

CBA · NAU

College of Business
Administration
Northern Arizona
University
Box 15066
Flagstaff AZ 86011

**Personalized Services:
A Pivotal Component of MBA
Program Assessment**

Working Paper Series 03-17— December 2003

Chris A. Lockwood

Associate Professor of Management
College of Business Administration
Northern Arizona University
Flagstaff, AZ 86011-5066
(928) 523-7401
Chris.Lockwood@nau.edu

Joe Anderson

Associate Professor, Associate Dean and MBA Director
Management
College of Business Administration
Northern Arizona University
Flagstaff, AZ 86011-5066
(928) 523-1389
Joe.Anderson@nau.edu

Personalized Services: A Pivotal Component of MBA Program Assessment

Chris Lockwood and Joe Anderson

Business, business education, and by extension, business schools are under scrutiny (Pfeffer and Fong, 2002) as American business schools lose MBA market share in a growing world-wide market (Richards-Wilson, 2002). This situation has increased student power and influence that are further heightened by customer-based media rankings (e.g., Business Week). While recent discussions regarding MBA program change exist (e.g., Trank and Rynes, 2003; Richards-Wilson, 2002), the authors could find no evidence linking alumni assessment of MBA program effectiveness to non-curricular aspects of their MBA program experience. The current study is based on the notion that alumni perceptions of MBA program effectiveness could be a result of their experiences with faculty and students outside the classroom and with other university employees not involved with course delivery. Investigating this issue will help us better understand the factors alumni use to make assessments of MBA program effectiveness. This is especially salient given the growing dependence of many business schools on the financial support of their alumni.

METHOD

Data for this study was collected as part of a larger project assessing the experiences and interests of alumni from a large university located in the southwest. One hundred-sixty-six MBA alumni provided responses for the current study. These alumni, on the average, graduated in 1988 and completed their MBA in 19 months. Seventy-six percent indicated they had worked at least part-time during their MBA program.

Instruments

Criterion variable. MBA Program Effectiveness was assessed with a scale developed from six items contained in the larger study. These items are presented in Table 1. Alumni were asked to indicate the extent to which they agreed with each item. A 5-point scale ranging from (1) *strongly disagree* through (3) *neutral* to (5) *strongly agree* was used to anchor responses. Coefficient alpha for this MBA Program Effectiveness scale was .81.

Table 1
MBA Program Effectiveness Items

-
- | | |
|----|---|
| 1. | My graduate experience met my expectations of what a good business school should be. |
| 2. | My MBA was worth its total cost in time, tuition, living expenses, and lost earnings. |
| 3. | I would hire someone with an MBA from <u>my alma mater</u> over a similarly qualified individual with an MBA from another school. |
| 4. | My MBA program provided practical information that I use on the job. |
| 5. | I believe the business school prepared me well for a successful career in business. |
| 6. | If I could "do it all again," I would still go to <u>my alma mater</u> for my MBA. |
-

Note. Items 3 and 6 originally contained the name of the university instead of the words my alma mater.

Predictor Variables. The first step in this study consisted of developing a pool of predictor items tapping multiple non-curricular elements important to the MBA Program experience. Items were developed by asking MBA students in the university's college of business to list statements MBA students might be expected to make about their program. The item pool presented in Table 2 contained 28 items and was viewed by MBA students and members of the college's graduate curriculum committee as representative of the range of comments MBA students could be expected to make. Alumni were asked to indicate the extent of their agreement with each statement. A 5-point scale ranging from (1) *Strongly Disagree* through (3) *neutral* to (5) *Strongly Agree* anchored their responses.

Table 2
Original Predictor Item Pool

-
1. My MBA professors were receptive to problems or questions I wanted to discuss.
 2. My MBA professors do not compromise teaching at the expense of research.
 3. My MBA professors compared favorably with other professors I have had in the past.
 4. My MBA professors were accessible outside of class.
 5. The faculty and administration were responsive to students' concerns and opinions.
 6. My MBA professors seemed to be at the leading edge of knowledge in their fields.
 7. The caliber of my classmates enhanced the learning process.
 8. My classmates emphasized individual achievement at the expense of teamwork.
 9. I was satisfied with the number and quality of firms recruiting at my alma mater.
 10. I was satisfied with the services provided by the career placement office.
 11. The business school helped me search for organizations that did not recruit on campus.
 12. I feel the business school has given me access to people in a professional network who can help me throughout my career.
 13. Entrance requirements for the MBA program should be raised.
 14. Students should be encouraged to specialize by taking additional courses.

The items listed below did not meet the selection criterion for the initial factor analysis.

15. At my alma mater, I learned numerous ways of thinking or approaching problems that will serve me well throughout my career.
16. Material presented in class for discussion was both current and relevant.
17. Assigned work and reading were so excessive they impeded learning.
18. My MBA program adequately addressed interpersonal skills.
19. I am comfortable with my ability to deal with analytical tools, computers, and other technology that affect my ability to manage.
20. The business school was responsive to the demand for popular electives.
21. The university was helpful when I needed financial aid.
22. I was satisfied with student housing.
23. I was satisfied with the library services and the availability of research materials.
24. I was satisfied with the length of the MBA program.
25. The MBA program provided adequate opportunity to specialize.
26. Overall, little unnecessary repetition of material existed among the courses I took.
27. Overall, the courses I took were not very well integrated with each other.
28. In general, I was graded fairly in the MBA program.

Note. Items 9 and 15 originally contained the name of the university instead of the words my alma mater.

Analysis

The agreement responses to the 28-item set in Table 2 were subjected to a principal axes factor analysis (with multiple R^2 as communality estimates and a varimax rotation). This was done because the agreement responses were correlated (i.e., multicollinearity appeared to be a problem). The initial analysis revealed a three factor solution. Items were considered to define a factor if their factor loading was greater than 0.4 without cross-loadings above 0.3. Fourteen items did not meet the criterion and are identified in Table 2 as items 15 thru 28. The remaining items were judged to represent three domains (Personalized Service, Career Placement and Program Administration). Items 15 thru 28 were excluded and the analysis rerun. The second factor analysis (discussed in the results section below) provided the basis for three scales that were used as predictor variables for subsequent regression analysis.

Step-wise multiple regression was employed to determine significant predictors of MBA Program Effectiveness. A predictor added at a step was significant when the addition of the variable produced a significant increase in explained criterion variance (i.e., a statistically significant increase in R^2 , see Kerlinger & Pedhazur, 1973). Predictors included in the analysis consisted of three factor analytically derived scales.

RESULTS

Item means, standard deviations and factor loadings are presented in Table 3. The first factor was defined by items reflecting Personalized Service. This factor explained 25.5% of the common variance. The scale consisted of eight items and was consistent with the *a priori* personalized service domain (coefficient $\alpha = .79$). The second factor explained 18.4% of the common variance and obtained high loadings on the items labeled 9 through 12 in Table 3. This factor was defined as Career Placement (coefficient $\alpha = .79$). The third factor was defined by measures of entrance requirements and program specialization and explained 10.4% of the common variance. This factor was consistent with the Program Administration domain. Together the three factors explained 54.4% of the total variance.

Table 3
Means, Standard Deviations and Factor Loadings for Item Pool

Item	M	SD	Factor 1	Factor 2	Factor 3
Personalized Services					
1. My MBA professors were receptive to problems or questions I wanted to discuss	4.21	.77	.83	-.16	.11
2. My MBA professors do not compromise teaching at the expense of research	3.89	.88	.75	-.07	-.01
3. My MBA professors compared favorably with other professors I have had in the past	4.07	.78	.83	-.01	-.12
4. My MBA professors were accessible outside of class.	4.30	.82	.75	-.18	.14
5. The faculty & administration were responsive to students' concerns and opinions.	3.72	.95	.66	.25	-.23
6. My MBA professors seemed to be at the leading edge of knowledge in their fields	3.49	.91	.66	.13	-.02
7. The caliber of my classmates enhanced the learning process	3.80	.89	.45	.01	-.10
8. My classmates emphasized individual achievement at the expense of teamwork.	3.92	.88	.43	.04	.14
Career Placement					
9. I was satisfied with the number and quality of firms recruiting at <i>my alma mater</i> .	2.17	1.03	-.09	.83	.03
10. I was satisfied with the services provided by the career placement office.	2.46	1.18	-.11	.82	-.06
11. The business school helped me search for organizations that did not recruit on campus.	2.10	1.01	-.05	.81	.14
12. I feel the business school has given me access to people in a professional network who can help me throughout my career.	2.49	1.11	.27	.62	.00
Administration					
13. Entrance requirements for the MBA program should be raised.	3.22	.98	-.05	-.06	.85
14. Students should be encouraged to specialize by taking additional courses.	4.03	.81	.03	.15	.76
Eigenvalue			3.57	2.58	1.46
Percentage of common variance			25.5	18.4	10.4
Coefficient Alpha			.79	.79	.49

Note. Boldface values are greater than 0.4. Factor analysis results and coefficient alphas are based on alumni responses to how *strongly* they agreed with items describing MBA Program experiences ranging from (1) *Strongly Disagree* through (3) *neutral* to (5) *Strongly Agree*. Item 9 originally contained the name of the university instead of the words *my alma mater*.

Scale scores were then calculated (average of factor items) based on alumni agreement responses and used as independent variables in the subsequent regression analysis. Table 4 shows means, standard deviations and correlations among the variables used in the stepwise multiple regression. Only one correlation among variables was significant ($p < .05$). Thus, it seems safe to conclude that multicollinearity is not a significant problem in the present study.

Table 4
Means, Standard Deviations, and Correlations Among Variables

Variable	M	SD	Correlation with			
			1	2	3	4
1. MBA Program Effectiveness	3.82	.68	-----			
2. Personalized Service (Factor 1)	3.91	.27	.62**	-----		
3. Curriculum (Factor 2)	3.67	.75	-.01	-.05	-----	
4. Career Placement (Factor 3)	2.27	.83	.11	.17	.04	-----

** $p < .01$.

MBA Program Effectiveness was predicted ($R^2 = .28, p < .01$) by Personalized Service ($\Delta R^2 = .21, p < .01$). Career Placement and Administration did not enter the equation since the probability of F to enter these variables was greater than the entry criterion of .05 required by the SPSS forward regression procedure.

DISCUSSION

The current results indicate alumni based their assessment of MBA Program Effectiveness on the Personalized Services they received. This finding is consistent with students' calls for increased personal attention, advising and instruction. Thus, providing personalized services is critical to gaining the support of this important constituent group. Further, the current results suggest that actions taken by faculty and administrators to enhance student perceptions of the items in this factor would improve their subsequent evaluation of MBA Program Effectiveness as alumni. Specifically, faculty should 1.) be receptive to students who wish to discuss problems and questions, 2.) be accessible outside of class, 3.) be responsive to student concerns and opinions, 4.) be at the leading edge of knowledge in their fields and 5.) should not compromise teaching at the expense of research. Additionally, administrators should 1.) select high caliber students to enhance the learning process and 2.) encourage students to emphasize individual achievement at the expense of teamwork. This last recommendation requires further explanation. While nearly all MBA programs emphasize dynamics of teamwork and managing teams, individual leadership and related characteristics such as need for achievement are seen as "basic ingredients for success" in MBA programs (Lundquist). Alumni are apparently conscious of an environment that encourages individual achievement as an important personalized component of their program.

Of particular interest is the fact that Career Placement did not predict MBA Program Effectiveness. While it is somewhat surprising that Career Placement did not enter the regression equation, it could be that MBA students take personal responsibility for this domain. It should also be noted that career placement at this university is a centralized campus-wide function and not a part of the business college. Given this finding as well as the lack of significant correlation between MBA Effectiveness and Career Placement, it appears alumni evaluated their MBA Program separate from their evaluation of Career Placement. This notion is reinforced by the observation that the means for responses to Personalized Services items indicate agreement while those for Career Placement items indicate disagreement with the positively worded items. Thus, MBA alumni expressed dissatisfaction with career placement at the focal university. Given this finding, the first author provided pro bono consulting services to assist Career Services improve its strategic planning process.

The finding that Program Administration did not enter the regression equation is perhaps somewhat less surprising. The wording of these two items is impersonal and may have contributed to alumni viewing these items as unrelated to their own experiences. If this is true, "my" MBA Program Effectiveness would not necessarily be related to the Program Administration for "other" MBA students essentially explaining the current study's results. While unrelated to their assessment of MBA Program Effectiveness, item level analysis suggests MBA alumni agree that students should be encouraged to specialize by taking additional courses. This is consistent with recent evidence supporting student interest in immediately applicable "specialized" elective courses to increase their employment potential. Item level analysis also suggests alumni are neutral regarding raising their MBA program's entrance requirements.

REFERENCES

- Kerlinger, F., & Pedhazur, E. (1973). *Multiple regression in behavioral research*. New York: Holt Rinehart & Winston.
- Lundquist, S. T. Getting Admitted to MBA Programs. <http://www.petersons.com/gradchannel/articles/admit.asp>.
- Pfeffer, J. & Fong, C.T. (2002). The end of business schools? Less success than meets the eye. *Academy of Management Learning and Education*. 1(1) 78-95.
- Richards-Wilson, S. (2002). Changing the way MBA Programs do business - Lead or Languish, *Journal of Education for Business*. May-June 2002, pp. 296-300.
- Trank, C. Q. & Rynes, S. L. (2003). Who moved our cheese? Reclaiming professionalism in business education. *Academy of Management Learning and Education*. 2(2) 189-205.