

PROBING INTO THE PARAMETERS INFLUENCING STUDENT'S CHOICE OF A BUSINESS SCHOOL: A CASE STUDY OF KOLKATA, INDIA

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ABSTRACT

Business schools in India are currently exposed to considerable challenges due to the rampant hyper-competition prevalent in the economy and in order to maintain their buoyancy in the competitive tide, they must provide superior value as promised to their students by anticipating and reacting to their needs, wants and choice parameters guiding the selection of business schools. The current study is an earnest effort to probe into the mindset of Indian students with reference to how they perceive business schools across India. The study has been undertaken in two phases. The first part of the research seeks to analyse the most relevant factors guiding the selection of b-schools by using exploratory factor analysis. 249 final year students and prospective b-school aspirants from various colleges in the city of Kolkata were surveyed and three factors were extracted, representing all the variables. On the basis of these findings, conjoint analysis has been undertaken to figure out the best combination of the factors which students feel are most relevant in selecting a business school. Based on an orthogonal design, 16 cards were randomly screened and 397 students were asked to cast their rankings on the optimal parameters shaping their ideal b-school. The study is especially unique, since the responses generated shall help academicians, industrialists and institutions in designing that 'ideal' business school which students would like to study in. They could implement focused branding efforts and brand equity measurements to their institutions to gain a higher student share and build quality education brands.

Keywords: *Branding Efforts; B-School Aspirants; Brand Equity; Indian Business Schools; Management Education*

I BACKGROUND OBSERVATIONS

At a time when the Indian Government is aspiring to radically transform India into a global hub for businesses and manufacturing activities by bridging the gap between budding entrepreneurs, management graduates and prominent industrialists as well as potential businesses and conglomerates, the manner in which management education is perceived by students today, has undergone marked metamorphosis. From a stage, when management education was regarded largely as a postern to a heavy pay packet and gratifying future, the scenario has now improved considerably with students eying management education as a strategic investment to

an eventful career and holistic development. Business schools however, are exposed to considerable challenges due to the prevalent hyper-competition in the economy and in order to maintain their buoyancy in the competitive tide, they must provide superior value as promised to their students by anticipating and reacting to their needs, wants and choice parameters guiding the selection of business schools. The realm of Indian management education is in a stirring churn and the last couple of decades have borne testimony to a phenomenal growth of business education in India. According to Kumar and Dash (2011), the exponential surge in competition over the past decade or so, has compelled business schools to imbibe an industry-centric professional pedagogical approach, with the introduction of versatile contemporary courses to meet the industry demand. Building a robust institutional brand has become a critical agenda for b-school administration and leadership.

II INTRODUCTORY REFLECTIONS

The burgeoning Indian economy is triggering a fundamental demand for high-quality managers to oversee the nation's growing businesses. That makes acquiring an MBA a valuable proposition that ensures a quick return on investment. Management education has flourished remarkably over the last few decades to keep pace with skyrocketing demand. Today there are over 1250 AICTE approved business schools, 1,25,000 full-time and 1,00,000 distance MBA students. Truth be told, management education in India, in terms of growth, has adhered to global trends, albeit with some lag.

Management programmes are regarded as highly dynamic given that they are aligned in a manner that trains the students according to prevailing market trends, individual requirements of students as well as available resources. By virtue of hands-on training, conceptual, interpersonal and technical skills are inculcated in addition to management awareness for implementation of new structures and strategies in the corporate world being sharpened continually. With the corporate world becoming more and more competitive and complex, managerial decision-making capabilities are gaining immense traction as there are several situations where the managers are required to take vital decisions. This makes it essential to impart specialized skills to empower students to handle complex and dilemmatic situations in and out of the corporate sphere.

In the wake of a rapidly transforming management education landscape, both at the nationally and globally, b-schools have arrived at a position where they have to vie for scarce resources such as finances and rankings; this compels them to carve some form of a niche for them and develop a competitive advantage in terms of placements, industry liaisons or experiential pedagogical style. Thus, management institutions must provide its target market with superior value than its competitors, by anticipating and responding to the needs, wants and preferences of their students in selecting b-schools. The main objective of this study is therefore to probe into the relative importance of choice factors considered by the students before enrolling at b-schools pan-India.

III REVIEW OF BACKGROUND LITERATURE

In empirical literature, there have been a host of studies that have been conducted to examine the attitude of students regarding factors behind studying MBA programme (Ming, 2010; Rao and Sharma, 2010; Saba et al., 2011; Waseem and Zarif, 2012; Patel and Patel, 2012; Shetty and Gujarathi, 2013).

According to Fisher (1994) a business management program or course should be oriented towards applying theoretical knowledge in real-world situations.

In a study undertaken by Chiu and Stembridge (1999), the selection criteria employed by full-time employees in Hong Kong in selecting a part-time MBA program was analysed. It was observed that participants cited institutional reputation as the most used criteria followed by program curriculum, tuition fees, mode of delivery, and local supporting facilities. Most students expressed their concern towards the institution's reputation and brand image, its programme curriculum, mode of delivery, supporting facilities, and placement opportunities.

Sidin et al. (2003) in their research observed that student selection of colleges depends on several criteria, including academic quality, facilities, campus surroundings, and personal traits. Income was also seen to significantly affect the choice of students. The study further evidenced that factors such as costs, duration of studies, and academic quality were also important considerations for students and their families.

Simpson et al. (2005) sought to investigate if the extrinsic and intrinsic benefits from a business management program varied according to gender. It was observed that gender and age interacted to affect perception of career outcomes. While the male respondents sought to gain wholesome confidence from developing complete skill sets, the female respondents gained confidence from feelings of self-worth. In fact, the net value addition for students completing an MBA degree transpires directly into greater earning potential and recognition status in society. Accordingly, business graduates are widely regarded as the pillars of leadership and management in an increasingly complex and uncertain global economy.

Mihail and Elefterie (2006) examined graduates' perceptions of newly established accredited MBA programs in Greece. They found that the MBA degree has contributed to obtaining a new job with better employment conditions after graduation. They also found that MBA program provided graduates with stronger managerial skills. They provided evidence that MBA studies allowed graduates to negotiate successfully for more challenging jobs after their graduation.

Monioulas et al. (2007) tried to identify the factors related to students' satisfaction from the postgraduate courses offered at the University of the Aegean Business School in Chios.

Grzeda and Miller (2009) pointed out that students selected a b-school with the intention of developing integrative skills, blending knowledge from divergent disciplines to broaden their understanding of the business world and learn new ways of perceiving the world. They observed that flexibility proved to be a significant criterion for selecting an online over a traditional program, even more so for older respondents and women. The

study clearly brought to the fore pertinent reasons such as accessibility, balance between work and personal life, perceived progressiveness of the program as well as desired specializations offered.

Ming (2010) concluded that the factors affecting students' decision of b-school selection were primarily location, academic programme, college reputation, educational facilities, cost, availability of financial aid, employment opportunities, advertising and campus visit.

Rydezewski et al. (2010) affirms that the MBA program is one of the more popular and well-known postgraduate degrees sought by students in a business school. In fact, the curriculum designed and practiced by a b-school is directed primarily towards those who decide to contemplate on securing jobs in the domain of business and management. This is done through the provision of necessary skills required in managerial positions. It offers more than thirty courses in several disciplines such as accounting, finance, human resources management, and marketing.

Reddy (2011) in his research unfurled that the factors that Indian students prefer while selecting the ideal b-school was pillared on their decision-making process and identity. This was summarized in terms of six factors namely auxiliary academic activities, attainment yardstick, pure academic offerings, physical maintenance facilities, personal comfort zone and endorsement/ ratification.

O'Shaughnessy and Lynn (2012) concluded that students rarely research whether the business school they are going to is affordable to them. This is especially true for students seeking to study abroad. The focus is on the brand name and the extent of scholarship received.

Bhola and Nalawade (2013) found out that case studies, live projects, well-equipped seminar halls and industry guest lectures are alluring attributes for female students. In contrast, male respondents seek computer facilities with fast internet connections, latest and well-furnished seminar halls, wi-fi campuses and English communication development programs.

IV RESEARCH GAP

Based on an extensive review of background literature, it may be safely asserted that very few studies address the issue at hand. There are few studies which actually address the domain of student perceptions towards b-schools in the Indian context. Most of them are theoretical expositions derived from magazines and newspaper articles. Few papers do endeavour to probe into the major factors affecting students' perception of b-schools but are merely confined to the identification of those factors. The current study shall transcend the previous researches and seek to provide greater depth in the existing body of knowledge since it not only identifies the major factors but also describes the best combination of factors which every aspiring management student seeks in their ideal b-school.

4.1 Objectives of the Study

In accordance with the research gap identified, the current study seeks to actualize the following objectives as noted below:

Objective 1: To identify the dominant factors which influence perception of students towards the selection of b-schools using exploratory factor analysis

Objective 2: To identify the best combination or utilities for the factors affecting b-schools in determining student preferences and choices using conjoint analysis

4.2 Research Design and Methodology

The present study has been undertaken over a time frame of eleven months. It has been divided into two parts. The first part of the research sought to probe into the most important factors affecting student perception of business schools. Based on the factors identified, a subsequent study was conducted to analyse the best combination of utilities sought by students with reference to their perception of b-schools.

The first part (Part A) of the research comprised of 249 final year management graduates (n=249) studying in various colleges and institutes in the city of Kolkata. The second part of the research (Part B) was conducted on a total of 397 respondents (n=397) who were again final year management graduates from Kolkata. The first set of 249 respondents were interviewed again and an additional pool of 148 respondents were further interviewed to gather responses for the ideal combination of b-school they desired.

The first part of the study was undertaken from December 2015 to January 2016. The results were subsequently analysed to understand the most relevant factors which evolved from the responses of the students. Part B of the research study was an interview that took place from April 2016 to September 2016. Part A of the study comprised of a total of 11 factors which precisely summarized the motivations and expectations of an aspirant from a business school. These factors were required to be analysed by the target group of respondents on a 5-point Likert scale. Part B of the study comprised of a total of 16 combinations of factors obtained through orthogonal design using SPSS. All results were analysed using IBM SPSS 23.0.

V FINDINGS AND ANALYSIS OF DATA

Based on the responses obtained in the two phases of the study, the various findings have been compiled and deliberated upon under the following heads, so as to gain valued insights about the perceptions that b-school aspirants have towards their dream institution.

5.1 Demographic Profile

The demographic profile of the respondents in terms of gender in both the phases of the study have been depicted in Table 1. All the respondents are final year BBA and B. Com graduates from various colleges in the

city of Kolkata. All respondents belonging to the age group of 20-23, they are all aspiring for a coveted management degree in one of the best business schools across the country.

Table 1: Demographic Statistics

Phase I	Gender	Male	115	0.46
		Female	134	0.54
		TOTAL	249	1.00
Phase II	Gender	Male	191	0.48
		Female	206	0.52
		TOTAL	397	1.00

5.2 Exploratory Factor Analysis

The first objective in this study is to prune out the most dominant factors influencing perceptions towards b-schools among young management graduates in Kolkata. In order to actualize this objective, an exploratory factor analysis has been conducted to identify the most important factors shaping student perceptions towards b-schools and accounting for the variation by using a smaller number of variables.

To this end, the KMO and Bartlett's Test of Sphericity has been undertaken in order to check for adequacy of sample size and significance of undertaking the study. This has been portrayed in Table 2.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.749
Bartlett's Test of Sphericity	Approx. Chi-Square	741.759
	df	55
	Sig.	0.000

In accordance with the results obtained, the KMO Test confirms the appropriateness of factor analysis. This is explained by the KMO test-statistic which is 0.749 (greater than the idealistic figure of 0.5). The sample size should be large enough for us to yield reliable estimates of correlations among variables. The Bartlett's test of Sphericity indicates the validity and suitability of responses in the data set. The p-value in this case is significant at 5% level, given that $p=0.000$ ($p<0.05$). Hence, it is appropriate for us to conduct factor analysis on the nine variables responsible for shaping the integrity of visual merchandising.

The KMO and Bartlett's Test is succeeded by the Total Variance Explained (TVE), as illustrated in Table 3. According to the TVE, the results will indicate the number of factors derived on the condition that Eigen values are greater than 1 (Eigen Values > 1). Eigen values represent a special set of scalars associated with a linear system of equations. This produces 3 factors, since for others, the Eigen Values are less than unity and are not reported thusly. It is proof of the fact that the 3 factors (Components) explain 54.3% of the total variance.

Accordingly, the remaining factors capture lesser percentages of Total Variances as the percentages gradually keep on falling.

Table 3: Total Variance Explained

Component	Initial Eigenvalues			Loadings		
	Total	% of Var.	Cum. %	Total	% of Var.	Cum. %
1	2.783	25.298	25.298	2.783	25.298	25.298
2	1.764	16.032	41.330	1.764	16.032	41.330
3	1.427	12.970	54.300	1.427	12.970	54.300
4	1.351	12.278	66.578			
5	1.021	9.286	75.864			
6	0.690	6.270	82.134			
7	0.551	5.008	87.142			
8	0.487	4.428	91.570			
9	0.425	3.859	95.429			
10	0.275	2.500	97.929			
11	0.228	2.071	100.000			

Extraction Method: Principal Component Analysis

Using Principal Component Analysis, we have extracted the variables according to the condition: Eigen Values > 1. The three factors have a strong degree of interdependence and thus decrease as we move down. This is typically the problem of multi-collinearity among variables.

Developed by Cattell (1966), the Scree Plot is the graphical representation of Eigen Values versus their Component Numbers. It is observed that the distance between the first three nodes is significantly greater than the subsequent nodes. This occurrence has been captured in the following Scree Plot in Figure 1.

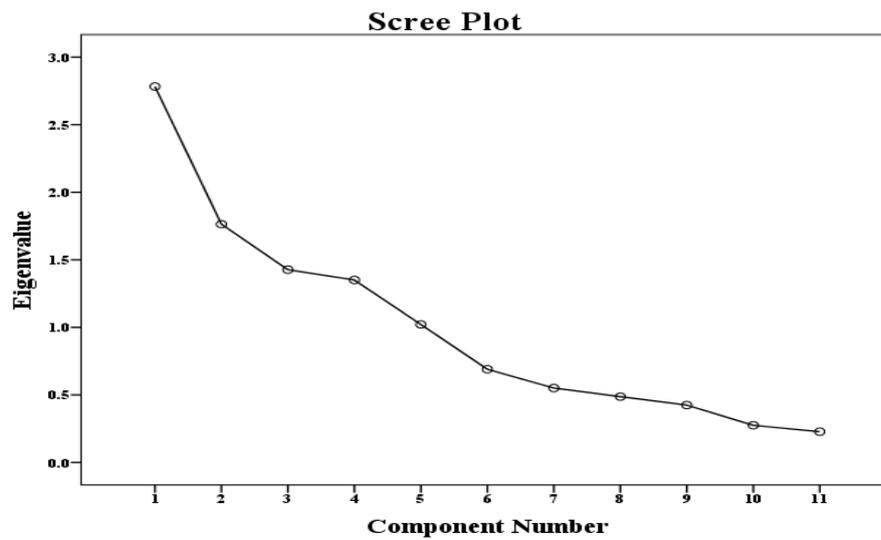


Figure 1: Scree Plot

Following the Scree Plot, which portrays three factors which have been extracted using Principal Component Analysis (PCA), the Rotated Component Matrix (RCM) is hence explained in Table 4. According to the RCM, the variables will get accommodated in the factors on the basis of their factor loadings, thereby giving us our final result.

Table 4: Rotated Component Matrix^a

	Component		
	1	2	3
F1	-0.798	0.212	0.065
F2	0.617	0.255	
F3	-0.242	0.466	0.473
F4	0.668	0.225	
F5	-0.663	0.078	0.143
F6	0.764	-0.099	0.340
F7	-0.522	0.418	0.332
F8	0.412	0.712	0.166
F9	-.0158		0.609
F10	-0.071	0.758	-0.088
F11	0.127	-0.110	0.630

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

The rotation has been done using Varimax with Kaiser Normalization in six iterations. The list of 11 variables as observable, are decomposed into 3 factors. Each factor is a compilation of closely-knitted variables. We can thus, rename Factor 1 as Primary Parameters, comprising of 3 variables, namely, Quality of Placement, Industry Interface and Quality of Faculty. Factor 2 can be renamed as Secondary Parameters comprising of 4 variables namely, Pedagogy and Course Strength, Fee Structure, Global Affiliation and Accreditation and Infrastructural Facilities. Factor 3 can be renamed as Tertiary Parameters, comprising of 4 variables, namely, Nature of Degree Offered, Residential Facilities, Locational Advantage and Alumni Strength and Network.

5.3 Conjoint Analysis

From the factor analysis conducted we have identified 3 attributes with multiple levels: Primary Parameters (3 levels), Secondary Parameters (4 levels) and Tertiary Parameters (4 levels). The total possible combinations across these 3 attributes with their levels is:

$$3 \text{ (Primary Parameters)} \times 4 \text{ (Secondary Parameters)} \times 4 \text{ (Tertiary Parameters)} \\ = 48 \text{ different combinations}$$

Since it is impractical to ask the respondents to rank these 48 combinations, an orthogonal design has been used to generate sample profiles based on the random seed number entered (which in this case is 50,000). Accordingly, the system has generated 16 cards which represents different combinations of the variables. These 16 combinations have been arranged in the form of a questionnaire and has been put forward to 397 respondents who had been asked to rank the most preferred combination on a scale of 1 to 16.

Table 5 portrays the number of levels or categories of the different factors which are used in the conjoint model.

Table 5: Model Description

	N of Levels	Relation to Ranks or Scores
Primary Parameters	3	Discrete
Secondary Parameters	4	Discrete
Tertiary Parameters	4	Discrete

The table of utilities, as shown in Table 6 is of immense relevance. It presents the utility coefficients for each level of the factors of the model. The higher the utility coefficient, the higher the preference of that particular level of the factor. In accordance with the results obtained, in case of primary parameters students possess the highest utility or preference to Quality of Placement (0.666). In case of secondary parameters, the highest utility (2.256) is given to global affiliations and accreditations, and in case of tertiary parameters, respondents have the highest utility for locational advantage (2.130).

Table 6: Utilities

		Utility Estimate	Standard Error
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Primary Parameters	Quality of Placement	0.666	0.915
	Industry Interface	-0.104	0.780
	Quality of Faculty	-0.562	0.915
Secondary Parameters	Pedagogy and Course Strength	-1.090	1.014
	Fee Structure	1.120	1.014
	Global Affiliation and Accreditation	2.256	1.014
	Infrastructural Facilities	-2.287	1.014
Tertiary Parameters	Nature of Degree Offered	-0.658	1.014
	Residential Facilities	-0.650	1.014
	Locational Advantage	2.130	1.014
	Alumni Strength and Network	-0.822	1.014
(Constant)		8.526	0.617

Summarizing the three parameters together, we can infer that the target group of student respondents actually prefer a business school with an excellent quality of placement, and which has a very high global affiliation and accreditation, coupled with locational advantage. Interestingly, this is the ideal b-school investors and educationists could build.

The other pertinent aspect is the relative importance among the attributes, as shown in Table 7. In the current study, secondary parameters are the most important consideration for students (52.078) followed by primary parameters and tertiary parameters.

Table 7: Importance Values

Primary Parameters	33.845
Secondary Parameters	52.078
Tertiary Parameters	14.077

In the correlations table as depicted in Table 8, the values are significant, which simply represents the amount of correlation between the observed preference scores and the conjoint model estimated preference score.

Table 8: Correlations^a

	Value	Sig.
Pearson's R	0.820	0.000
Kendall's tau	0.717	0.000

a. Correlations between observed and estimated preferences

The significance of correlations coefficient (0.000) indicates that the model does a good job of predicting the respondent's preference for different attributes towards the b-school.

VI CONCLUSIVE STATEMENTS

The findings derived in conduct of the present study are interesting and offer enough insights for academicians and b-school pioneers.

The first part of the study focussed on an exploratory factor analysis, where the limelight was on deriving the most important factors which were closely related to each other. It was observed that placement standards, industry interface and faculty pool quality were closely correlated to each other and grouped as one factor which has been labelled as Primary Parameters. Similarly, students consider pedagogical aspects, fee structure, global networks and infrastructural facilities as closely knitted to one another. Finally, the nature of degree received in terms of PGDM or MBA, residential facilities, locational advantage and alumni strength are grouped together as tertiary parameters.

The second half of the study sought to identify the best combination which students found as most prominent when opting for a b-school. Accordingly, they opted for a highly active and operational placement cell, along with the presence of global affiliations and accreditations and locational advantage when selecting b-schools.

Students opine and perceive that the accredited MBA program provides graduates with more robust managerial skills. The MBA program should have the knowledge of the existence of standardization and customization that help the program quality and meet students' target. Placement initiatives of any institute should act as a link between academic input given to the students and a practical orientation of the industry.

Overall, the study not only purported to explore the factors influencing the decision of a student, but also sought to explore an association among them. The results put across that students prefer the institute where overall personality development is nurtured and instilled. It is evident that management students are not very much willing to be confined by mere classrooms teachings.

This study should be seen as an encouraging sign for more research into this domain in the near future. In particular, researchers can probe into other aspects of the student decision-making process, including personal factors, family background, academic achievements, as well as a host of other considerations. The causal relationship between institute choice and post-study behaviour, academic achievements, and satisfaction levels, can also be examined. As this study has an exploratory research design, we believe that a wealth of other follow-up studies can and should be undertaken. This would help build a strong network of globally acclaimed business schools in India and raise the quality bar, in contrast to the present buzz around quantity.

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