

# Influential factors in Business School Selection – Students’ Perspective



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*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 227 MBA aspirants in South India.*

**Keywords:** Management Education, Business School Selection, Contributing Variables, Accreditation Bodies, Social Media, Forums.

## 1. 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 in India, especially with the mushrooming of B – schools across the country. 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) states that ‘MBA students will be earning 84% more than people with only an undergraduate education, up nine percentage points from last year’. Therefore, having 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). On the other hand, Dailey et al. (2006) concluded from their research on the reasons why students pursue an MBA, found that while the degree was still credible and was valued as a credential and often required for corporate advancement, its value had dropped over the last decade. They also concluded their study by stating that the needs satisfied by pursuing an MBA degree are not homogeneous.

It is well known that business schools no longer offer a traditional MBA programme in a uniform format (Goldgehn and Kane, 1997). In India, we have two – year programmes, one – year high intensity programmes and both MBA and PGDM programmes while there are also institutions that provide a masters in the specialization 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 also point out 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.

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). On the other hand, Norton and Hathaway (2008) stress 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. While there have been a few studies in understanding students’ criteria for selecting MBA programme, this has 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.

## 2. Methodology

Based on a thorough review of literature, a preliminary study was conducted to identify the variables to be included in the study. This study was conducted on a sample of 30 students from a management institute in Kerala. This was followed by a survey questionnaire which was designed to include all the various variables considered responsible for influencing the choice of an MBA college. This questionnaire was sent across via email to MBA aspirants who had obtained admissions across India.

Through convenience sampling, the data was collected from 230 respondents from colleges in South India. The sample included people in the 20 – 25 age group and those in the 26 – 30 age group as well, since some of the students in India pursue an MBA after a post graduate degree and some after having gained some work experience.

## 3. Data Details

Demographic profile: The data had almost equal representation of both genders. As given in Table 1, even within the age cohorts selected, the data had almost equal representation for both the genders.

**Table 1** Demographic Distribution of Sample

Row Labels	Female	Male	Grand Total
20-25	104	110	214
26-30	4	9	13

### 4. Results and Findings

It is a common perception in India that many of the students choose courses due to pressure from their family to pursue this programme.

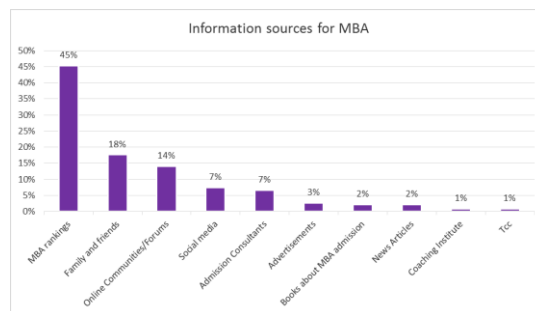
**4.1 Reasons for doing MBA:** A deeper analysis of the data showed the contrary to what is believed, majority of the respondents chose MBA as per their own wish.

**Table 2** Reasons for Choosing an MBA Programme

Reason for choosing MBA	No of aspirants
Own wish	180
Family	21
Family business	15
Peers	7
Social media	2
A random decision	1

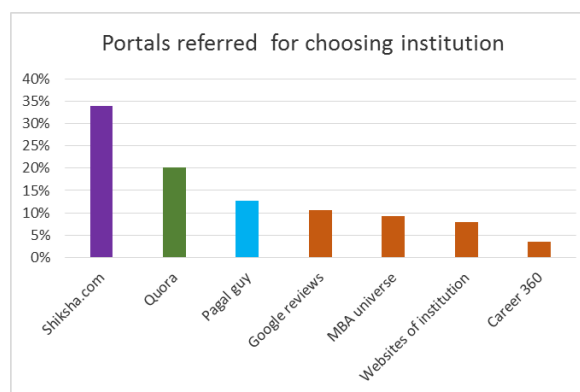
### 4.2 Independent Sources of Information about MBA Course

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 chart 1, given below shows that almost 50% of the sample chose their programme on the basis of the MBA rankings published in various magazines and sites; and one fifth of sample said they were influenced by family members and friends. Almost one fourth of the respondents rely on a combination of online communities/ forums and social media for making their decision.



**Figure 1** Independent Information Sources used by MBA Aspirants

**4.3 Portals used for Making Decision about the Institution:** All the respondents in the study admitted to having used a portal to make their choice of institution. Hence, the data was analyzed to identify the most used portals for making the choice of MBA institutions.



**Figure 2** Portals Preferred for Choosing Institution

From the above table it can be inferred that 50% of the respondents use shiksha.com and quora.com to take decisions about the organizations. Among those who said that shiksha.com was their first choice for gaining information about the MBA institution that they chose, a significant number of them also had referred to another competitor, pagalguy.com. On the other hand those who had mentioned quora.com as their first source of information, 98% of those respondents never referred any other portal. This could be an indicator of the information provided on this source alone helping them to make the choice.

**4.4 Source of Information about the Institution they are currently Studying in:** While the above figure is a representation of their source of information about the institution they chose for their study, the table 3 given below shows the sources from which they acquired knowledge about the institution where they are currently studying.

**Table 3** Source of Information about the Institution they are Currently Studying in

Source of information	No of aspirants
Word of Mouth	96
Social media	84
Alumni	35
Newspapers	12

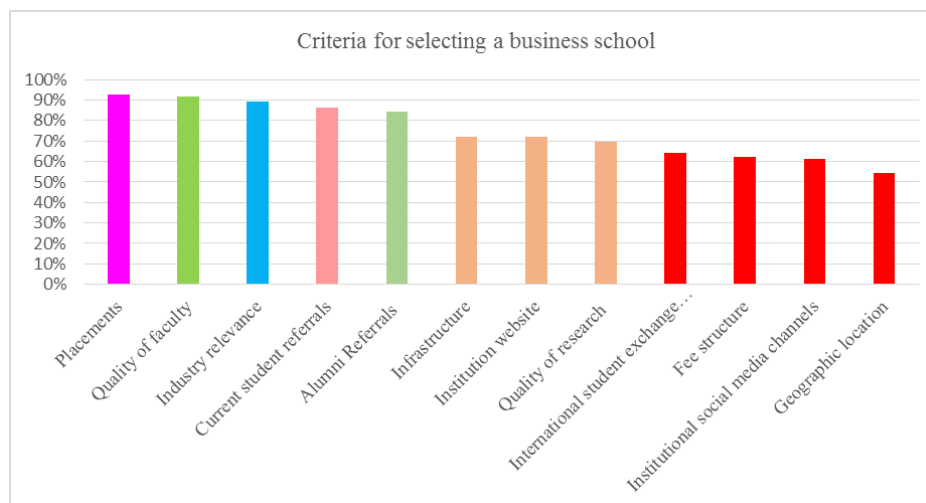
The above table shows that word of mouth has influenced these group of respondents most, followed by social media.

**4.5 Accreditations as Choice Criteria:** At the institutional level, the choice parameters according to some of the authors is the accreditations, since that provides an inherent sense of credibility of the organization. Among the various accreditations and rankings available in India, some of them were considered by the students as more important. The table 4 below represents the accreditation which was considered as very important.

**Table 4** Importance Assigned to Accreditations

Criteria	Percent
The MBA/ PGDM is accredited by national agencies like NBA	79%
Ranking & Rating of business schools	79%
NIRF ranking	71%
MBA /PGDM program is accredited by global agencies like AMBA,ACBSP etc	69%

**4.6 Criteria for Selecting the Business School that they are studying in:** The preference, as is indicated in the table above, is for national accreditation agencies and ranking of business schools. On the other hand, the institutional level parameters considered most important are given in the chart below.



**Figure 4** Criteria for Selecting a Business School

The above chart clearly represents the key parameters considered most important by an MBA aspirant in his / her choice of institution. The placements, followed by the quality of faculty, industry relevance of the programme and referrals both from current students and alumni are most important criteria for selection by a student.

## 5. Discussion

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 a combination of online resources such as portals and websites are important variables in gaining information about an MBA programme the final selection of the institution happens through word of mouth and the rankings and accreditation are important variables in the choice. In terms of the features of an institution considered to be important, the placements provided the quality of the faculty and referrals have emerged as the most important criteria for selection. However, only a further research on these variables 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 numbers 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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