# ALUMNI ATTITUDES TOWARD PRIVATE AND PUBLIC MBA PROGRAMS: ARE THERE DIFFERENCES?

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#### Abstract

This study compares two different MBA programs, one private and the other public, that are accredited by the AACSB as to their perceived attitudinal orientations. Assessments of alumni of the respective institutions revealed that the public institution possessed greater attitudinal A subsequent analysis of potential discriminators addressed two areas: infrastructure variables and program emphases. The former failed to produce insights other than the fact that part-time MBA students had greater attitudinal favorability in the case of each However, program emphases were perceived as varying between the two institutions with the private institution evidencing greater emphases on five of eleven knowledge and skill variables. However, the research suggests that the traditional theoretical approach of the private institution may have taken away from community adaptation. Additionally, the public program was known for greater responsiveness and was possessive of a stronger MBA alumni association. The research suggests that a study of desired management functions in addition to desirable knowledge and skill areas be a part of future predictor variable sets. In essence, what are the requirements of managers that MBA programs can embellish? The study also suggests that the presence of a strong alumni association may likewise be a predictor of MBA program attitude, as such associations have the potential to bolster employment opportunities.

## Introduction

Research has delved into overall global and specific attitudes of MBA alumni toward their MBA program experience (Van Auken, et. al, 2005; Van Auken, et. al, 2006a, 2006b). The intent of such research is to determine the influencers or predictors of MBA program attitude that shape or mold feelings about a given program. Basically, positive attitudinal orientations among alumni can influence word-of-mouth communication and subsequent program participation. Possible attitudinal influencers could encompass the following: (1) key knowledge and skill dimensions that are actualized by program participation, along with an addressing of the definitive requirements for being an effective manager; (2) MBA program infrastructure variables such as a program's liaisons with corporate recruiters, employer provided financial support, and the nature of student participation (e.g., part-time versus full-time students), among other considerations.

This research thus builds on two studies that have addressed predictors of MBA program attitude. One of these involves a private AACSB accredited MBA program located in New England (Van Auken, et. al, 2006a), while the other uses an urban-based, public, AACSB accredited MBA program located in the Western United States (Van Auken, et. al, 2006b). Both studies assessed MBA program attitudes using semantic-differential based pairs (i.e., global metrics) and through the use of attitudinal statements. As a result of such standardization, both studies may be compared as to global and specific MBA program attitudes, and the comparison can be extended to a litany of predictors. By so doing, a number of queries or research questions become apparent. To illustrate, which of the two MBA programs has a stronger attitudinal perspective: public or private, and are the differences that may be evidenced statistically significant?

Given differences, are there additional variations in the perceptions of alumni between the two institutions as to the emphasis that "should be given" to knowledge and skill variables, as well as the emphasis that "was actually given?" Also are there differences between the two

**Table1:** Attitudinal Differences toward MBA Programs Between Public-and Private-Based MBA Alumni Using Semantic Differential Scales

|                     | Means Scores |         |                     |       |      |
|---------------------|--------------|---------|---------------------|-------|------|
| Global Variables:   |              |         | t                   | sig.  |      |
| Positive Anchors    | Public       | Private | Mean<br>Differences |       |      |
| A good experience   | 5.19         | 4.85    | 0.34                | 1.82  | .05  |
|                     | (1.03)*      | (1.38)  |                     |       |      |
|                     | n=95         | n=81    |                     |       |      |
| Good use of my time | 5.05         | 4.67    | 0.38                | 1.88  | .05  |
|                     | (1.21)       | (1.45)  |                     |       |      |
|                     | n=95         | n=81    |                     |       |      |
| Valuable            | 5.90         | 5.38    | 0.52                | 2.39  | .01  |
|                     | (1.21)       | (1.60)  |                     |       |      |
|                     | n=94         | n=79    |                     |       |      |
| Satisfactory        | 4.93         | 4.52    | 0.41                | 2.08  | .025 |
|                     | (1.07)       | (1.44)  |                     |       |      |
|                     | n=95         | n=80    |                     |       |      |
| Enjoyable           | 5.79         | 5.58    | 0.21                | 1.25  | n.s. |
|                     | (1.01)       | (1.18)  |                     |       |      |
|                     | n=95         | n=80    |                     |       |      |
| Useful              | 5.86         | 5.79    | 0.07                | 0.39  | n.s. |
|                     | (1.23)       | (1.23)  |                     |       |      |
|                     | n=95         | n=80    |                     |       |      |
| Desirable           | 4.71         | 4.32    | 0.39                | 1.76  | .05  |
|                     | (1.31)       | (1.56)  |                     |       |      |
|                     | n=95         | n=82    |                     |       |      |
| Effective           | 5.58         | 5.60    | -0.02               | -0.12 | n.s. |
|                     | (1.11)       | (1.13)  |                     |       |      |
|                     | n-95         | n=80    |                     |       |      |

<sup>\*</sup>Standard deviations are in parenthesis.

programs as to full- versus part-time student enrollment, as well as the extent of employer – provided financial support? Answers to these and other queries may serve to reveal hypotheses for future research with respect to the inherent advantages that a private versus public MBA program or vice-versa might possess. All too often, it is merely assumed that private university MBA programs that are AACSB accredited have alumni that are happier with their MBA program investment (see Van Auken, et. al, 2005) than alumni of public institution-based MBA programs that are accredited by the same organization. This also raises an interesting question, are the alleged esteem needs that are met by private MBA programs more responsible for stronger MBA attitudinal orientations than the alleged self-actualization needs that are met by public institutions?

## The Sample

The comparative analysis involves 82 alumni (26.3% response rate) from a private-based MBA program and 104 alumni (25.0% response rate) from an institution that is publicly based. All alumni were contacted via USPS mail survey. In each case, respondents who completed the survey were asked to separately return a post-card identifying the participant, thus allowing the sending of follow-up reminders to non-respondents. This procedure enhanced the rate of return.

**Table 2:** Attitudinal Differences toward MBA Programs Between Public-and Private-Based MBA Alumni Using Likert Scales

|  | Means Scores    |                |                     |      |      |
|--|-----------------|----------------|---------------------|------|------|
| Specific Variables                               |                 |                | t                   | sig. |      |
|  | Public          | Private        | Mean<br>Differences |      |      |
| My MBA program fulfilled my expectations         | 5.47<br>(1.31)* | 4.95<br>(1.68) | 0.52                | 2.31 | .025 |
|  | n=104           | n=82           |                     |      |      |
| When I compare my total program expenses to the  | 5.77            | 4.96           | 0.81                | 3.60 | .005 |
| quality of my MBA education, I rate the value of | (1.37)          | (1.63)         |                     |      |      |
| ny return on investment as high                  | n=104           | n=82           |                     |      |      |
| am very inclined                                 | 5.61            | 5.11           | 0.50                | 1.96 | .025 |
| to recommend the                                 | (1.48)          | (1.88)         |                     |      |      |
| MBA to a close friend                            | n=104           | n=82           |                     |      |      |

<sup>\*</sup>Standard deviations are in parenthesis.

#### The Instruments

Each questionnaire for the respective sample assessed global MBA attitudes through the use of eight semantic-differential based pairs (e.g., undesirable versus desirable) where the negative anchor was coded as a one and the positive anchor a seven. Three attitudinal statements were also administered to alumni (e.g., My MBA program fulfilled my expectations) using seven-point Likert scales, where Very Strongly Disagree was coded as a one and Very Strongly Agree as a seven. Respondents were also asked to indicate the emphasis that "should have been" given to eleven knowledge and skill variables, where a Very Low Emphasis was coded as a one and a Very High Emphasis as a seven. Additionally, respondents were asked to assess the emphasis that "was given" to the same variables using the same scaling format and anchoring. Finally, assessments were made of part- versus full-time student status and the extent that one's employer provided financial support (total, partial, none), among other considerations.

# **Attitudinal Comparisons**

Since the study is operating in an exploratory sense, no hypotheses were generated. However, conjecture suggests that MBA program attitudes would be stronger for those that are privately-based due to exclusivity and status. For additional insights into program unevenness, see June (2014).

The results of the global MBA program attitudinal assessment contrasting public- and privately-based alumni are presented in Table 1.

As can be seen, five of eight semantic-differential pairs evidenced statistical significance with the alumni of the public MBA institution possessing higher mean attitudinal scores. The strongest t value indicates that the valueless – valuable variable (P = .01) was the most discriminating with public-institution alumni producing a score of 5.90 on the one-to-seven point scale while private alumni scored at the 5.38 level. The lowest significance (P = .05) was attributed to the undesirable-desirable pair, with public alumni scoring 4.71 versus 4.32 for private alumni. The latter scores are just above the scale mid-point of 4.0. Overall, all scores are positive and beyond the scale mid-point.

**Table 3:** Results of Cross-Tabulating MBA Alumni from a Public-Based MBA Program as to Full-time and Part-time Student Status with their Level of Employer Financial Support

|                                  | Financial Support |         |      |  |
|----------------------------------|-------------------|---------|------|--|
| Student<br>Status                | Total             | Partial | None |  |
| Full-time                        | 2                 | 5       | 26   |  |
| Part-time                        | 17                | 30      | 19   |  |
| $X^2 = 22.26 @ 2 d.f., p = .000$ |                   |         |      |  |

A further comparison using three statements and Likert scaling produced the results presented in Table 2.

As can be noted, the public alumni have statistically higher mean scores than those from private institutions on all three attitudinal statements. Again, all scores are beyond the scale mid-point thus confirming the overall favorability evidenced in Table 1. Clearly, public-based MBA alumni have a more positive attitudinal orientation. The results of the two analyses also evidence convergent validation. In essence the use of different approaches for assessing attitudinal orientations results in a constructive replication (Lykken, 1968) and a sounder basis for claiming attitudinal differences.

**Table 4:** Results of Cross-Tabulating MBA Alumni from a Private-Based MBA Program as to Full-time and Part-time Student Status with their Level of Employer Financial Support

| Student<br>Status                   | Financial Support |         |      |  |  |
|-------------------------------------|-------------------|---------|------|--|--|
|                                     | Total             | Partial | None |  |  |
| Full-time                           | 5                 | 1       | 10   |  |  |
| Part-time                           | 22                | 32      | 10   |  |  |
| $X^2 = 17.23$ , @ 2 d.f., $p = .00$ |                   |         |      |  |  |

## **Explaining Differences through Infrastructure Variables**

Our first point of departure for explaining attitudinal differences between the two programs involves a review of each program's respective infrastructures. Table 3 presents the results of assessing *public-based alumni* as to their student status and employer financial support.

As can be seen, there is a statistically significant difference between the two categories ( $X^2 = 22.26 = .00$ ). Overall, the results indicate that full-time students have less proportional financial support.

An analysis of *private-based MBA alumni* as to the same criteria is seen in Table 4. This outcome mimics the results of the public institution ( $X^2 = 17.23$ ; p = .00). Overall, part-time students evidence more employer financial support proportionally than full-time, yet are there differences between the two MBA programs as to student status and employer financial support? Table 5 presents the results of a full- versus part-time student contrast.

**Table 5:** Difference Assessment between Public and Private MBA Program Alumni as to Full-time versus Part-time Student Status

| Student<br>Status               | Private | Public |
|---------------------------------|---------|--------|
| Full-time                       | 16      | 33     |
| Part-time                       | 64      | 66     |
| $X^2 = 23.6 @ 1 d.f., p = .005$ |         |        |

As can be discerned, the public MBA program has a greater proportion of full-time students ( $X^2 = 23.6$ ; p = .005).

This observation may lead one to view full-time students as possessing greater self-efficacy (Bandura, 2011; Pajares, 1996; Zimmerman, et. al, 1992) and a more immediate concern with their future selves (Landau, et. al, 2014; Oyserman, 2007; 2013). If this is the case, perhaps the greater proportionality of full-time students within the public program leads to a more favorable attitudinal orientation.

**Table 6:** Difference Assessment between Public and Private MBA Program Alumni as to Employer Financial Support

|                                 | Private | Public |
|---------------------------------|---------|--------|
| Total support                   | 27      | 19     |
| Partial support                 | 33      | 36     |
| No support                      | 20      | 46     |
| $X^2 = 9.54 @ 2 d.f., p = .001$ |         |        |

Continuing on this theme, a contrast was made between public and private MBA alumni as to the extent of employer provided financial support. The results of this analysis are presented in Table 6.

This table reveals that the alumni of the public institution have proportionately less financial support than private institution alumni ( $X^2 = 9.54$ ; p = .01), thus this result may explain their greater attitudinal orientation through the concept of self-efficacy, or a greater perception of value from having "earned" one's MBA degree. In other words, the MBA program may not be perceived as being gifted to them to the same extent as private alumni and thus there would be a stronger sense of self-actualization. While these results may seem to explain differences or foster hypothesis creation, they are tempered by idiosyncratic studies of each institution which, in each case, reveal that part-time students have stronger attitudinal orientations than full-time (Van Auken, et. al, 2006a; 2006b). The rationale being that part-time students have a more immediate work-related benefit from MBA program participation and thus a more favorable attitudinal orientation toward the program. Also, evaluations of differences within each program (i.e., public and private) revealed that those who had received financial aid from an employer,

Table 7: Difference Assessment as to the Emphasis that was given to Eleven Perceived Knowledge and Skill Areas between Public-and Private-Based MBA Program Alumni

|                                  | Mean Scores |         |             |       |      |
|----------------------------------|-------------|---------|-------------|-------|------|
| Emphasis Variables               | Public      | Private | Mean        | t     | sig. |
| Skills                           |             |         | Differences |       |      |
| Technical preparation            | 3.86        | 3.91    | -0.05       | -0.21 | n.s. |
| (ability to use spreadsheets,    | (1.80)*     | (1.44)  |             |       |      |
| statistical packages, database   | n=100       | n=80    |             |       |      |
| packages, etc.)                  |             |         |             |       |      |
| Ability to work effectively      | 4.99        | 5.23    | -0.24       | -1.11 | n.s. |
| on a team                        | (1.43)      | (1.46)  |             |       |      |
|                                  | n=100       | n=80    |             |       |      |
| Oral communication skills        | 4.64        | 5.10    | -0.46       | -2.23 | .025 |
|                                  | (1.42)      | (1.35)  |             |       |      |
|                                  | n=100       | n=81    |             |       |      |
| Written communication skills     | 4.72        | 5.04    | -0.32       | -1.55 | n.s. |
|                                  | (1.41)      | (1.32)  |             |       |      |
|                                  | n=100       | n=81    |             |       |      |
| Quantitative skills (ability     | 4.59        | 5.11    | -0.52       | -2.65 | .025 |
| to work with numerical data)     | (1.41)      | (1.24)  |             |       |      |
|                                  | n=100       | n=81    |             |       |      |
| Knowledge Based Abilities        |             |         |             |       |      |
| Ability to identify an           | 4.65        | 4.96    | -0.31       | -1.68 | .05  |
| organizational problem           | (1.34)      | (1.16)  |             |       |      |
|                                  | n=99        | n=81    |             |       |      |
| Ability to analyze the           | 4.99        | 4.80    | 0.19        | 2.33  | .01  |
| relationship between             | (1.43)      | (1.17)  |             |       |      |
| organizational variables         | n=99        | n=79    |             |       |      |
| Ability to develop workable      | 4.34        | 4.93    | -0.59       | -3.33 | .005 |
| solutions to organizational      | (1.28)      | (1.08)  |             |       |      |
| problems                         | n=99        | n=80    |             |       |      |
| Ability to communicate           | 4.35        | 4.88    | -0.53       | -2.55 | .01  |
| effectively using the            | (1.45)      | (1.34)  |             |       |      |
| language of business             | n=100       | n=80    |             |       |      |
| Knowledge-Based Understandings   |             |         |             |       |      |
| Understanding concepts of        | 4.94        | 4.94    | 0.00        | 0.00  | n.s. |
| the functional areas of business | (1.35)      | (1.21)  |             |       |      |
| (e.g., marketing, finance, etc.) | n=100       | n=81    |             |       |      |
| Understanding of how             | 4.58        | 4.84    | -0.26       | -1.30 | n.s. |
| the functional areas             | (1.33)      | (1.35)  |             |       |      |
| of business relate to            | n=100       | n=81    |             |       |      |
| each other                       |             |         |             |       |      |

<sup>\*</sup>Standard deviations are in parenthesis.

versus those who had not, had no impact on attitudinal orientation toward their respective MBA programs. This conclusion was based upon analyzing the three attitudinal statements and four of the semantic-differential pairs as to financial support versus no financial support. Thus, the lesser support from employers among public alumni is not explaining attitudinal orientation.

# **Explaining Differences Using Program Emphases**

In a further attempt to explain attitudinal differences, comparisons were made between the two alumni groups as to the emphasis that "should have been given" to each of eleven knowledge and skill variables. Of the eleven comparisons, only one was statistically different (t = 2.00, p = .01) between the two groups and that referred to the "ability to work effectively on a team" with the private institution scoring higher ( $\bar{x}$  = 6.03) than the public ( $\bar{x}$  = 5.66). However, there was a statistically significant difference as to the emphasis that "was given" on six of the eleven variables with private MBA alumni scoring higher on five of the variables. See Table 7 for these results.

The only variable with a perceived higher emphasis among public-institution alumni was the "ability to analyze the relationship between organizational variables." Overall, these results do not seem to provide insights into the attitudinal differences between the two programs.

# **Future Theorizing**

Given a systematic difference between the two institutions as to attitudinal orientations, as assessed by two different attitudinal instruments, the predictors studied failed to provide compelling insights into why the differences existed. However, it is known that the public institution worked at meeting the needs of managers in its target area. Thus, there may have been parameters external to the eleven knowledge and skill areas selected for study. The fact that the private MBA program had alumni who scored statistically higher on five of the eleven knowledge and skill areas, as to the emphasis given, suggests a more traditional approach to MBA education, while the public MBA program may have been more adapted to its region. In an effort to demonstrate the type of variables that may be more informative as to differences, Table 8 has been created to show GMAC's (2013) new assessment areas as to what is important for corporate recruiters.

As can be seen, the table evidences six key management functions, four knowledge groups and eight skill areas. The fact that the current study did not evidence the six management functions may have missed a key grouping of variables for explaining attitudinal orientations. Traditionally, MBA programs have focused on knowledge and skill areas and not management functions (Rubin and Dierdorff, 2009). The fact that the private MBA program focused more on theory, while the public institution denoted a community response to MBA education, may have impacted perception of value. Basically, the public institution may have been more responsive. Further, the presence of a stronger alumni association on the part of the public institution could have also been a contributor to attitudinal favorableness.

# **Study Issues**

These observations may be further clouded when it is considered that there are public MBA programs (e.g., the University of Michigan) that meet esteem needs and that are theory based, while there are private institutions (e.g., SMU) that are business community responsive and may foster self-actualization. Still, the typical stereotype among the vast numbers of MBA programs is that the private university is more expensive, prestigious, and serves to meet the esteem needs of program participants, while public MBA programs are less expensive, more practical,

## Table 8

GMAC's latest corporate recruiter structure: assessment of importance.

## Six key management functions

Managing human capital

Managing tasks and technology

Managing decision-making processes

Managing administrative initiatives

Managing strategy and innovation

Managing the task environment

# Four knowledge requirement groups

Knowledge of technology, product design and, production

Knowledge of human behavior and society

Knowledge of general business functions

Knowledge of media communications and delivery

#### Eight skill areas

Interpersonal skills

Operational skills

Strategic and systemic skills

Foundation skills

Learning, motivation, and leadership

Interpersonal orientation

Conscientiousness

Generation thinking

Source: GMAC (2013)

and serve to meet self-actualization needs of participants through an improvement in one's on the job performance and a furthering of one's career (Wiese, 1994). Uniquely, both private and public MBA programs should perform equally well in the addressing of the personal benefit component (e.g., enhancing one's personal growth) of MBA program participation.

## **Summary and Conclusions**

A comparative study of different MBA programs that are AACSB accredited may shed light on the efficacy of a given program's focus. In this case, an assessment of the attitudinal orientation of alumni toward their MBA program revealed that one program was characterized by more favorableness than the other. It is believed that the resulting analysis of potential discriminators between the two programs is the first one that has sought to explain attitudinal differences between programs.

If key discriminators exist, a greater understanding of how to build MBA-program attitudinal favorableness may result. In turn, the engendered feelings may lead to favorable word-of-mouth communication and should help to bolster MBA program participation. They may also attract resources to further support the program in the areas that drive or influence program attitude. The branding of an MBA program could likewise be enhanced by the inclusion of factors that influence program attitude (Heslop and Nadeau, 2010).

The results of a private- versus public MBA program comparison as to attitudinal differences among alumni produced consistent results through the application of two divergent measurement approaches. These results revealed that the public MBA program possessed a more favorable attitude. Attempts to explain the differences through infrastructure variables (e.g., part- versus full-time student status and the extent of employer provided financial support)

failed to produce insights. Further, an evaluation of eleven knowledge and skill areas showed that the private institution gave more attention to five of the six variables characterized by statistical significances. This was believed to be due to the private programs more traditional emphasis on theory.

However, it was known that the public institution attempted to be more responsive to the business community and was characterized by a stronger alumni association. It is possible that these dimensions may have been the basis for the favorable difference. It is thus suggested that future comparisons assess not only knowledge and skill areas, but also the management functions of Rubin and Dierdorff (2009). Since MBA missions may be idiosyncratic to the region, will unique managerial adaptations that have been deemed deficient help to explain attitudes? Perhaps meaningful adaptations leading to an improvement in one's job performance and a furthering of one's career through alumni association participation would lead to attitudinal bolstering (Lawton and Lundsten, 1998). Thus, an assessment of positioning dimensions may be at the heart of MBA program success. This study will hopefully encourage additional research on the variables that explain program attitude and MBA success.

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