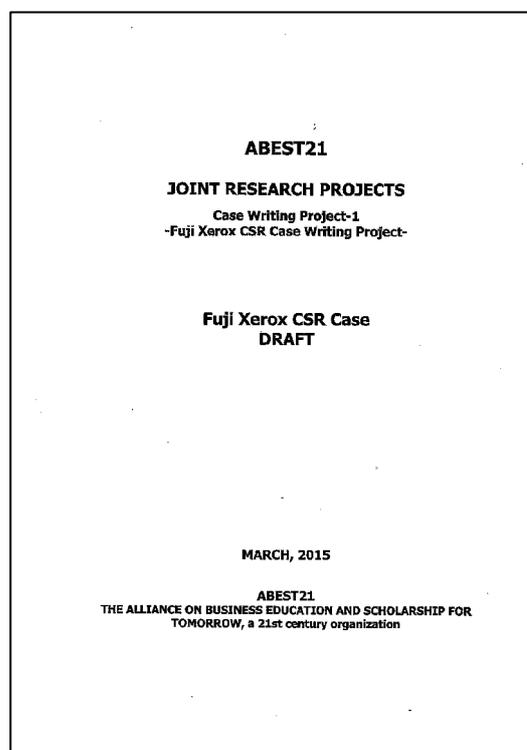
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Fuji Xerox CSR Case Writing Project

The Case Writing Project started as part of the ABEST21 Joint Research Projects to create teaching materials among the members. The first case on Fuji Xerox was completed with kind cooperation of Fuji Xerox Co., Ltd. Upon receiving positive reaction from the students, we decided to publish this case. The case looks into the cross-cultural CSR activities in the Japanese Head Office, subsidiaries in Thailand and Malaysia, and a sales company in Indonesia. The contents of the case are:

1. Fuji Xerox Co., Ltd. - Japan
2. Fuji Xerox Eco-Manufacturing Co., Ltd. -Thailand
3. Fuji Xerox Asia Pacific Pte Ltd. – Malaysia
4. PT. Astra Graphia, Tbk. – Indonesia

All chapters consist of a Case and a Teaching note. The next case to be created by ABEST21 will focus on Toshiba Corporation's Corporate Governance.



5. Membership Information

1) New members

Postgraduate Program, Universitas Halu Oleo (UHO), Kendari, Indonesia

Halu Oleo University (UHO) is a public university located in Kendari, a capital city in South East Sulawesi Island, Indonesia. UHO was established in 1981 and has about 43,727 students studying there. The postgraduate program was initiated with the establishment of Master Programs conducted jointly with the Universitas Hasanuddin in 1998 and Makassar State University in 2001. Universitas Hasanuddin is a public university located in Makassar, South Sulawesi Island, Indonesia. In 2002, UHO started to deliver the postgraduate program independently. There are currently about 2,210 students and about 280 faculty members at the department.

Director of the Postgraduate Program is Professor Sahta Ginting, Ph.D.

Website of Universitas Halu Oleo → <http://www.uho.ac.id/>

School of Business, Monash University Malaysia, Selangor, Malaysia

Monash University, based in Clayton, Melbourne, Australia, was founded in 1958. The University is a state university of Victoria, Australia. The University has 8 campuses including in Malaysia and Johannesburg, South Africa. There are also International Centers in Prato, Italy and Mumbai, India. Monash University Malaysia was established in 1998 and is located in Sunway, in the suburbs of Kuala Lumpur. Approximately 6,000 students representing about 70 nationalities are currently enrolled at Monash University Malaysia. Monash University Malaysia has been given Self-Accreditation Status by the Malaysian Qualification Agency (MQA) and was awarded AACSB accreditation. The Monash MBA program in Malaysia is internationally accredited by AMBA. The School of Business was established in 1998. There are about 2,325 students and about 130 faculty members there.

Head of the School of Business is Professor John Benson

Website of School of Business, Monash University Malaysia → www.buseco.monash.edu.my

2) Establishment of the New Waseda Business School (April 2016)

By Professor Tatsuyuki Negoro

Waseda University has decided to merge the present Waseda Business School and the Graduate School of Finance, Accounting and Law to create the new WBS effective April 2016. Establishment application will be submitted to the MEXT in April 2015. The new WBS will provide an integrated education in two areas: business education to nurture company executives, and finance education to raise experts in finance and accounting, by utilizing the experience and assets of the both schools. The new WBS aims to offer MSc program in Finance on top of MBA program, to become the top business school in Asia.

The present WBS and Graduate School of Finance, Accounting and Law have produced 350 MBA holders every year, who have achieved high recognition in the business and academic world. The new WBS will enhance the MBA programs by offering the following courses: Full-time Global (Japanese, starting April), Full-time Global (English, September), Full-time One-year General (April), Full-time MSc in Finance (English, September), Evening Professional (Management course and Finance course, Japanese, April), Evening General (Japanese, April), and Waseda-Nanyang Double MBA (English, September). Non-degree education in Japanese and English will also be extended, including EMBA Essence and Company Executive Seminar.

Tatsuyuki Negoro:

Professor and Director (functional equivalent of dean) of Waseda Business School, Chief Director of Research Institute of Information Technology and Management, Waseda University. Academic degrees: B.A., Sociology, Kyoto University, M.B.A., General Management, Keio University. Careers include working for a steel company, visiting researcher at University of Hull, UK, and Bunkyo University. Professor of Waseda University since 2001. Served as the President of Japan Society for Management Information, Chief Editor of International Academy of CIO journal, Vice Chair for CRM Association Japan. Academic areas include management strategy, business model, and business information system. Practices company executive seminars and consultations. Selected publications: "The Logic of Business Creation" (Nikkei BP), "The Strategies of Substitutes" (Toyo Keizaisha), "Information Strategy and Business Strategy for Chief Information Officer" (Chuokeizaisha), "Platform Business Frontline" (Shoeisha).

