



A Study of Factors Affecting the Selection of B Schools by Students in Indore Region

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Abstract

The phenomenal growth of MBA or its equivalent the postgraduate diploma in management have been largely triggered by the growth of corporate sector and industrialization in India. Since Business School graduates have played a critical role worldwide in building competitiveness of enterprise and industry, MBA education has emerged the most wanted subject in higher education. The study aims to identify the most common and least common factor that influences the students decision for selection of any B school, demographic variables plays an important role in decision making therefore the study tries to find out the differences in choices made by male and female students and explore various other criteria for the selection of B school among students. Confirmatory factor analysis was used to explore factors affecting the selection of B School by students. Major findings suggest that the most important factor rated by both male and female student was placement and ranking.

Keywords: MBA Student, Most preferred B-School, Selection of B-School

Introduction

Management education in India is a post-independence phenomenon. The Andhra university was the first to start a full time postgraduate management program in 1957. The All India Institute of Management and social welfare, Kolkata and Delhi University followed suit in 1958. A number of universities setup the postgraduate management

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program thereafter: mostly three year evening course for working executives. The University of Madras, University Of Allahabad, University of Jodhpur, Punjab University and Bombay University set up their masters in Business Administration (MBA) programs in the 1960s. Majority of the universities set up their management programs between 1970 and 1995.

The first Indian Institute of Management ,a centre of excellence in management education, was set up in 1961 at Kolkata followed by IIMs at Ahmedabad (1961), Bangalore (1971) and Lucknow (1974) and in 1990s at Indore and Kozhikode. These All India Institutes were set up as autonomous societies in the Ministry of Education with funding from the central government. With private initiative and TISCOs support, The Xavier's Labour Relations Institute (XLRI) was set up in 1966 in Jamshedpur. By year 1990, about 120 universities had set up full-fledged courses in management. However, the demand for management graduates far exceeded the supply. Further, the state encouraged establishment of private funded B-schools; and strengthened All India Council for Technical Education (AICTE) with the twin responsibilities of maintaining /upgrading the standards of management education and regulating all business schools in the country. AICTE granted liberally permission to establish new B-schools. The number of such institutions by year 2002 increased to around 850. As of now these post graduate management programs are run by societies, trusts, university departments and affiliated colleges. Recent surveys of B-schools, however, have shown that the PGDM offered by autonomous society including IIMs have done far better than those under auspices of the universities. In less than 50 years, management has emerged as a vibrant area of professional education. Half a million candidates compete annually for the 100000 seats. The number of business schools has grown rapidly over the last 10 odd years. Today, our country has close to 1000 business schools- about 72000 seats in all. Back in 1990, we had just 82. Of these 1000 schools, 953 are authorized by the central regulator, All India Council for Technical Education (AICTE). Most of the quantitative expansion in the management education in the last decade has come in the private domain. This has been partly because of the failure of the public

funded business schools and university teaching departments to respond to the demand for management education; partly because of the rise in academic entrepreneurship in India where opening and operating B-schools appears financially attractive, Entry of private institutions in management education on one hand has led to the establishment of some of the best business schools in the country, as also some of the notorious profit making organizations. Therefore, India and the Indians have undergone a paradigm shift in the education as there have been fundamental and irreversible changes in the economy, government policies, outlook of business and industry, and in the mindset of the Indians with respect to the management education. From a shortage economy of food and foreign exchange, India has now become a surplus one. From an agro based economy, India has emerged as a service oriented one. From the low-growth of the past, the economy has become a high-growth one in the long-term. Having been an aid recipient, India is now joining the aid givers club. Although India was late and slow in modernization of industry in general in the past, it is now a front-runner in the emerging Knowledge based New Economy. The Government is continuing its reform and liberalization not out of compulsion but out of conviction. Indian companies are no longer afraid of Multinational Companies. They have become globally competitive and many of them have become MNCs themselves. Fatalism and contentment of the Indian mindset have given way to optimism and ambition. Introvert and defensive approach have been replaced by outward-looking and confident attitude. In place of denial and sacrifice, the Indian value system has started recognizing seeking of satisfaction and happiness. The Indian culture, which looked down upon wealth as a sin and believed in simple living and high thinking, has started recognizing prosperity and success as acceptable and necessary goals. Indian management graduates no longer queue up for safe government jobs. They prefer and enjoy the challenges and risks of becoming entrepreneurs and global players in the emerging private sectors. India being a largest democracy with stable, mature, vibrant and exemplary democratic governance and institutions, boasts lots of quality B-Schools attracting intellect student community in large number every year.

While the demand for management education will further grow in the coming decades because of the predictable growth of Indian economy, it has become the most prestigious qualification for men and women as it prepares them to take on new challenges and exciting managerial responsibilities. Therefore the objective of the study is to identify the major factors which affects the decisions of many students for selecting the B school or management education institutes in India, to explore other criteria's of selecting B-School and to indentify the most preferred B-School by Indian students.

Literature Review

The purpose of the study conducted by Yamamoto (2006) was to examine the university selection criteria of students for better university management with the use of marketing tools. This study consists of a survey on students attending a foundation university in Turkey. The questionnaire method has been chosen in order to determine the important criteria having an impact on the student views towards university selection. The students had been admitted to a foundation university in the 2005-2006 period when within the same universities various departments were included in the study. Selecting a university is a long-term commitment and a very important decision for the high school students and/or graduates. Academic, social, physical factors and facilities are some important criteria for university selection. This study concerns the importance of these criteria in detail. Another study conducted by Policano (2007) assess the value of the media rankings of business schools from the perspective of students, business schools and the media. The media rankings give the perception that there are more significant differences between similar MBA programs than actually exist. Indeed, many times it is the arbitrary weighting assigned by the media to the variables in the ranking rather than the quality of the school that accounts for differences across similar programs. A more accurate description of quality would be obtained by rating schools in groups of programs of similar quality. Business school applicants can utilize media rankings to identify the top 100

MBA programs but should not base their decision between different programs on a specific ranking of one school relative to another. Rather, the applicant should examine the raw data behind the ranking, along with many other non-quantitative factors, in assessing which is the program best matches their particular interests and aspirations.

A study conducted by Ahola and Kokko (2001) states that the emphasis of current higher education policy on quality and efficiency has brought pressure on Finland's admission system, which—in contrast to many other European countries—is based on quite heavy and expensive entrance examinations. The government is pushing universities towards mutual collaboration, and is calling for a simpler, more transparent and equitable admission system. This paper draws on a survey of students seeking admission to courses in the field of economics and business administration. In this field, the majority of institutions have been collaborating in student selection since the 1970s. This collaboration is under pressure from intensifying competition between the universities, and the quest to and the 'best possible students'. Applicants, on the other hand, are using various strategies to gain access to higher education. In light of the ongoing harmonization of the European higher education scene, we have attempted to assess the feasibility of the present application system in the long term.

Endres *et. al.* (2009) analyzed surveys gathered from 277 students enrolled in online MBA courses at a large university in the Midwest. As the authors expected, student satisfaction in the survey comprised 5 factors: satisfaction with faculty practices, earning practices, course materials, student-to-student interaction, and course tools. Student satisfaction predicted student intention to recommend the course, faculty, and university to others. Varying types of online satisfaction that were revealed in the factor analysis predicted each type of student intention. The study results confirm that online MBA students' selection and satisfaction with their faculty, courses,

and university is not straightforward. To affect each intention, universities must focus on a variety of different courses, faculty, learning tools, and online learning tools.

A study conducted by Pritchard *et. al.* (2004) examine the key factors that influence students choice for a business school and how can business schools make that choice more realistic. Investigating students at a regional university, the authors found that whereas those with better cognition choose B schools with best faculties and placement assistance. The authors suggested that for adherence to the requirements for expanded assurance of learning (out-comes assessment) included in standards (2003), the authors suggest that schools of business provide their students with a clear statement of the opportunities and requirements in each business school.

Objectives of the Study

To identify the most common and least common factor that influences the students decision for selection of any B school.

To find out the differences in choices made by male and female students.

To explore various other criteria for the selection of B school among students

To find out the most preferred B school/Institute among the students.

Research Methodology

The study is descriptive in nature. The main objective of the study is to identify the major factors which affects the decisions of students for selecting the B school or management education institutes in our country and to find out the preference of both male and female students. The study is survey based. A self developed questionnaire with a Cronbach's Alpha of (.821) was administered on students of B School. The sample consisted of 100 students comprising of male and female students having different educational background. The research tools administered were ranking method and factor analysis. The

analysis and interpretation of the study involved the use of confirmatory factor analysis in order to find out the most and least important factor which influenced the students decision in selecting any B school.

Table 1:Reliability Statistics of the Questionnaire

Cronbach's Alpha	N of Items
.821	40

Results

There are four major factors, which were identified after conducting factor analysis which affected the decision process of the students for selection of B-Schools.

Factor 1. Placement and Ranking- Its factor load is 3.87. The factor includes variable like Placements with a load of .87, Brand image/ Ranking of the Institute with a load of .85, Faculty with an item load of .77, Affiliation to University/ Accreditations with an item load of .74 and Industry- Institute Interface/Students Events with a load of .56. The factor accounted for 33.8 percent of the total variance.

Factor 2. Infrastructure- Its factor load is 2.98. The factor includes variables like Personal visit to the Institute with a factor load of .73, Foreign Tours with a factor load of .7, Infrastructure and Facilities .56, Location with a factor load of .52 and Course fees with a factor load of .44. The factor accounted for 13.81 percent of the total variance.

Factor 3. Media Promotions- Its factor load is 1.46. The factor includes variables like Influence of Advertisements through Media/Web Sources with a factor load .83 and Date of Establishment/ Goodwill of the Establishing Group with a factor load of .63. The factor accounted for 9 percent of the total variance.

Factor 4. Admission Procedure- Its factor load is .87. The factor includes variable Admission procedure with a factor load of .87. The factor accounted for 7.9 percent of the total variance.

Table 2: Factors Affecting B-School Selection

Factor Description	Variable load	Total factor load	Variance(%)
Placement and Ranking			
Placements	.87		
Brand image/ Ranking of the Institute	.85		
Faculty	.77		
Affiliation to University/ Accreditations	.74		
Industry- Institute Interface	.56		
		3.87	33.88
Infrastructure			
Personal visit to the Institute	.73		
Foreign Tours	.70		
Infrastructure and Facilities	.56		
Location	.52		
		2.98	13.81
Media Promotions			
Influence of Advertisements Through Media/Web Sources	.83		
Date of Establishment/ Goodwill of the Establishing Group	.63	1.46	9
Admission Procedure			

Admission Procedure	.87	.87	7.9
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Source: Factors generated after conducting factor analysis.

Factors dominating Males selection process are as follows:

Factor 1. Ranking and Placements- Its factor load is 3.79. The factor includes variables like Brand Image/Ranking of the Institute with a factor load of .87, Placements with a factor load of .82, Affiliation to University/Accreditation with a factor load of .817, Faculty with a factor load of .76 and Industry- Institute Interface/ Students Event with a factor load of .51. The factor accounted for 34.66 percent of the total variance.

Factor 2. Foreign Tours- Its factor load is 2.37. The factor includes variables like Foreign Tours with a factor load of .83, Influence of Advertisement through Media/Web Sources with a factor load of .80 and Admission Process with a factor load of .74. The factor accounted for 12.77 percent of the total variance.

Factor 3. Infrastructure- Its factor load is 2.1. The factor includes variables like Infrastructure and Facilities with a factor load of .77, Course Fees with a factor load of .72 and Personal visit to the Institute .60. The factor accounted for 10.46 percent of the total variance.

Factor 4. Goodwill of the Institute- Its factor load is 1.52. The factor includes variables like Date of Establishment/ Goodwill of the Establishing Group with a factor load of .79 and Location with a factor load of .72. The factor accounted for 8.9 percent of the total variance.

Table 3: Factors Dominating Females Selection Decision for B-School

Factor Description	Variable load	Total factor load	Variance(%)
Ranking and Placement			
Brand image/ Ranking of	.87		

the Institute			
Placements	.82		
Affiliation to University/ Accreditations	.81		
Faculty	.76		
Industry- Institute Interface	.51	3.79	34.66
Foreign Tours			
Foreign Tours	.83		
Influence of Advertisements Through Media/Web Sources	.80		
Admission Procedure	.74	2.37	12.77
Infrastructure			
Infrastructure and Facilities	.77		
Course Fees	.72		
Personal Visit to the Institute	.60	2.1	10.46
Goodwill of the Institute			
Date of Establishment/ Goodwill of the Establishing Group	.79		
Location	.72	1.52	8.9

Source: Factors generated after conducting factor analysis.

Factors dominating Females selection decision for B- Schools are as follows:

Factor 1. Placements and Ranking- Its factor load is 4.4. The factors include variables like Placements with a factor load of .88, Brand Image/Ranking of the Institute with a factor load of .83, Faculty with

a factor load of .76, Affiliation to University/Accreditation with a factor load of .67, Industry- Institute Interface/ Students Event with a factor load of .66 and Infrastructure and Facilities with a factor load of .57. The factor accounted for 34.45 percent of the total variance.

Factor 2. Location- Its factor load is 2.0. The factors include variables like Location Institute with a factor load of .78, Personal Visit to the Institute .69 and Foreign Tours Institute with a factor load of .55. The factor accounted for 17.77 percent of the total variance.

Factor 3. Media Promotions- Its factor load is 1.56. The factors include variables like Influence of Advertisements Through Media/Web Sources with a factor load of .84 and Date of Establishment/ Goodwill of the Establishing Group with a factor load of .72. The factor accounted for 10.82 percent of the total variance.

Factor 4. Admission Process- Its factor load is 1.43. The factors include variables like Admission Process with a factor load of .88 and Course Fees with a factor load of .55. The factor accounted for 8.52 percent of the total variance.

Table 4: Factors Dominating Males Selection Decision for B-Schools

Factor Description	Variable load	Total factor load	Variance(%)
Placement and Ranking			
Placements	.88		
Brand image/ Ranking of the Institute	.83		
Faculty	.76		
Affiliation to University/ Accreditations	.67		
Industry- Institute Interface	.66		
Infrastructure and Facilities	.57	4.4	34.45

Location			
Location	.78		
Personal Visit to the Institute	.69		
Foreign Tours	.55	2.0	17.77
Media Promotions			
Influence of Advertisements Through Media/Web Sources	.84		
Date of Establishment/ Goodwill of the Establishing Group Course Fees	.72		
Total		1.56	10.82
Admission Procedure			
Admission Procedure	.88		
Course Fees	.55	1.43	8.52

Source: Factors generated after conducting factor analysis.

The most common factors revealed in the study preferred by both male and female students was Placements and Ranking. The reason behind this could be that as the social setting is changing life is getting tough therefore there is a pressure on students to go for jobs immediately after completing their PG course so students prefer institutes which provide them placement assistance. On the other hand admission process was ranked as the least preferred factor by both male and female respondents stating that admission process does not influence the selection decision of students. It's the core facilities which attract the students towards a B-School.

Out of 100 respondents 35 were female students and 65 students were male students. After conducting factor analysis it was found that the major factors which influenced the decision of female students were Ranking of the Institute, Foreign Tours,

Infrastructure and Facilities Goodwill of the Institute. For females self esteem or their prestige is more governing factor than placements, their satisfaction level increases when they pursue their higher education in the best institutes of India or rather for them it is a matter of pride. That is why they get attracted towards foreign tours, infrastructure and other facilities. Therefore for female goodwill of the institute is more important than placements, and they also feel that they can manage to get a job of their own choice latter on ,since there is no time constraint on them and no pressure from the family or society as far as their employment is concerned.

However it was interesting that Male students responded to the same questions in a different manner which resulted in four factors namely Placements/ Ranking, Location and Media Promotions. The male students who come to MBA program desire MBA degree because it is the best passport for a good job. They are interested in managerial career but more interested in getting an assured income and high salary as it commands. That is why Placement assistance provided by the institute is the main factor which drives their selection decision. Secondly, they prefer the B-school of their native place because of their parents pressure and for fulfilling some family responsibilities, even their educational expenses will increase if they prefer B-school of some other location due to lodging and boarding expenses. Finally, being the young blood of India definitely the media or advertisements play a key role in influencing their decision.

The other criteria for selection of B-school preferred by students are mainly feedback of alumni/existing students, courses or curriculum offered, faculty student ratio, scholarship offered, quality as well as consistency in placements, advice from relative/friends and extra-curricular activities. In a decision making process people give a lot of emphasis to formal as well as informal groups (Schiffman, 2004) because family, friends and other relatives are part and parcel of ones life and they influence the decision of students seeking guidance for higher education. Students had marked curriculum (specialization offered) as one of the important criteria because they seek courses

which interest them and which have practical implication as well. Students also value institutes which have a good track record in quality placements as they have ranked placements as the most important criteria for selecting any B-School. Students look for institutes which believe in overall personality development that is why they have rated extra-curricular as one of the vital criteria for selection of B-School. The top five B-Schools preferred by the students were IIMs, S.P. Jain, XLRI, Symbiosis and FMS Delhi. The reason behind this could be the brand image of the above mentioned institutes. Students rank these institutes high in terms of quality placements and academics. It is interesting to notice that students have also given a lot of importance to the ranking of these institutes as they are rated higher in various B-School surveys.

Conclusion

The most common and least common factor preferred by both male and female students is Placements and Ranking and the least common factor is Admission Process as both male and female students had given it a lesser amount of emphasis as compare to other criteria's. The most important factor which influenced the decision of male students was placements as they look for future security on the other hand the most important factor which affected the female decision while selecting a B-School was Ranking and Brand Image of the institute as for them the environment and overall image is more important. Other criteria's which effect the decision of students was mainly the social/peer group effect, curriculum offered by the institute and placement track record. The results conveys that in India family/relatives and peer group place a very important role in decision making process. Students had also given a lot of weightage to alumni's word as they act as brand ambassador for the institute in which they study and they totally give an unbiased opinion to their counterparts which help the prospective students in the decision making process. Therefore, it can be concluded that if a management institute is planning to have brand makeover than it should put a lot of emphasis on placements and curriculum. The scenario of higher education is changing as number of Business Management institutes are increasing

day by day. Therefore in order to be successful in long run B-School need to emphasize on good placements, re-design the curriculum as per industry needs and must try to improve their ratings in the survey's by satisfying all the required norms. This can be achieved by having a flexible system which go in sync with the changing scenario of management education.

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