



Business school selection – students’ perspective of the influential factors

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ABSTRACT: Management education has expanded in recent years to include various aspects of the changing business scenario. Today, business schools all over the world are competing with each other for enrolling students for their various programmes. Each business school has its own competence and strategy for enrolment. Prospective students too, look at various factors while deciding on the choice of business schools. This paper makes an attempt to identify the factors that contribute to the choice of business schools by students based on a study conducted among 783 MBA students from various institutes in South India.

KEYWORDS: Management education, business school selection, contributing variables, accreditation bodies, social media, forums.

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I. INTRODUCTION

An MBA degree is considered by many to be beneficial either when applying for a job or those aiming for a faster progression in their career look forward to acquiring an MBA. This has become the norm world over and especially in India, with the mushrooming of B – schools across the country. Business schools no longer offer a traditional MBA programme in a uniform format (Goldgehn and Kane, 1997, Nicholls et. al 1995). In India too, we have both one and two – year programmes leading to either an MBA or PGDM degree, while there are institutions that also provide a masters in specialization areas like Masters in Marketing Management. Management education in India formally began in 1953 at the Indian Institute of Social Welfare and Business Management (IISWBM) – the first B – School established by Government of West Bengal and Kolkata University (Gangaiah and Vishwanath, 2014). The above mentioned authors have also indicated that a few institutions like Tata Institute of Social Sciences (1936) and Xavier Labour Research Institute (1949) had already started training programmes for managers in personnel function well before the formal launch of the first MBA programme at IISWBM. As Nicholls et al (1995) have pointed out, the prospective students of MBA programmes in the 1980s may not have considered the differences between programmes, current students are more discriminating. It would therefore, be beneficial to institutions as well as policy makers to understand the reasons for choice of MBA programmes.

II. LITERATURE REVIEW

Research on higher education and MBA courses in particular have focused on various aspects including the impact of economic downturn on the demand for MBA education, need for pursuing MBA course and the criteria for choice of the programme and institutes. There are studies also on the factors that contribute to the choice of MBA programme and the choice of institution. This study has examined existing literature to identify the factors that contribute to the choice of business schools by students.

One of the earliest studies by Kotler and Fox (1995) had suggested a model of student buyer behavior as a 5 stage process. The stages are ‘needs and motives’, ‘information gathering’, ‘evaluating alternatives’, ‘decision and enrolment’ and finally ‘post- choice evaluation’. The identified literature has been classified on the basis of the above mentioned stages for easy reference.

Needs and motives for pursuing an MBA programme: Studies by Dailey et al (2006), Subramaniam et al (2014), Al - Mutairi and Saeid (2016), Khalifa, Dukhan and Mouselli (2018) have studied the different types of needs or motives for pursuing an MBA programme. Merritt and Hazelwood (2003), state that according to a survey, 89% of 1992 graduates from Top-30 Business Schools found their degree was well worth it and opened doors for them in their career. Damast (2007) stated that 'MBA students will be earning 84% more than people with only an undergraduate education, up nine percentage points from last year'. Getting an MBA degree could be considered as a predictor of salary, promotion status and managerial status, which can be a motivational factor for a student to obtain the degree (Wellman et al., 2006). Khalifa, Dukhan and Mouselli (2018) have explored students' motives behind enrolling for MBA programmes given the current Syrian crisis. Other studies which have dealt in detail with the motives of students for pursuing post graduate programmes include those on self motives (Al – Mutairi and Saeid, 2016 and Leech and Haug, 2016), social motives (Keane, 2016 and Leech and Haug, 2016), professional motives (Prasad, 2014 and Keane, 2016). The needs also differ based on the type of MBA programme a student is wishing to pursue as found by Subramaniam, Yusoff and Arumugam (2014). One can therefore conclude that the needs satisfied by pursuing an MBA degree are not homogeneous as was stated by Dailey et al. (2006).

Information gathering: Abdullah and Saeid (2016) highlighted family, alumni, universities, and media as the main sources of information towards choosing an MBA programme.

Evaluating alternatives & decision and enrolment: Rapert et al. (2004) identified a list of attributes that students considered "hallmarks" of quality programmes while Schoenfeld and Bruce (2005), conducted a study on factors that influence students' decision to select a school or university to pursue their postgraduate education. They studied the communication sources, brand image or the university, characteristics of the university of their choice or the programmes offered by the university and the importance the students place on certain characteristics of business schools in general. Heslop and Nadeau's (2010) survey of prospective students who attended MBA fair on the decision criteria when planning to study MBA revealed financial cost, investment of time, career uncertainty, future job opportunity, and an interest in learning as important. Ming (2010) found that the factors behind affecting students' college choice decision are location, academic programme, college reputation, educational facilities, cost, availability of financial aid, employment opportunities, advertising and campus visit. Sahni and Mushni (2017)

Post – choice evaluation: The multi – year study by Epstein et al. (2013) studied the change in student motivation during the course period of an MBA program and was one of the very few papers which looked at the post enrolment evaluation stage.

While there have been a few studies in understanding students' criteria for selecting MBA programme, these have been mostly in the context of other countries. While there are studies in the Indian context like the one by (Gangaiah and Vishwanath, 2014) and (Patel and Patel, 2012), the objectives of those studies have been different. This study has therefore been conducted with the perspective of understanding the motivation of students in pursuing an MBA programme and the sources of information they access and evaluation and decision making criteria while choosing an institution. The research questions have been given in the following section.

III. RESEARCH QUESTIONS

The following are the research questions for this study:

- a) What are the motives / needs of students who join an MBA programme?
- b) Which are sources of communication students use for finding information about MBA programmes?
- c) What features of an institute are important while evaluating institutes?

IV. METHODOLOGY

Based on a thorough review of literature, a preliminary study was conducted to identify the variables to be included in the study. A survey questionnaire consisting of 13 questions was designed to include all variables considered responsible for influencing the choice of an MBA college. The questionnaire was emailed across to various colleges in South India to get it answered by MBA students of those colleges.

Of the 1000 questionnaires emailed, 783 were completed and returned. The data description and the analysis and findings are presented in the sections below.

V. RESULTS AND DISCUSSION

5.1. Reliability of the questionnaire:

The questionnaire was developed based on the literature review and was tested for its content validation with a group of experts. The questionnaire was tested for its reliability using SPSS version 23; the Cronbach's alpha was found to be 0.903

5.2. Demography of the respondents:

The data had almost equal representation of both genders. The highest number of respondents belonged to the age group of 20- 25 years. The number of post graduates pursuing an MBA programme in this sample was 23%, which is a significant number.

Table 1 Demographic distribution of sample

Demography	Frequency	Percentage
Gender		
Male	435	56%
Female	348	44%
Age		
20-25 years	720	92%
26-30 years	52	7%
31-35 years	10	1%
>40 years	1	0%
State		
Tamil Nadu	324	41%
Telangana	183	23%
Andhra Pradesh	172	22%
Orissa	96	12%
Kerala	7	1%
Pondicherry	1	0%
Educational Background		
Graduation	602	77%
Post-Graduation	181	23%
Undergraduate field of study		
Engineering	345	44.1%
B.Com	256	32.7%
BBA	65	8.3%
B. Sc	36	4.6%
B.Sc IT	28	3.6%
BA Economics	22	2.8%
BA English	11	1.4%
B. Sc Computer Applications	9	1.1%
LLB	7	0.9%
B. Pharm	3	0.4%
B. Arch	1	0.1%
Work Experience		
None	606	77%
1-2 years	137	17%
3-5 years	32	4%
6-10 years	7	1%
>10 years	1	0%
Financial support		
Family support	448	57.2%
Bank Loan	334	74.6%
Sponsorship	1	0.3%

5.3. Motives for doing MBA:

It is a common perception in India that many of the students choose courses due to pressure from their family to pursue this programme. Analysis of the data showed the contrary to what is believed, majority of the respondents chose MBA as per their own wish. But the influence of family and the reason for joining back into the family business were given as the next reasons.

Table 2 Reasons for choosing an MBA programme

Reason for choosing MBA	Frequency	Percentage
Own wish	497	63%
Family	152	19%
Family business	60	8%
Peers	44	6%
Social media	26	3%
Peers	4	1%

5.4. Information gathering sources:

Given that the number of students opting for this course was doing it as their own choice, it is imperative to understand the information sources for their choice. The table 3 shows that 38% of the sample chose their programme on the basis of the MBA rankings published in various magazines and sites; and 33% of them said they were influenced by family members and friends. Only 14% of them relied on online communities and forums.

5.4.1. Independent sources of information

The independent sources of information that were included in the study were MBA rankings, online communities / forums, family and friends, new articles, admission consultants, social media, books and advertisements. Of this MBA rankings and family and friends appear to be the most important sources of information.

Table 3 *Independent sources of information*

Independent sources of information	Frequency	Percentage
MBA rankings	298	38%
Family and friends	261	33%
Online	110	14%
Communities/Forums		
Admission Consultants	37	5%
Social media	28	4%
Advertisements	21	3%
News Articles	19	2%
Books about MBA admission	9	1%
MBA rankings	298	38%

5.4.2. Online resources used for information search

All students have utilized online resources such as institution websites and referral sites for searching information. Of these Shiksha.com is the one quoted as the most referred one followed by Google reviews and Websites of the institutions themselves.

Table 4 *Online resources used for information*

Portals used for information search	Frequency	Percentage
Shiksha.com	227	29%
Google reviews	179	23%
Websites of institution	172	22%
Quora	79	10%
MBA universe	57	7%
Pagal guy	32	4%
Career 360	30	4%

Some of these sources of information acted as sole sources for information search. For example, of the 783 respondents, 566 used only a single source for searching for information. So, as can be observed from the table below, amongst the total respondents who said website of an institution was the first source of information for them, 151 of them never mentioned any other source of information. Also, the Google reviews were the second highest single source of information for the respondents.

Table 5 *Online resources used as the sole source of information*

Portals used as a sole portal for information search	Frequency (566/ 783)	Percentage (72)
Websites of institution	151	27%
Google reviews	139	25%
Shiksha.com	112	20%
Quora	71	13%
MBA universe	50	9%
Career 360	30	5%
Pagal guy	13	2%

5.4.3. Source of information about the institution where studying:

Amongst the different sources of information utilized by the respondents, Word of Mouth is the one relied on by more than 52% of the respondents.

Table 6 *Source of information about the institution where the respondent is studying*

Source of information about the current institution	Frequency	Percentage
Word of Mouth	412	53%
Alumni	172	22%
Social Media	127	16%
Newspapers	72	9%

5.5. Evaluation of alternatives and decision making:

5.5.1. Factors that are considered important while choosing an institution

At the institutional level when comparisons are made, some criteria are considered critical whereas others may be considered as good to have. While MBA education is considered to be a better career option provider, accreditation is the number one verification of the quality of a higher education distance education provider according to (Abdou et al., 2002). At the institutional level, the choice parameters according to some of the authors is the accreditations, since that provides an inherent sense of credibility to the organization. Norton and Hathaway (2008) stressed the role of faculty in influencing quality perceptions as faculty who are responsive to students provide prompt feedback and supportive assistance can aid in enhancing the learning experience for students.

In contradiction to the study by Abdou et al. (2010), this study indicates that accreditations are considered important but are not considered critical. The results are aligned with the findings by Norton and Hathaway (2008) and Subramaniam, Yusoff and Othman (2014) that the quality of faculty is a critical factor in making choice of an institution apart from the placements. The results of this study also indicate placements to be a critically important factor, as well.

Table 7 *Factors that are important while choosing an institution*

Criteria	Critical	Very important	Important
Placement	40%	38%	14%
Quality of faculty	40%	39%	14%
The MBA/ PGDM is accredited by national agencies like NBA	28%	41%	22%
Ranking & Rating of business schools	26%	43%	23%
Industry Relevant	25%	44%	22%
Fee structure	22%	36%	30%
NIRF ranking	22%	40%	30%
Infrastructure	20%	40%	30%
MBA /PGDM program is accredited by global agencies like AMBA,ACBSP etc	18%	39%	33%
International Student Exchange Program	18%	33%	32%
Research activities of Institutions	17%	38%	33%
Geographic Location	17%	33%	36%

5.5.2. Institution specific resources that influenced the respondents

Schoenfeld and Bruce’s (2005) study, the authors had concluded that since communication sources from the university had the greatest reach, universities should increase their effort and initiatives to improve these sources especially the university websites and personal communication from the schools. The table given below indicates that institution websites are considered very important and critical. Equally important is the current student referrals.

Table 7 *Institution specific resources that were influential*

Criteria	Critical	Very important	Important
Institution Websites	27%	42%	23%
Current Student referrals	22%	42%	26%
Alumni Referrals	21%	38%	29%
Institution Social Media Channels	15%	38%	31%

VI. FINDINGS

The results suggest that multiple factors are important to MBA students, as they require multiple needs to be addressed from an MBA programme. The research shows that for a majority of the students, the final selection of the institution happens through word of mouth. Placements and quality of faculty are critically important factors while choosing an institution. The rankings and accreditation are also considered to be important variables in the choice of MBA programme in South India. So institutions need to focus on their placements and quality of the faculty and highlight the same in their own communication channels.

VII. LIMITATIONS OF THE STUDY AND SCOPE FOR FURTHER RESEARCH

Only a further research on these influencing factors individually can give better insights, for example when referring to the placements provided, one needs to delve deeper to understand whether they are looking at the percentage of placements achieved or are they also attaching importance to the job profiles and the recruiter list. Hence, this study may be considered as more of an exploratory study which could be carried forward to understand the relationships between these variables as well.

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