

Promotional Determinants of Business School Retention: A Case Study Approach

Gyongyi Konyu-Fogel
Walsh College

Alan E. Grossnickle
Grace College

The study examined promotional determinants of curriculum components and faculty role in business and entrepreneurial leadership programs. Program concentrations, major degree options, and faculty interactions with students were found as the most important attributes of business school retention. The recommendations may assist business schools to improve student retention and satisfaction.

INTRODUCTION

Intense competition has made student attrition a concern for colleges and universities. Attrition is costly and generates considerable concerns for educational institutions (Tinto, 1993). This is especially true for small schools that do not have huge endowments, and must depend on tuition and fees to support programming. The loss of students has a detrimental impact upon budgeting as the costs involved in recruiting new students is higher than the cost to retain existing students (Braunstein, Lesser, & Pescatrice, 2006). Many universities are looking for ways to differentiate from the competition by offering creative programs that meet the needs and wants of students. Business schools must recognize and furnish what is important to college students (Elliott & Shin, 2002).

Research indicates that schools must identify determinants that will provide higher levels of satisfaction in course programming, curriculum components, and interaction with professors. According to Letcher and Neves (2010), a high level of emphasis on achieving student satisfaction implies that universities, as other service providers, place an increasing emphasis on satisfying student needs and wants to remain competitive.

The purpose of the study is to identify promotional determinants which may result in higher levels of student satisfaction leading to improved retention. A case study approach is used to examine closely the relationship between determining factors of business school retention. The study is aimed to evaluate intangible factors that are likely to impact student satisfaction, recruiting and fundraising, and student retention that may positively affect student outcomes at business schools.

The study was conducted at the School of Business of a Midwest University. One of the unique options at the school is the Entrepreneurial Program with Integrative Cooperatives (EPIC). This program places high achieving students directly into a co-op program starting the sophomore summer and through graduation. The following business program offerings were evaluated in the study: Bachelor of Business Administration (traditional), Bachelor of Administration (EPIC), Bachelor of Science in Accounting

(traditional, and Bachelor of Science in Accounting (EPIC). The average GPA's of the students is in the 3.75 or greater range with specific orientation classes and a lab class that corresponds to the co-op program. Students in the traditional programs have a two semester internship which is required for graduation. Except for the lab and orientation classes, students from both programs are in the same classes. At the present time, there are two majors, business and accounting, and three minors, business, accounting, and marketing. The marketing minor was recently added to benefit other schools within the University as well as students enrolled in the School of Business.

LITERATURE REVIEW

Colleges and universities are faced with a declining enrollment of high school students (Marcus, 1989). Extreme attrition produces major problems for both students and colleges and universities (Tinto, 1993). The pool of high school students continues to decline as evidenced in a study conducted by a research firm for the University of Saint Francis (Noel-Levitz, 2011). This study further indicates the University is at the national average for first-to-second year retention rates; however, the third year retention rates indicate steep declines. These trends regarding persistence and completion are alarming, and indicate the need for intervention programs.

Higher educational institutions need to think outside of the box regarding strategies which will drive students to enroll at schools: however, more importantly, retain these students once enrolled at these institutions (Marcus, 1989). It is more costly for schools to recruit and enroll students rather than retain students in existing programs (Braunstein et al., 2006). Schools are becoming more aware of the importance of increasing student satisfaction as a method to improve student retention. One method that has been found is the use of student satisfaction questionnaires or surveys to find information that can help institutions to measure how schools are performing (Shurden & Santandreur, 2005). This indicates that students are customers. Therefore, universities must stress the importance of customer relationship management. Shurden and Santandreur (2005) suggest that students must be listened to, and that schools need to discern what is important to these customers. This means that schools must search for determinants that will keep these customers satisfied for long-term growth and future success.

Elliott and Shin (2002) found that single answer questions may not be a good way to survey students, and suggest that multiple-attribute satisfaction questions would be a better way to measure. A simple yes or no answer is not effective as single answer questions fail to measure quality and educational attributes. Research suggests that students must take control of the college experience by getting involved in career planning, joining campus organizations, developing internships, and providing service to the community (Letcher & Neves, 2010). The authors further suggest that instructors need to help students gain self-confidence as well as providing a valuable educational experience and a solid learning environment.

According to Giese and Cote (2000), there is no single definition of customer satisfaction. They suggest that satisfaction can be explained best as a response to an evaluation process noting that problems occur when selecting a definition and comparing results when "operationalizing" the definition. Therefore, organizations must use care tailoring the survey specifically to the type of customer satisfaction questions which can be customized for particular needs (Belch & Belch, 2009). Other studies suggest there is a relationship between variables relating to the students' goal achievement and social integration into academic life (Wetzel, O'Toole, & Peterson, 1999). Academic and social factors appeared to be the most important reason for persisting to graduation. Wetzel et al., (1999) found that progress in academic work measured by GPA and hours attempted and earned guided the attrition/retention decision. Colleges and universities should track the reasons for attrition and identify students who may be at risk in the first year of college (Moller-Wong, Shelley, & Ebbers, 1999). This can allow schools to intervene early in the process to reduce the attrition and put in to pace retention initiatives.

Many schools use assessment tests for the purposes of gathering opinions and making decisions relating to retention opportunities. In this case, information is tested regarding how well students perform on examinations relating to the business core. These researchers conclude that assessment is used for accreditation measures; however, the ultimate result is continuous improvement in student learning

outcomes (Callahan, Strandholm, & Dziekan, 2010). Coupled with assessment are the results of student ratings on course evaluations. This research indicates that regardless if students rate a course high or low is not necessarily a predictor of retention success. Students who score high or low basically want better courses in the future and are not satisfied (Langbein & Snider, 1999). The authors suggest that these findings clearly indicate that caution should be exercised when using course evaluations for personnel reviews. For example, when performance reviews are used for the purposes of making promotion and tenure decisions. Another retention concern can be the issue of gender imbalance.

Falkenberg (2003) claims that historically the male-female ratios in business schools are not balanced, and suggests that “the percentage of female undergraduates is double that of female faculty” (p. 175). This research took place in Norway, and the research question focuses on retention and ‘organizational attachment’ relating to gender imbalance (Falkenberg, 2003). Gerdes and Mallinckrodt (1994) surveyed students before enrollment regarding their expectations and then followed up six years later to discern college success or failure. The authors found that social adjustment was as good as or better than academic adjustment matters regarding prediction of attrition, and suggest that the problem is a combination of emotional, social, and academic issues. Roberts and Styron (2010) note that being connected socially is an important predictor of students who do persist and further suggest that satisfaction and involvement may be low. Reinstein and Garr (1995) recommend that colleges and universities should consider creative and innovative programs to further retention and slow the decline in enrollment. The authors suggest establishing advisory boards from industry to help foster better relationships with stakeholders. These initiatives may include career days, open houses, and an information center to get the message out about departmental goals and objectives. These outreach programs had a positive effect on increasing growth in accounting majors (Reinstein & Garr, 1995).

Helgesen (2008) found that customer relationship management programs provide value to the student in establishing needs and wants. The author suggests that student satisfaction surveys should be done to assess the value proposition offered to students. In this way, decisions can be made relative to what delivers value to students. Helgesen (2008) also found that customer relationship management leading toward better retention is more important than acquiring the students from the beginning. Thus, student retention has become an important consideration for colleges and universities when offering higher education. The value proposition should match student needs by identifying key success factors (Helgesen, 2008).

Entrepreneurship education is another factor for business schools to consider. Many students are interested in some day starting a business which fulfills the dream of business ownership (Levenburg, Lane, & Schwartz, 2006). The authors suggest that more academic majors should be considered as one way to expand and promote student dreams about business ownership. This includes creative curricula that reach out to students from other academic disciplines to take courses as electives or possibly minor in business programs (Levenburg et al., 2006). Neck and Greene (2011) note that entrepreneurial education is important because it offers real world experiences. Students gain invaluable practical and entrepreneurial skills which will be helpful even when working for large companies. Employers are interested in hiring students who possess these practical skills, and who are able to contribute immediately to the company mission. Entrepreneurial programs generally promote out-of-box thinking, creativity and innovation.

RESEARCH METHODS

This study used an exploratory research method to ascertain promotional determinants that may improve retention at the School of Business at a Midwest University. Primary data were collected using a questionnaire aimed at students in business classes at the university. Traditional undergraduate students, age 18 to 21, were asked to complete a two-page questionnaire at the conclusion of each class beginning the week of March 21, 2011 and ending the week of April 11, 2011. The questionnaire consisted of two sections: (1) First, participants were asked about their preferences for program concentrations, majors, and degree offerings. (2) Next, respondents were asked about their perceptions of professoriate

involvement and other reasons of their interest in the School of Business. From a total of 173 undergraduate students enrolled in the school, 128 students responded.

The questionnaire asked students to check class rank, gender, and GPA for quantifying the responses with questions specifically asking about what would encourage students to more likely stay or remain at the School of Business. Questions asked students about specific concentrations in marketing, finance, entrepreneurship, non-profit management, and management information systems. A 1-5 point Likert scale was utilized for all questions where the student could mark responses to questions relevant to concentrations. This also included questions on student preferences regarding the addition of more majors in business. The final portion of this section of the survey involved adding degree offerings in finance, marketing, entrepreneurship, and general business management.

Several questions were related to the professor's involvement, mentorship, advising, qualifications, and assistance with job placement and graduate school. The survey also asked participants about "other factors" that were deemed important for retention such as business school accreditation, student clubs, athletics, and overseas travel. The objective of the study was to obtain feedback about promotional determinants that are likely to cause students to want to persist in completing their studies at the School of Business. The following 5 hypotheses were examined:

H₁ There is a difference in perceptions of students with GPA's of 3.0 or greater and a 2.9 or less with regard to real world experience.

H₂ There is a difference in perceptions of students with GPA's of 3.0 or greater and a 2.9 or less with regard to added majors in business.

H₃ There is a difference in perceptions of students with GPA's of 3.0 or greater and a 2.9 or less with regard to professor assistance with jobs/placement.

H₄ There is a difference in perceptions of students with GPA's of 3.0 or greater and a 2.9 or less with regard to an accredited business school.

H₅ There is a difference in perceptions of students with GPA's of 3.0 or greater and a 2.9 or less with regard to area specific concentrations.

DATA ANALYSIS

To identify promotional determinants that may help the School of Business attract and retain high quality students, the study examined variables that were reported in previous research as influencing and retaining students to persist through graduation.

Data analysis included descriptive statistics and inferential statistics using the SPSS statistical software. For comparative purposes, the data were divided into seven categories: promotional determinants, professor interaction, added majors, business concentrations, degree offerings, administrative, and other factors. Data analysis also included examining the difference between the perceptions and attitudes of promotional determinants of high achieving students, those with GPA's of 3.0 and higher, compared to that of the students with GPA's of 2.9 or less.

Promotional Determinants

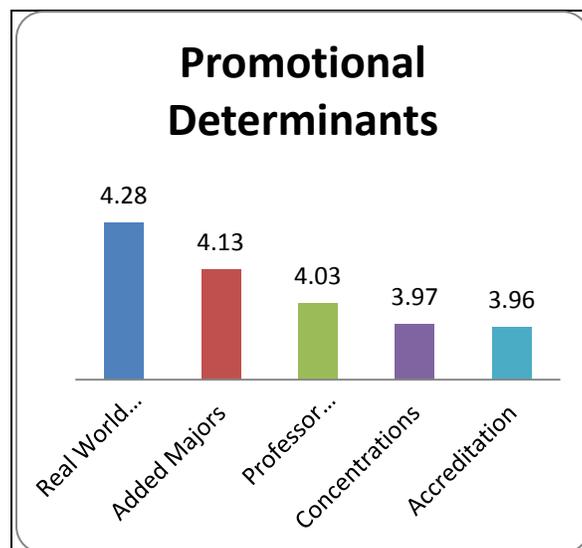
Students scored the highest on the following five questions listed in order of the most important variable: (1) Professors with real world experience, (2) Added majors in business, (3) Professor assistance with jobs/placement, (4) Area specific concentrations, and (5) An accredited business school. As shown in Figure 1, the mean scores for these five questions were respectively, 4.28, 4.13, 4.03, 3.97 and 3.96. The questions were further analyzed using inferential statistics to determine if there were any differences, (equal variances assumed or not assumed), comparing the mean scores of the two different groups of

students, in this case GPA's of 3.0 or greater or 2.9 or less. It was found according to a t-test done on all five questions, the value for all five questions was greater than $p=.05$. Therefore, equal variances were assumed, and there was no significant difference between the two groups.

The next procedure was to test the null and alternative hypotheses. The results indicate that in each instance, the null hypothesis is accepted. Students feel that the promotional determinants are the most important regardless of GPA in wanting to stay at the University.

Figure 1 shows the ratings on the five highest rated factors of promotional determinants of business school retention as perceived by the respondents.

FIGURE 1
TYPES OF PROMOTIONAL DETERMINANTS OF BUSINESS SCHOOL RETENTION

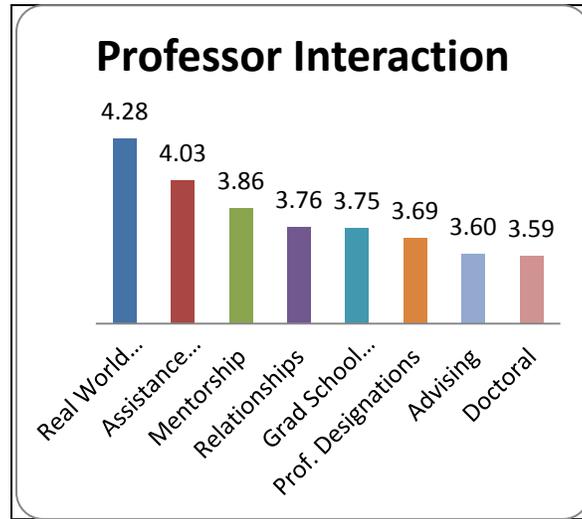


Figures 2-7 show the analysis of the respondents' perceptions on each of the promotional determinants of business school retention examined in the study.

Professor Interaction

The strongest ranking of determinants by students was "interaction with professors." Students ranked professors with real world experience and professor assistance with jobs/placement 4.28 and 4.03 respectively on the Likert scale. The least important determinant was doctoral qualified professors with a score of 3.59 (Figure 2).

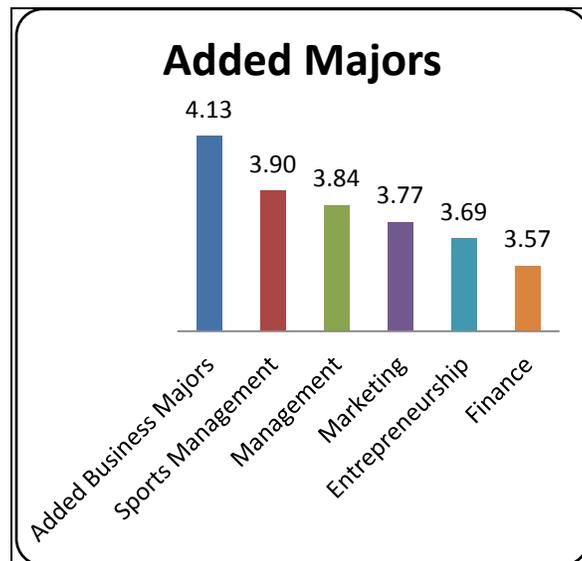
FIGURE 2
PROFESSOR INTERACTION AS PROMOTIONAL DETERMINANTS OF BUSINESS SCHOOL RETENTION



Added Majors

Next in importance, were “added majors in business,” with sports management and a score of 3.90 as the most important determinant (Figure 3).

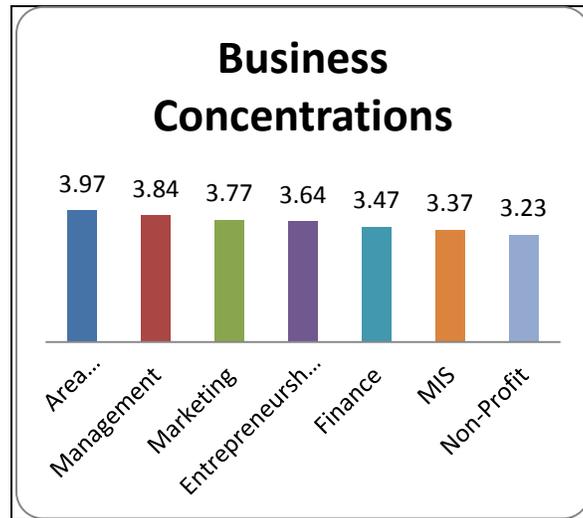
FIGURE 3
BUSINESS MAJORS AS PROMOTIONAL DETERMINANTS OF BUSINESS SCHOOL RETENTION



Business Concentrations

Management and marketing, with scores of 3.84 and 3.77, were the most important determinants for area specific concentrations, with a very low student interest in finance, management information systems, and non-profit management (Figure 4).

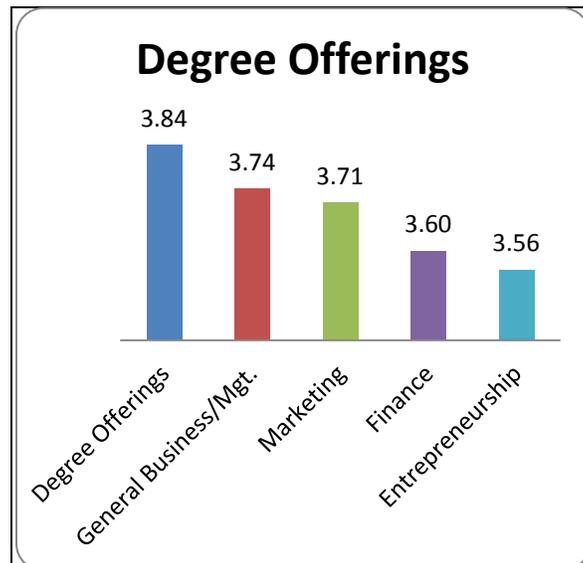
FIGURE 4
BUSINESS CONCENTRATIONS AS PROMOTIONAL DETERMINANTS OF BUSINESS SCHOOL RETENTION



Added Degree Offerings

“Added degree offerings” did not appear to have a huge impact on students. These scores were 3.74 for general business/management to 3.56 for entrepreneurship (Figure 5).

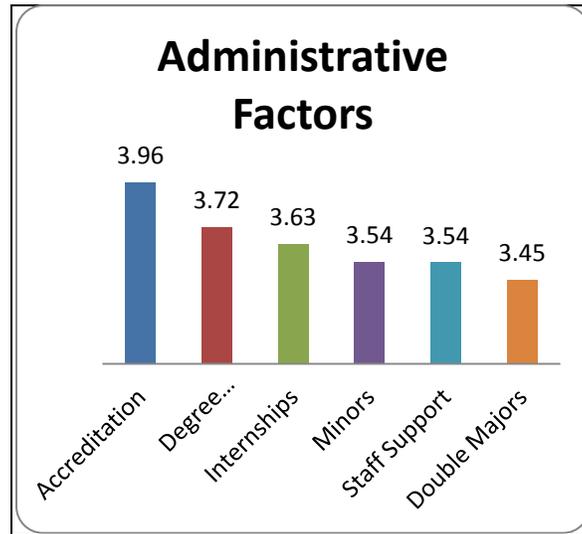
FIGURE 5
DEGREE OFFERINGS AS PROMOTIONAL DETERMINANTS OF BUSINESS SCHOOL RETENTION



Administrative Factors

Regarding “administrative factors,” an accredited business school was the most important determinant with a score of 3.96 (Figure 6).

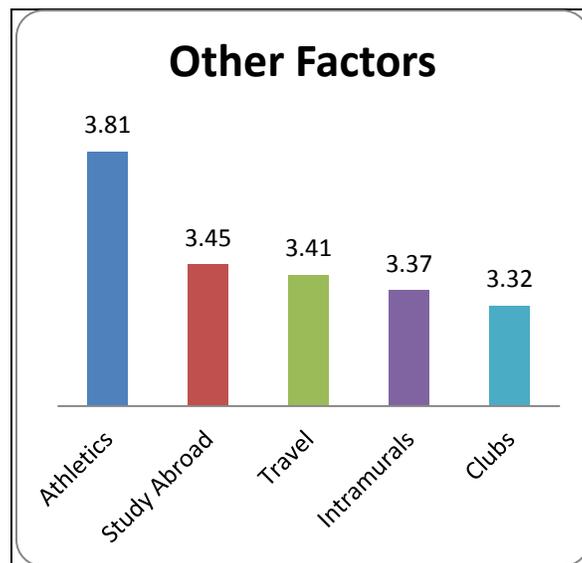
FIGURE 6
ADMINISTRATIVE FACTORS OF PROMOTIONAL DETERMINANTS OF BUSINESS SCHOOL RETENTION



Other Factors

“Available athletics” with a score of 3.81 was the most important determinant with other factors while the other determinants in this category were ranked lower (Figure 7).

FIGURE 7
OTHER FACTORS OF PROMOTIONAL DETERMINANTS OF BUSINESS SCHOOL RETENTION



The results indicate that the most important determinant is that students want professors with real world experience. This suggests that students want professors who have past-industry experience, and who can bring real life and practical examples into the classroom. The application of the real world must be coupled with theoretical concepts that are important for developing critical thinking and problem solving. The second most important determinant found is “added majors.” This suggests that students want more program choices. The two most popular majors were sports management and management. Marketing and entrepreneurship were the next most important followed by finance.

The results also suggest that students want assistance with jobs and placement. Job prospects have become much more competitive due to the recent economic downturn. The next important determinant was area specific concentrations. The most important concentration to students was management, followed in order by marketing, entrepreneurship, and finance. The lowest ranked determinants for concentrations were management information systems and non-profit management. The results also suggest that students are interested in a business school that is accredited.

The least favorable determinants found were business clubs: Accounting Club and Students in Free Enterprise. Travel was ranked as a low priority for students and thus not an important determinant even though the business school offers these opportunities. For example, last year the trip was to Brazil to study green technology, and the planned trip for this year is to Europe to study businesses. Students did not feel that intramural athletics was an important determinant; however participation in available athletics was important. Regarding added degree offerings, it was indicated that marketing and general business/management were the most important degrees according to students.

CONCLUSION

The students’ interest in professors with real world experience seems to compliment what the business school has felt is important with the recent interviewing and hiring initiatives. Most of the current professors have extensive real world experience with corporations, government, or company ownership. Based on this, the school should ensure that faculty have real-world experience to better serve the students. As a high percentage of undergraduates are student athletes which may offer a reason for the student interest in sports management as an added major. Management was the second added major in terms of student importance followed by marketing and entrepreneurship. The low score in finance is understandable in a small business school as this major may be more rigorous or intense. This need may be currently met by the accounting degree. The impact of adding additional degrees did not appear to be of significant importance to students. The School may want to consider offering a combination of degree and concentration programs which could help satisfy the need for more options.

Professors with real world experience should have contacts to assist students seeking jobs. Traditional business or accounting students are required to have at least two semesters of internships which will help students to gain experience and hopefully be more employable after graduation. The goal is to give students the real world experience that many employers are looking for when hiring students’ right out of college. This program gives the EPIC students a competitive advantage versus other students from the School of Business or other competing schools. Professors will need to continue playing an active role in the success of assisting students with job placement.

Area specific concentrations are another important determinant to students. It may be possible for the school to consider a combination of added majors and concentrations rather than adding each. This may be an area for further research to establish the right combination of majors and concentrations to fulfill these promotional determinants. Higher levels of satisfaction could be accomplished by offering a more detailed survey to get a better understanding of student’s perceptions. Focus groups surveys and meetings with Business Advisory Board members and local organizations may provide input and generate dialog regarding promotional determinants that are important in student retention. Ongoing communications are helpful to cement relationships with faculty by letting students know that the Business School is interested in feedback to improve student retention. These recommendations can help the School of

Business create a sustained competitive advantage, grow enrollment, and most importantly provide an atmosphere where students want to persist through graduation.

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